



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2024
Re: Canadian Fixed Income Manager Presentation by MFS
Report: ONE JIB 2024-024

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

MFS Investment Management is the external investment manager of the ONE Canadian Government Bond Fund and the ONE Canadian Corporate Bond Fund. These funds give exposure to high credit quality Canadian bonds, a key exposure in the investment allocations of ONE JIB. MFS will make a presentation to ONE JIB describing the basic features of the funds and will provide details on their positioning, performance, and outlook.

3. BACKGROUND

MFS manages two funds for the ONE JIB and has managed portfolios available under the Legal List for over 25 years

ONE Investment has been working with MFS Investment Management to provide fixed income portfolios for municipalities for over 25 years. They have helped to design and run mandates that were tailored to meet the investment restrictions of the Legal List. The two Canadian fixed income funds managed by MFS for ONE JIB were initially designed to mirror mandates that ONE Investment has historically offered to municipalities under the Legal List. The ONE Canadian Corporate Bond Fund continues to be managed with a similar mandate to the Legal List portfolio, providing investors with exposure to very high credit quality Canadian bonds.

The ONE Canadian Government Bond Fund's mandate was also nearly identical to the portfolio offered under the Legal List, but the mandate was changed in the third quarter of 2023. The revised mandate has a slightly shorter maturity profile (targeting duration of about 1.75 years) and unlike the Legal List mandate, the Prudent Investment mandate now only holds government-related bonds.

MFS's presentation will summarize key aspects of the mandates and characterize recent performance

MFS will make a presentation to ONE JIB to explain the investment mandates and to discuss recent performance. Typically, ONE Investment's external managers present to ONE JIB on an annual basis to provide an opportunity for ONE JIB members to review the mandates, ask about holdings, strategy, and the performance of the mandates.

4. CONCLUSION

ONE Investment has had a very long relationship with MFS Investment Management in offering investment portfolios to municipalities, initially under the Legal List and now under the Prudent Investment Program as well. The manager's presentation to ONE JIB is an opportunity to learn more about the Funds' mandate, performance, and positioning.

Drafted by: Keith Taylor, Chief Investment Officer

Approved by: Judy Dezell and Donna Herridge - Co-Presidents/CEO