



Attachment 1

INVESTMENT PLAN FOR

MUNICIPALITY

EFFECTIVE **DATE**



CONTENTS

1. DEFINITIONS	1
2. PURPOSE	2
3. RESPONSIBILITY FOR PLAN	3
4. INVESTMENT GOALS AND OBJECTIVES	4
5. INVESTMENT PORTFOLIO.....	5
6. APPLICABLE ONE JIB POLICIES	9
7. ELIGIBLE FUNDS.....	10
8. REBALANCING	12
9. ASSET CLASS PERFORMANCE BENCHMARKS	13
10. IMPLEMENTATION	14

1

DEFINITIONS

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

2

PURPOSE

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 Money Not Required Immediately (MNRI) as defined in section X.X of Municipality's Investment Policy Statement (IPS).

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

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional will be involved in the implementation of the Investment Plan, ongoing monitoring and reporting of investments and will provide ancillary services to support the OCIO Offering. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's own investment situation. This means, on the one hand, understanding macroeconomic trends and strategies and, on the other, understanding the diverse and evolving investment needs among clients.

4

INVESTMENT GOALS AND OBJECTIVES

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 Municipality's current goals, objectives, circumstances, and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Municipality's MNRI in this Plan is consistent with the details as disclosed in Municipality's IPS and MCQ. Section X.X of Municipality's IPS provides specific detail that characterize the objectives for MNRI as detailed in table 1 below:

Sample Table 1: The investment objectives for MNRI. [to be modified as necessary based on information in the IPS]

MNRI Description	Objective & Risk Tolerance	Investment Horizon
	•	
	•	
	•	

The MNRI invested with ONE JIB will be broadly diversified by asset class, market, sector, issuer, credit quality, and term to maturity to help reduce the volatility of investment returns. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested with the objective of obtaining a progressively higher rate of return for longer term investment horizons, commensurate with stated risk tolerances.

5

INVESTMENT PORTFOLIO

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

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance	Final Allocation (\$ millions)*
Total		

* Notes if needed

5.2 Portfolio Constraints

MNRI Investment Horizon	Constraints

Other considerations:

- Municipality's other considerations based on the IPS etc.

5.3 Allocations

MNRI Horizon			
Asset Classes	Minimum	Target Weight	Maximum
Total		100%	

MNRI Horizon			
Asset Classes	Minimum	Target Weight	Maximum

All Horizons		
Asset Classes	Aggregate Weight	Aggregate Amount (\$)
Total	100%	

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. [To be kept current with any ONE JIB approved policy updates]

- ONE JIB Responsible Investing Policy
- ONE Distribution Policy PI
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)
- ONE Currency Hedging Policy PI
- ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible to determine which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
Fixed Income	
Money Market	PH&N Canadian Money Market Fund
Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
Corporate Bonds	PH&N Corporate Bond Trust*
Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
Commercial Mortgages	RBC Commercial Mortgage Fund*
High Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
Global Multi-Asset Credit	BlueBay Total Return Credit Fund
Global Bonds	RBC Global Bond Fund
Emerging Markets Bonds	RBC Emerging Markets Bond Fund

Equities	
Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
International Equities	RBC International Equity Fund PH&N Overseas Equity Fund
Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
Real Estate	RBC Canadian Core Real Estate Fund*
Infrastructure	RBC Global Infrastructure Fund*

**Denotes a non-prospectus qualified fund*

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

ASSET CLASS PERFORMANCE BENCHMARKS

Asset Classes	Representative Data Series
Short-Term Bonds	FTSE Canada Short Term Overall Bond Index
Universe Bonds	FTSE Canada Universe Bond Index
Corporate Bonds	FTSE Canada All Corporate Bond Index
Private Placement Corporate Debt	<i>See Note</i> ¹
Commercial Mortgages	FTSE Canada Short Term Overall Bond Index
High Yield Bonds	ICE BofA US High Yield Bond Index (CAD-hedged)
Global Multi-Asset Credit	Custom Index ²
Canadian Equities	S&P/TSX Capped Composite Index
Canadian Low Volatility Equities	<i>See Note</i> ³
U.S. Equities	S&P 500 Index C\$
U.S. Low Volatility Equities	<i>See Note</i> ³
International Equities	MSCI EAFE Net Index C\$

¹ The fund is not managed against a broad market index. The FTSE Canada All Corporate Bond Index and FTSE Canada Long Term Corporate Bond Index will be provided for comparative purposes.

² 9 7.5% ICE BofA 3 Month US T-Bills (CAD-H), 35% ICE BofA Global High Yield Index (CAD-H), 11.25% J.P. Morgan Emerging Market Bond Index (CAD-H), 11.25% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H), 7.5% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H), 7.5% Credit Suisse Leveraged Loan Index (CAD-H) and 20% Thomson Reuters Convertible Global Focus Index (CAD-H)

³ The objective of the RBC QUBE Low Volatility Equity Funds is to deliver superior risk-adjusted returns. Relevant data series such as the broad market index performance, volatility of returns and Sharpe ratio (return per unit of risk) will be provided.

10

IMPLEMENTATION

10.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

10.2 Transition Plan

Timeline	Expected Transfer to JIB/ONE
	-
	-
Additional Note	-

During the transition to the OCIO Offering, the Chair and Vice-Chair of ONE JIB have discretionary power to approve temporary investments, recommended by the Sub-Investment Manager, that may not be expressly described in the Investment Plan or the Investment Policy Statement, but are in the opinion of the Chair and Vice-Chair, in the best interests of the Municipality and are entirely consistent with their fiduciary obligations to the Municipality.

10.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Municipality are expected to be financed with the sale of units of the investment pools. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.

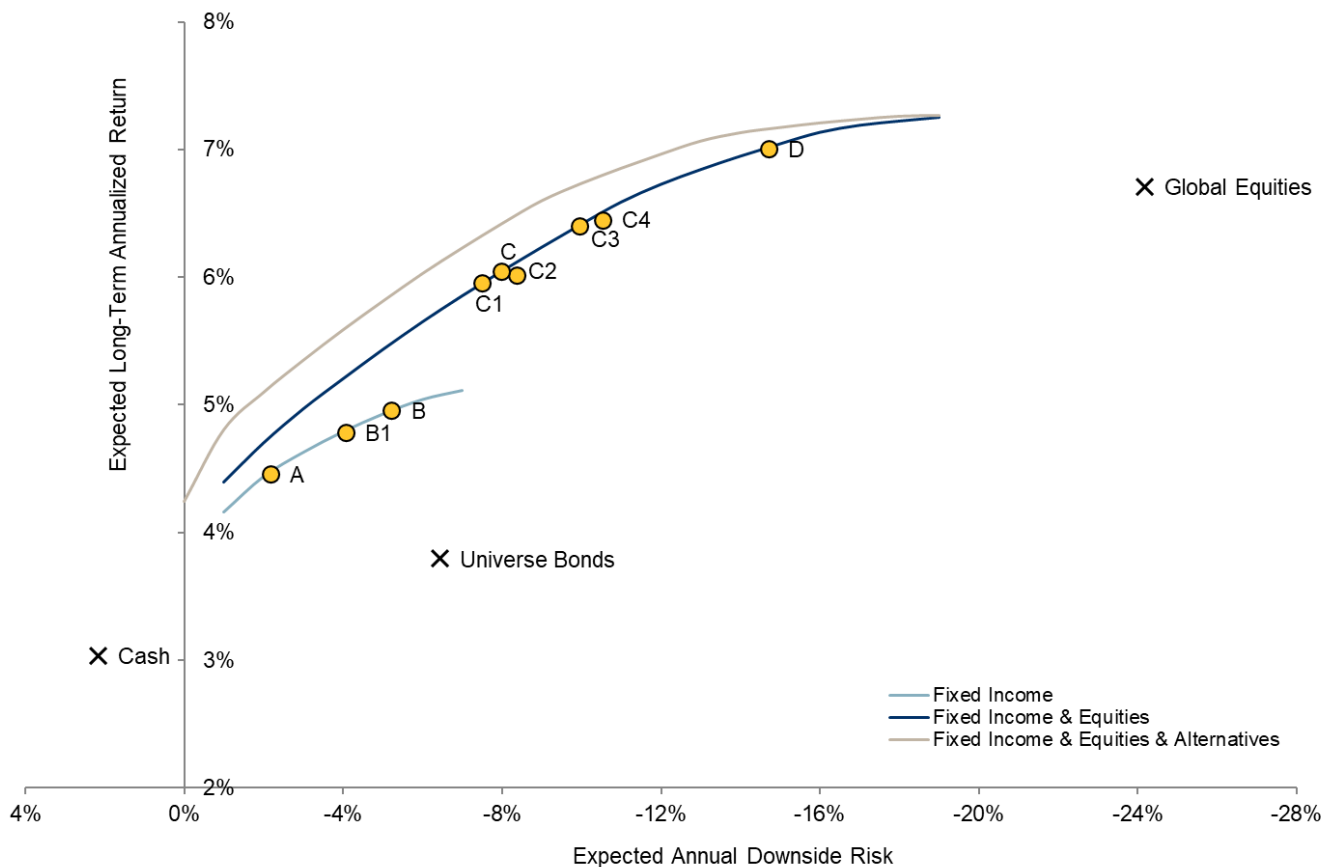
APPENDIX

Portfolio Modelling [To be updated as required]

An efficient frontier analysis is used to determine the trade-off between a portfolio's long-term expected return and short-term downside risk.

The following constraints were imposed in the optimization:

- Minimum allocation to core fixed income and money market securities of 20%
- Maximum 25% allocation to any one of money market securities, universe corporate bonds and global sovereign bonds
- Maximum 15% allocation to any one of high yield bonds, emerging market debt, multi-asset global credit
- Maximum 5% allocation to any one of private placement corporate debt and commercial mortgages when 100% fixed income
- Maximum 10% allocation to any one of private placement corporate debt and commercial mortgages when including equities and alternatives
- Maximum 50% allocation to domestic equities (as a % of total equities)
- Maximum 60% allocation to U.S. equities (as a % of total foreign equities)
- Maximum 50% allocation to low volatility equities (as a % of traditional equity counterpart)
- Maximum 5% allocation to any one of real estate and infrastructure



Portfolio A:

- 100% fixed income portfolio with a majority exposure (75%) to money market and short-term investment grade government and corporate bonds
- Very low risk, low interest rate duration and a high degree of liquidity
- Small allocation to private placement corporate debt, commercial mortgages and multi-asset global credit (25%) enhances return profile without materially impacting risk
- Suitable for a short investment horizon and a very conservative risk tolerance

Portfolio B:

- 100% fixed income portfolio with a greater exposure to credit spread duration and illiquidity premiums (55% of total portfolio)
- Slightly more risk and less liquidity than Portfolio A, but with a higher long-term return potential (5.0% vs. 4.5%)
- Also suitable for a short investment horizon and a relatively conservative risk tolerance, but more complex in terms of asset allocation
- Portfolio B1 reduces the allocation to high yield in favour of short-term bonds and money market

Portfolio C:

- 68% fixed income portfolio with a more substantial allocation to private placement corporate debt, commercial mortgages and global multi-asset credit in order to move up the risk/return spectrum
- 32% exposure to traditional and low volatility equities to create more return potential (6.0% expected return)
- Suitable for a medium investment horizon and a moderate risk tolerance
- Portfolio C1 reduces the equity allocation to 30%; Portfolio C2 allocates to Universe duration bonds
- Portfolio C3 increases the equity allocation to 40%; Portfolio C4 allocates to Universe duration bonds

Portfolio D:

- Majority (70%) equity portfolio targeting higher growth potential (7.0% expected return)
- Suitable for a long investment horizon and the ability to tolerate larger short-term drawdowns

Selected Portfolios

MNRI Investment Horizon	Risk Tolerance	Modelled Portfolio

The OCIO has confirmed that recommendations provided in this Investment Plan consider the details in Municipality's IPS, KYC documentation (MCQ) and are reflective of meeting notes and all other guidance provided by municipal staff. We believe the allocations in this investment plan are appropriate based on these considerations.

[Below To be updated as required]

Modeled Expectations ¹	B1	C1	C2
Long-Term Return	4.8%	6.0%	6.0%
Annual Downside Risk ²	-4.1%	-7.5%	-8.4%
Annual Volatility	3.3%	5.1%	5.5%
Sharpe Ratio	0.53	0.57	0.54
Fixed Income	100%	70%	70%
Canadian Money Market	0%	0%	0%
Short-Term Bonds and Mortgages	50%	35%	17.5%
Universe Bond Strategy	0%	0%	0%
Enhanced Universe Bond Strategy	0%	0%	17.5%
Corporate Bonds	20%	0%	0%
Private Placement Corporate Debt	5%	10%	10%
Commercial Mortgages	5%	10%	10%
Global Sovereign Bonds	0%	0%	0%
High Yield Bonds	5%	0%	0%
Emerging Market Debt	0%	0%	0%
Global Multi-Asset Credit	15%	15%	15%
Equities	0%	30%	30%
Canadian Equities	0%	7.5%	7.5%
Canadian Low Volatility Equities	0%	7.5%	7.5%
U.S. Equities	0%	5%	5%
U.S. Low Volatility Equities	0%	5%	5%
International Equities	0%	5%	5%
Alternatives	0%	0%	0%
Canadian Core Real Estate	0%	0%	0%
Global Infrastructure	0%	0%	0%

¹ Refer to appendix for modeling assumptions and disclosures.

² CVaR95 which represents the expected loss during the worst 5% of return outcomes.

Hypothetical performance analyses are for illustrative purposes only and there is no guarantee that hypothetical returns or projections will be realized.

Capital Market Expectations

Asset Classes	Representative Data Series	Expected Long-Term Return	Expected Annual Volatility	Expected Annual Downside Risk
Cash	FTSE Canada 30 Day TBill Index	3.0%	0.4%	2.2%
Universe Bonds	FTSE Canada Universe Bond Index	3.8%	4.7%	-6.4%
Canadian Money Market	PH&N Canadian Money Market Strategy	3.2%	0.9%	1.4%
Short-Term Bonds and Mortgages	Custom Index ¹	3.8%	2.4%	-1.3%
Universe Bond Strategy	Custom Index ²	4.0%	4.7%	-6.7%
Enhanced Universe Bond Strategy	Custom Index ³	4.2%	4.8%	-6.9%
Corporate Bonds	Custom Index ⁴	4.5%	4.2%	-5.6%
Private Placement Corporate Debt	Custom Index ⁵	5.4%	5.1%	-7.5%
Commercial Mortgages*	Custom Index ⁶	6.7%	3.4%	-7.1%
Global Sovereign Bonds	Custom Index ⁷	3.5%	4.0%	-4.9%
High Yield Bonds	ICE BofA US High Yield Master II (CAD-Hedged)	5.7%	9.8%	-16.7%
Emerging Market Debt	Custom Index ⁸	5.6%	10.7%	-14.7%
Global Multi-Asset Credit	Custom Index ⁹	6.7%	8.4%	-16.4%
Canadian Equities	S&P/TSX Composite Index	8.3%	16.9%	-26.1%
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Strategy	7.4%	11.7%	-15.1%
U.S. Equities	S&P 500 Index (CAD)	6.0%	14.8%	-23.4%
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Strategy (CAD)	5.4%	12.8%	-15.8%
International Equities	MSCI EAFE Index (CAD)	8.0%	16.4%	-28.7%
Global Equities	MSCI World Index (CAD)	6.7%	14.4%	-24.2%
Canadian Core Real Estate*	RBC Canadian Core Real Estate Strategy	6.3%	9.6%	-13.1%
Global Infrastructure*	EDHEC Infra 300 Index (Local)	6.7%	11.5%	-16.4%

Capital market assumptions represent the views of PH&N Institutional for the purposes of illustrating and understanding the potential risk-reward trade-off of different portfolio decisions and are established by considering a variety of qualitative and quantitative sources of information including: different forecasting models; internal and external research; existing and implied future conditions as priced by capital markets; and internal views of our fund managers. Expected long term annualized returns are for a 10 year forecast time horizon. Volatilities, downside risk and correlations are estimated from historical data and adjusted as required to reflect future market conditions. Investors should be aware of the limitations using forward-looking assumptions in that there is absolutely no guarantee that future performance will occur according to any ex-ante

* Expected long-term return net of fees.

¹ 49% FTSE Canada Short Term Government Bond Index, 45% FTSE Canada Short Term Corporate Bond Index and 6% PH&N Mortgage Strategy.

² 20% FTSE Canada Federal Bond Index, 35% FTSE Canada Provincial Bond Index and 45% FTSE Canada All Corporate Bond Index.

³ 12.5% FTSE Canada Federal Bond Index, 32.5% FTSE Canada Provincial Bond Index, 45% FTSE Canada All Corporate Bond Index, 7.5% PH&N Mortgage Strategy and 2.5% ICE BofA US High Yield Master II (CAD-H).

⁴ 25% FTSE Canada Corporate AA+ Bond Index, 25% FTSE Canada Corporate A Bond Index and 50% FTSE Canada Corporate BBB Bond Index.

⁵ 96% FTSE Canada Mid Term Federal and 4% FTSE Canada Long Term Federal Bond Index + 50% FTSE Canada Short Term Corporate Bond Index (spread) and 50% FTSE Canada Mid Term Corporate Bond Index (spread).

⁶ 41% PH&N Mortgage Strategy and 59% PH&N High Yield Mortgage Strategy.

⁷ 90% ICE BofA Global Government Index (CAD-H), 3% ICE BofA US High Yield Master II (CAD-H), 2.5% J.P. Morgan Emerging Market Bond Index (CAD-H), 2.5% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H) and 2% RBC Emerging Markets Foreign Exchange Strategy.

⁸ 24% J.P. Morgan Emerging Market Bond Index (CAD-H), 18% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H) and 58% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H) (weights according to the market capitalization of each individual index as at December 31, 2023).

⁹ 7.5% ICE BofA 3 Month US T-Bills (CAD-H), 35% ICE BofA Global High Yield Index (CAD-H), 11.25% J.P. Morgan Emerging Market Bond Index (CAD-H), 11.25% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H), 7.5% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H), 7.5% Credit Suisse Leveraged Loan Index (CAD-H) and 20% Thomson Reuters Convertible Global Focus Index (CAD-H).

