

[NAME OF MUNICIPALITY]

Investment Plan

Date: **[INSERT DATE]**

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1. Definitions

Definitions applicable to this Investment Plan, can be found on the ONE Investment webpage under Education & Training / Glossary.

2. Purpose of Investment Plan

As required under the prudent investor regime authorized by the *Municipal Act, 2001* (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (*Plan*) establishes how ONE JIB will invest the Municipality's Long-Term Money as defined in section 5.2 of the Municipality's Investment Policy Statement (*IPS*) and the Municipality's investments that it determined would not be required immediately (In-Kind securities) and must therefore be given to ONE JIB on the Prudent Effective Date.

This Plan applies to all investments that are controlled and managed by ONE JIB on behalf of the Municipality.

3. Responsibility for Plan

This Plan is the responsibility of ONE JIB, which has authorized its agent ONE Investment to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports and regular reviews to monitor compliance with the Act, the Regulation and the Municipality's IPS.

4. Investment Goals and Objectives

The Municipality's investment needs described in its IPS provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer, informs ONE JIB about the Municipality's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined according to the Outcome Framework approved and annually reviewed by ONE JIB in accordance with the *ONE JIB Outcome Framework Policy*. The allocation of the Municipality's Long-Term Money in this Plan is consistent with the details as disclosed in the Municipality's IPS and MCQ.

[INSERT BRIEF SUMMARY OF IPS GOALS AND OBJECTIVES HERE]

[SAMPLE TEXT -

The Long-Term Money will be invested to generate returns for any or all of the following results:

- a. Funding contingencies, where returns are reinvested with a view to growing principal over the long-term for large withdrawals in unpredictable situations;
- b. Creating stable returns, where principal is maintained and a reliable stream of returns may be available to spend as/if needed; and,
- c. Funding target date projects, where the Municipality has an obligation for a specific project at a specific time.

While individually the Municipality's reserve and reserve funds require liquidity, collectively they provide the Municipality with considerable flexibility that should allow some exposure to less liquid investments as/if needed. This is more relevant for reserve and reserve funds with longer investment horizons. However, at present all ONE Prudent Investment Program funds are designed to be highly liquid. Less liquid investments may become available through the program at a later date.

5. Investment Portfolio

5.1 Asset Allocations

Asset allocations for each Outcome are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of Long-Term Money must be communicated to ONE JIB formally as outlined in the *ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy*.

5.2 Account Structure

The amounts of Long-Term Money, as disclosed in the Municipality's updated MCQ have been allocated into investment Outcome categories as shown in *Table 1* below.

Table 1 - Investment Allocations by Outcomes Categories as of MONTH XX, 20XX

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	0	0.0
Stable Returns	0	0.0
Asset Management Reserves	0	0.0
Contingency	0	0.0
Target Date 3-5 Years	0	0.0
Target Date 5-10 Years	0	0.0
Target Date 10+ Years	0	0.0
Overall	0	0.0

* The amounts in this table are representative of the information contained in the MCQ. The values are based on the market value of Long-Term Money on Month XX, 20XX. The Investment Plan will be implemented based on the allocation weights in Table 1.

Mixes of ONE Prudent Investment Program funds and products appropriate for the Municipality's circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are described in the *ONE JIB Outcome Framework Policy*.

The target weight for each Outcome Investment Allocation are shown in Tables 2 to 8, and the Total Long-Term Money by Investment Allocation (as of MONTH XX, 20XX) is shown in Table 9 below.

Table 2 – Cash Outcome Investment Allocations

Allocation	Target Weight (%)
Fixed Income	100.0
ONE Canadian Government Bond Fund	
Total	100.0

Table 3 – Stable Return Outcome Investment Allocations

Allocation	Target Weight (%)
Equity	30.0
ONE Canadian Government Bond Fund	9.0
ONE Global Equity Fund	21.0
Fixed Income	70.0
ONE Canadian Government Bond Fund	19.0
ONE Canadian Corporate Bond Fund	9.0
ONE Global Bond Fund	42.0
Total	100.0

Table 4 – Contingency Outcome Investment Allocations

Allocation	Target Weight (%)
Equity	60.0
ONE Canadian Government Bond Fund	18.0
ONE Global Equity Fund	42.0
Fixed Income	40.0
ONE Canadian Government Bond Fund	6.0
ONE Canadian Corporate Bond Fund	6.0
ONE Global Bond Fund	28.0
Total	100.0

Table 5 – Asset Management Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	90.0
ONE Canadian Government Bond Fund	27.0
ONE Global Equity Fund	63.0
Fixed Income	10.0
ONE Canadian Government Bond Fund	1.5
ONE Canadian Corporate Bond Fund	1.5
ONE Global Bond Fund	7.0
Total	100.0

Table 6 – Target Date 3-5 Year Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	10.0
ONE Canadian Government Bond Fund	3.0
ONE Global Equity Fund	7.0
Fixed Income	90.0
ONE Canadian Government Bond Fund	30.5
ONE Canadian Corporate Bond Fund	10.5
ONE Global Bond Fund	49.0
Total	100.0

Table 7 – Target Date 5-10 Year Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	50.0
ONE Canadian Government Bond Fund	15.0
ONE Global Equity Fund	35.0
Fixed Income	50.0
ONE Canadian Government Bond Fund	7.5
ONE Canadian Corporate Bond Fund	7.5
ONE Global Bond Fund	35.0
Total	100.0

Table 8 – Target Date 10+ Year Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	75.0
ONE Canadian Government Bond Fund	22.5
ONE Global Equity Fund	52.5
Fixed Income	25.0
ONE Canadian Government Bond Fund	3.75
ONE Canadian Corporate Bond Fund	3.75

Allocation	Target Weight (\$)
ONE Global Bond Fund	17.5
Total	100.0

Table 9 – Total Long-Term Money by Investment Allocations as of MONTH XX, 20XX

Allocation	Allocation (\$)	Allocation Weight (%)
Equity	0	0.0
ONE Canadian Government Bond Fund	0	0.0
ONE Global Equity Fund	0	0.0
Fixed Income	0	0.0
ONE Canadian Government Bond Fund	0	0.0
ONE Canadian Corporate Bond Fund	0	0.0
ONE Global Bond Fund	0	0.0
Total	0	100.0

5.3 In-Kind Securities (in transition)

SAMPLE A – Does not apply

SAMPLE B - The Municipality's Long-Term Money includes Principal Protected Notes valued at approximately \$6M which are under the control and management of ONE JIB (refer to section 7.2 for more details on the transition plan). These investments are intended to be held until maturity; at which time the cash proceeds are to be invested in the Outcomes. In the event that these notes are not held until maturity the cash proceeds will be invested in the Target Date 3-5 Year Outcome, or as directed by the Treasurer at that time. These Principal Protected Notes are expected to mature in YYYY.

5.4 Other Accounts

The Municipality has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE JIB Outcome Framework Policy
- ONE Distribution Policy PI
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)

- ONE JIB Rebalancing Policy
- ONE Currency Hedging Policy PI
- ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may be subject to securities lending if their policies permit such lending.

6.3 Derivatives

ONE JIB does not intend that derivative be used in the investment of Long-Term Money for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

This Plan's asset allocations will be monitored and rebalanced by ONE Investment in accordance with the *ONE JIB Rebalancing Policy*.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, [except for Municipally-owned securities of Local Distribution Corporations] shall be held for safekeeping by ONE Investment's Custodian. [Additionally, In-Kind securities will be under the control and management of ONE JIB but may be held for safekeeping by a custodian acceptable to ONE JIB.]

7.2 Transition Plan (including transitional investments)

SAMPLE A – This section does not apply

SAMPLE B – In order to invest through ONE JIB, the Municipality will need to liquidate certain legal list investments which will be used to fund the contribution of Long-Term Money to ONE JIB on or shortly after the Prudent Effective Date. In-Kind securities (in transition) are also referenced in *section 5.3*. A transition plan has been prepared to guide the orderly transition of the Municipality's In-Kind securities into the ONE Prudent Investment Program. Please see *Appendix A* for details of the Municipality's transition plan.

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

Income from investments will be automatically reinvested as per the *ONE Distribution Policy PI* and cashflow needs of the Municipality are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to the Municipality are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

b. Anticipated mid-year cashflow requests

SAMPLE A - The Municipality anticipates a need to drawdown money in the third quarter of 2022 in preparation to retire maturing municipal debts. The Treasurer anticipates that approximately \$10 million will be drawn down from Long-Term Money at that time. It is recommended that such money be drawn down from the Target Date 3-5 Year Outcome as needed to facilitate this expected cashflow request

SAMPLE B - The Municipality has not disclosed any known mid year cashflow needs

c. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from the Municipality that involves a withdrawal of Long-Term Money, the Chief Investment Officer will process the request in accordance with the *ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy*.