

To: ONE Joint Investment Board  
 From: Keith Taylor, Chief Investment Officer, ONE Investment  
 Date: November 27, 2024  
 Re: Investment Plan Implementation Report Q3 2024  
 Report: ONE JIB 2024-071

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## 1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

## 2. SUMMARY

Investment Plans for five municipalities were approved at the ONE JIB meeting on September 4, 2024. A second tranche of Durham’s Investment Plan was implemented after the September 4, 2024, ONE JIB meeting. This report summarizes the trading activity related to implementing Investment Plans. A summary of the Investment Plan implementation since the last ONE JIB meeting is below:

Municipality	Details	Trading
Aurora	<ul style="list-style-type: none"> <li>• No changes in allocations</li> </ul>	N/A
Durham	<ul style="list-style-type: none"> <li>• Liquidation of Legal List Equity Portfolio.</li> <li>• Implementation of 2nd tranche.</li> <li>• Deployment of \$500 million into OCIO offering.</li> </ul>	Yes
Huntsville	<ul style="list-style-type: none"> <li>• No changes in allocations</li> </ul>	N/A
Innisfil	<ul style="list-style-type: none"> <li>• \$ 5 Million Contribution</li> </ul>	Yes
Muskoka	<ul style="list-style-type: none"> <li>• No changes in allocations</li> </ul>	N/A
Thunder Bay	<ul style="list-style-type: none"> <li>• No changes in allocations</li> </ul>	N/A

## 3. BACKGROUND

**Investment Plan updates for Aurora, Huntsville, Muskoka and Thunder Bay did not require any trading to implement**

Four of the Investment Plans approved at the September 4, 2024, ONE JIB meeting did not involve contributions or withdrawals of MNRI, nor did they result in a reallocation of MNRI across Outcomes. As the investment horizon of reserves was largely unchanged and there was no significant change in the circumstance, no changes in its Investment

Plan were required. As a result, no changes were required in the investment allocations of these four municipalities and no trading was required.

### **Durham's initial contribution of \$500 million was deployed into the OCIO model in July 2024**

Durham's initial contribution of \$500 million was deployed into the OCIO model according to Durham's Investment Plan in July 2024, with the details of the implementation previously reported in a ONE JIB implementation report dated September 4, 2024. This report will discuss the implementation of the second \$500 million tranche of MNRI deployed in September 2024.

More detail on the implementation of Durham's initial \$500 million contribution is available in the following report: Investment Plan Implementation Report Q3 2024 [2024-054](#)

## **4. ANALYSIS**

### **The implementation of Innisfil's \$5 million contribution to MNRI was seamless**

Innisfil's Investment Plan involved a \$5 million contribution to MNRI to be invested in the Target Date 3 – 5 Year Outcome. Funds were drawn from Innisfil's Legal List ONE HISA account in early October to fund the purchase of pooled fund units in the Target Date 3 – 5 Year Outcome account. The transactions were straightforward and were implemented seamlessly.

### **Durham contributed a second tranche of approximately \$510.4 million**

As planned, Durham's Investment Plan implementation involved the liquidation of \$253.6 million from the Legal List Equity Portfolio, and cash contributions.

#### **Summary of Durham's second tranche investment activity**

##### **Cash contributions:**

To reduce the market impact, contributions from Durham were staggered over several weeks in September, all of which were deployed into Durham's 'Long' account:

- 1) September 11, 2024,
  - Legal List ONE Equity Portfolio holdings were liquidated
  - Proceeds of \$253.6 million deployed.
- 2) September 19, 2024,
  - cash contribution of \$128.4 million deployed.
- 3) September 26, 2024,
  - cash contribution of \$128.4 million deployed.

### **Substitute Securities\***

There is a queue for the following funds, necessitating interim substitutions until there is an opening:

- PH&N Commercial Mortgage Fund  
substitution → PH&N Short Term Bond and Mortgage Fund
- PH&N High Yield Fund  
substitution → RBC High Yield Bond Fund

On October 1, 2024, the PH&N Commercial Mortgage Fund opened for contributions, with Durham receiving a partial allocation.

*\* Securities substitutions may lead to compliance breaches until final allocations are achieved*

### **Planning Points for Subsequent Transitions**

- Tranche two contributions totalled \$510.4, exceeding the intended \$500 million target, due to appreciation in the value of the Equity Portfolio.
- The size of the third and final tranche of MNRI to be contributed in Q1 2025 will be reduced from \$442.3 million to \$431.9 million.

## **5. CONCLUSION**

Durham's second tranche of MNRI was deployed into the OCIO Offering in September 2024. This involved a liquidation of the Canadian Equity Portfolio, deployment of proceeds into the OCIO model, and two subsequent cash contributions later in the month. The transactions required coordination to ensure they were implemented seamlessly, especially the liquidation of Durham's holdings in the ONE Canadian Equity Portfolio, as Durham's holdings represented about 20% of the overall portfolio.

Four of the five Investment Plans approved at the September 4, 2024, ONE JIB meeting did not involve changes, and no trading was required. Innisfil's Investment Plan involved a contribution of \$5 million of MNRI that was deployed into the Target Date 3 - 5 Year Outcome in early October.

Drafted by: Keith Taylor, Chief Investment Officer; Evelyn Foo, Chief Compliance Officer  
Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEOs, ONE Investment