



## **Attachment 3**

# **The City of Kenora Investment Plan**

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155 University Ave., Suite 800  
Toronto Ontario M5H 3B7 Canada

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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 Kenora's Long-Term Money as defined in section 23 of Kenora's Investment Policy Statement (*IPS*).

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

## 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 Kenora's IPS.

## 4. Investment Goals and Objectives

Kenora'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 Kenora'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 Kenora's Long-Term Money in this Plan is consistent with the details as disclosed in Kenora's IPS and MCQ.

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 the principal is maintained and a reliable stream of returns may be available to spend as/if needed; and,

- c. Funding target date projects, where Kenora has an obligation for a specific project at a specific time.

While individually Kenora’s reserve and reserve funds require liquidity, collectively they provide Kenora 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 Kenora’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 Sept. 30, 2024\**

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	-	-
Stable Return	\$ 43,545,521	66.1%
Contingency	18,272,290	27.7%
Asset Management Reserves	-	-
Target Date 3-5 Years	4,047,647	6.1%
Target Date 5-10 Years	-	-
Target Date 10+ Years	-	-
<b>Total</b>	<b>\$ 65,865,459</b>	<b>100.0</b>

\* 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 September 30, 2024. The Investment Plan will be implemented based on the allocation weights in Table 1.

Mixes of ONE Prudent Investment Program funds appropriate for Kenora’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 Sept. 30, 2024) is shown in *Table 9* below.

*Table 2 – Cash Outcome Investment Allocations*

<b>Allocation</b>	<b>Target Weight (%)</b>
<b>Fixed Income</b>	<b>100.0</b>
ONE Canadian Government Bond Fund	100%
<b>Total</b>	<b>100.0</b>

*Table 3 – Stable Return Outcome Investment Allocations*

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

*Table 4 – Contingency Outcome Investment Allocations*

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

*Table 5 – Asset Management Outcome Investment Allocations*

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

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

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

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

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

*Table 8 – Target Date 10+ Year Outcome Investment Allocations*

<b>Allocation</b>	<b>Target Weight (\$)</b>
<b>Equity</b>	<b>75.0</b>
ONE Canadian Equity Fund	22.5
ONE Global Equity Fund	52.5
<b>Fixed Income</b>	<b>25.0</b>
ONE Canadian Government Bond Fund	3.75
ONE Canadian Corporate Bond Fund	3.75
ONE Global Bond Fund	17.5
<b>Total</b>	<b>100.0</b>

*Table 9 – Total Long-Term Money by Investment Allocations as of Sept. 30, 2024*

<b>ONE Investment Funds</b>	<b>Allocation (\$)</b>	<b>Allocation Weight (%)</b>
ONE Canadian Equity Fund	\$ 7,329,539	11.1
ONE Global Equity Fund	17,102,257	26.0
ONE Canadian Government Bond Fund	10,604,519	16.1
ONE Canadian Corporate Bond Fund	5,440,437	8.3
ONE Global Bond Fund	25,388,707	38.5
<b>Total</b>	<b>\$ 65,865,459</b>	<b>100.0</b>

### **5.3 In-Kind Securities (in transition)**

This section does not apply.

### **5.4 Other Accounts**

Kenora 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 shall be held for safekeeping by ONE Investment's Custodian.

### 7.2 Transition Plan (including transitional investments)

This section does not apply.

### 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 Kenora are expected to be financed with the sale of units of the investment pools.

#### b. Anticipated mid-year cashflow requests

Kenora has not disclosed any known mid-year cashflow needs.

#### c. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from Kenora 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*.