



# REPORT

To: ONE Joint Investment Board  
From: Keith Taylor, Chief Investment Officer, ONE Investment  
Date: February 28, 2024  
Re: Municipality of Neebing's Investment Plan 2024  
Report: ONE JIB 2024-007

---

## 1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Municipality of Neebing's Investment Policy Statement (Attachment 1).
2. Receive the Municipality of Neebing's Municipal Client Questionnaire (Attachment 2).
3. Approve the Municipality of Neebing's proposed Investment Plan (Attachment 3).

## 2. SUMMARY

The Municipality of Neebing has updated its Municipal Client Questionnaire (MCQ), which provides information on its MNRI and the investment horizons associated with its reserve balances. The MCQ indicates that there are only minor changes in the investment horizon associated with the Municipality's MNRI from the previous year, and the Municipality continues to have a very long investment horizon.

The Municipality will not be contributing or withdrawing MNRI this year, but the reserve mapping indicated that a drawdown of \$200,000 is likely in 2025. The investment allocations in the proposed Investment Plan remain similar to last year's plan, and no trading will be required to implement this year's updated Investment Plan. Equity allocations in the updated Investment Plan will be 52.1%. The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes, are presented below:

ONE Investment Funds	Total Invested (\$)	Portfolio Weight (%)
ONE Canadian Equity Fund	\$ 410,263	15.6
ONE Global Equity Fund	957,281	36.5
ONE Canadian Government Bond Fund	431,011	16.4
ONE Canadian Corporate Bond Fund	145,922	5.6
ONE Global Bond Fund	680,969	25.9
Total	\$ 2,625,447	100.0

### 3. BACKGROUND

**The Municipality’s annual Investment Policy Statement (IPS) review resulted in no changes to the IPS**

The Municipality completed its annual IPS review on December 20, 2023, making no updates to the wording or content of the IPS. There have been no changes to the ONE JIB IPS template since the Municipality last updated the plan in January 2023, so the recently approved IPS remains consistent with the ONE JIB approved template.

**The Municipality will not be making contributions or withdrawals of MNRI this year, but a drawdown is expected next year.**

The Municipality has approximately \$2.6 million of MNRI invested in the ONE JIB Outcomes and will not be making contributions or withdrawals as part of this Investment Plan update. Section 8 of the Municipality’s MCQ provides detail of the anticipated contributions and withdrawals of MNRI over the next 10 years, which indicates a withdrawal of \$200,000 next year with no other anticipated contributions or withdrawals expected over this horizon. These details are shown in Table 1 below.

*Table 1: Anticipated Cash Flow Projections MNRI by year from table 8 of the MCQ.*

	<b>Next Year</b>	<b>2 years</b>	<b>3 to 5 years</b>	<b>5 to 10 years</b>	<b>Greater than 10 years</b>
Anticipated MNRI Drawdowns	(200,000)	-	-	-	-
Anticipated MNRI Contributions	-	-	-	-	-
Net change in MNRI	(200,000)	-	-	-	-

**The proposed mapping of MNRI into investment outcomes and resulting asset allocation remain substantially unchanged in this Investment Plan update**

The Municipality’s investment horizon, risk tolerances, and investment objectives are largely unchanged from last year’s Investment Plan. The mapping of reserves is also largely unchanged. As a result, there will be no changes to the Municipality’s Investment Plan at this time. The plan allocates \$200,000 to the Cash Outcome, which will be able to address the anticipated drawdown if it is confirmed next year. Table 2 below provides more details on the investment horizon of MNRI, categorized by reserve type.

*Table 1: Anticipated Cash Flow Projections MNRI by year from table 7 of the MCQ.*

Reserve Name or Category	Brief Description or Purpose	Total MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Capital Reserves & Special Projects	Park, Fire Department, Information Tech, Landfill (Future), Roads Department etc.	2,100,000	200,000	400,000	400,000	1,100,000
Contingency Reserves	Forest fighting, Sick Leave, Medical Bursary, Election, OMB Hearings etc	500,000			500,000	
	Total MNRI	2,600,000	200,000	400,000	900,000	1,100,000

#### 4. ANALYSIS

**The mapping to Outcomes and the resulting asset allocation is consistent with the Municipality’s cashflow forecasts, risk tolerances and objectives**

The changes in the Municipality’s MCQ did not result in a significant change in the time horizon of MNRI. A significant portion of the Municipality’s MNRI reflects capital reserves with a long time horizon. Some of the largest of these include capital reserves that are related to funding a landfill site and other reserves that fund spending on roads and fleet.

More than 50% of MNRI will remain invested in Target Date Outcomes with an investment horizon longer than 5 years. A total of \$400,000 of MNRI will be invested in the Target Date 5-to-10-Year Outcome, which has a target equity allocation of 50%. MNRI invested in the Target Date 10+ Year Outcome can assume a higher risk profile due to the longer investment horizon. About \$1.1 million will be invested in this outcome, with a target allocation to equities of 75%.

The overall risk profile remains similar, with an overall allocation to equities of 52.1%, which has drifted modestly higher versus the prior Investment Plan due to the strength in equity markets over the last year. This level of allocation to equities is appropriate considering the Municipality’s needs, circumstances, and risk tolerances.

Mapping the MNRI to outcomes was based on the information provided in the MCQ and discussions with the Treasurer. Asset allocations (Table 3) and fund allocations (Tables 4 and 5) were determined using the ONE JIB's Outcomes Framework.

*Table 3: Proposed Outcome Mapping and Asset Allocation*

Outcome	Total Invested (\$)	Portfolio Weight (%)	Fixed Income (%)	Equities (%)	Total (%)
Cash	\$ 200,000	7.6	100	-	100
Contingency	500,000	19.0	40	60	100
Target Date 3-5 Years	425,447	16.2	90	10	100
Target Date 5-10 Years	400,000	15.2	50	50	100
Target Date 10+ Years	1,100,000	41.9	25	75	100
Total	\$ 2,625,447	100.0			

*Table 4: Proposed Pooled Fund-Level Allocation*

ONE Investment Funds	Total Invested (\$)	Portfolio Weight (%)
ONE Canadian Equity Fund	\$ 410,263	15.6
ONE Global Equity Fund	957,281	36.5
ONE Canadian Government Bond Fund	431,011	16.4
ONE Canadian Corporate Bond Fund	145,922	5.6
ONE Global Bond Fund	680,969	25.9
Total	\$ 2,625,447	100.0

*Table 5: Proposed Pooled Fund Allocations by Outcome (values in \$ thousands)*

Outcome	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corp Bond Fund	ONE Global Bond Fund	Total
Cash	-	-	\$ 200.0	-	-	\$ 200.0
Contingency	90.00	210.0	30.0	30.0	140.0	500.0
Target Date 3-5 Years	12.8	29.7	129.8	44.7	208.5	425.4
Target Date 5-10 Years	60.0	140.0	30.0	30.0	140.0	400.0
Target Date 10+ Years	247.5	577.5	41.3	41.3	192.5	1,100.0
Total	\$ 410.3	\$ 957.3	\$ 431.0	\$ 145.9	\$ 681.0	\$ 2,625.4

## **5. CONCLUSION**

The proposed Investment Plan is consistent with the Municipality's IPS, and the proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. The investment allocations are also able to address the future drawdowns of MNRI anticipated by the Municipality. As a result, the Investment Plan is appropriate for the Municipality's time horizons and circumstances.

## **ATTACHMENTS**

Attachment 1: Municipality of Neebing's Investment Policy Statement  
Attachment 2: Municipality of Neebing's Municipal Client Questionnaire  
Attachment 3: Municipality of Neebing's proposed Investment Plan

Drafted by: Keith Taylor, Chief Investment Officer; Jennifer Hess, Manager Investment Services  
Approved by: Judy Dezell and Donna Herridge, Co-presidents/CEOs, ONE Investment