



# REPORT

To: ONE Joint Investment Board  
 From: Keith Taylor, Chief Investment Officer, ONE Investment  
 Date: September 6, 2023  
 Re: Whitby and Innisfil - Investment Plan Implementation Update  
 Report: ONE JIB 2023-037

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## 1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

## 2. SUMMARY

Investment Plans for four municipalities were approved by the ONE JIB on June 1, 2023. These were for the Town of Huntsville, the Town of Innisfil, the City of Thunder Bay, and The Town of Whitby. Due to only minor changes in the investment allocations in the Investment Plans, no trading was required to implement changes for Thunder Bay or Huntsville’s Investment Plans, but trades were initiated to reflect changes in Whitby and Innisfil’s Investment Plans.

## 3. BACKGROUND

Innisfil’s Investment Plan update included a \$5 million MNRI contribution that was allocated to the Target Date 3 to 5 Year Outcome

Innisfil contributed \$5 million of additional MNRI. The Town anticipates that this amount may need to be drawn down within five years. This contribution was allocated to the Target Date 3-5 Year Outcome to match the investment horizon of the MNRI contribution. As Innisfil previously did not have an allocation in this outcome, the arriving MNRI was invested in line with the target weights of the Outcome. No other trading was required to implement Innisfil’s Investment Plan. The changes are outlined in Table 1 below:

*Table 1- Changes in Innisfil’s Investment Plan*

<b>Outcome</b>	<b>Allocation (March 31, 2023) (\$)</b>	<b>Plan Changes</b>	<b>Allocation After Contribution (\$)</b>
Contingency	\$ 17,411,204	-	\$ 17,411,204
Target Date 3-5 Years		\$ 5,000,000	5,000,000
Target Date 5-10 Years	26,133,300	-	26,133,300
<b>Total</b>	<b>\$ 43,544,503</b>	<b>\$ 5,000,000</b>	<b>\$ 48,544,503</b>

Whitby's Investment Plan update did not involve contributions or withdrawals of MNRI, but the changes in the investment horizon of municipal reserves required a redistribution of MNRI between Outcomes.

The annual review of municipal reserves and anticipated cashflows resulted in changes in the allocations of MNRI across the Outcomes. Collectively, these changes led to a \$17.9 million increase in the Target Date 3-5 Year Outcome and a reduction of allocations to outcomes with longer investment horizons. These shifts are aligned with the Town's current capital forecasts. The changes are shown in Table 2 below.

*Table 2 - Changes in Whitby's Investment Plan*

<b>Outcome</b>	<b>Allocation (March 31, 2023) (\$)</b>	<b>Plan Changes (rounded)</b>
Cash	\$ 10,262,342	-
Contingency	11,400,000	+ \$ 850,000
Asset Mgmt Reserves	14,100,000	- 6,300,000
Target Date 3-5 Years	66,600,000	+ 17,900,000
Target Date 5-10 Years	42,000,000	- 6,900,000
Target Date 10+ Years	26,700,000	- 5,550,000
<b>Total</b>	<b>\$ 171,062,342</b>	<b>-</b>

#### 4. ANALYSIS

All transactions to implement the trades were completed seamlessly and restored allocation weight back to target weights

The trades to implement the changes to the Investment Plans were completed on June 20, 2023, and included a total of 32 transactions in ONE Investment funds and ONE HISA. The trades for Whitby were designed to help rebalance the Outcomes back towards the target weight for each Outcome. Some of the Outcomes had reached rebalancing thresholds during the April 15th semi-annual rebalancing review, but rebalancing was deferred so it could be done concurrently with these trades. As Innisfil previously had no holdings in the Target Date 3-5 Year Outcome, these initial trades for the Outcome were allocated at the target weights.

#### 5. CONCLUSION

No trading was required for Thunder Bay or Huntsville's Investment Plan, but trades were required for Whitby and Innisfil. The trading for these two municipalities was completed on June 20, 2023. The trading was completed successfully and restored allocation weights to target weights for the relevant outcomes for Whitby and Innisfil.

Drafted by: Keith Taylor, Chief Investment Officer, ONE Investment

Approved by: Judy Dezell and Donna Herridge, Co-presidents/CEOs, ONE Investment