

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer, ONE Investment
Date: May 29, 2025
Re: Compliance Report OCIO Asset Class and Target Weight Allocations Q1 2025
Report: ONE JIB 2025-022

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The compliance report provided by PH&N Institutional (Investment Manager) assists ONE JIB in monitoring the weights of investment holdings and asset classes relative to their targets for each Participating Municipality under the Prudent Investment Offering (PI Offering).

3. BACKGROUND

The Investment Manager's system produces a report to monitor allocation weights under the PI Offering

This report (Attachment 1) provides the asset class and allocation to targets for each municipality's investment profile. It replaces the Class Weight and Allocation Drift Monitoring report previously generated by ONE Investment's portfolio management system since the investors moved over to PI Offering. The column on the far right indicates the variance from the absolute value above or below by more than two percentage points. The report is reviewed by the CIO and CCO on a regular basis in their oversight responsibilities.

4. ANALYSIS

The first quarter in 2025 was eventful:

- 1) Clarington, Red Lake and Central Frontenac were onboarded in January
- 2) Durham completed its last tranche in January
- 3) The Participating Municipalities were migrated from the Prudent Investment Funds in early March
 - o Neebing and Quinte West were placed in the new ONE JIB approved model portfolios with the approval of their Investment Plans by ONE JIB on February 25, 2025.

- The remaining nine Participating Municipalities that have not yet had their annual Investment Plan review were moved into PH&N and RBC GAM funds that mirror the Outcomes Framework as approved by ONE JIB on November 27, 2024 until their Investment Plans are reviewed and transitioned into ONE JIB approved model portfolios.

The Investment Plan for Durham included target allocations to certain funds that do not offer daily activity. MNRI has been deployed to attain the asset class weightings detailed in Durham's Investment Plan while positions are being built in these funds that are only offered for investment at certain times. The fulfilment in:

- 1) RBC Commercial Mortgage Fund is awaiting its allocation in the Durham Short and Medium, Red Lake, Clarington, Central Frontenac, Neebing and Quinte West accounts
- 2) PH&N High Yield Bond Fund is awaiting its allocation in the Durham Short accounts
- 3) PH&N Private Placement Corporate Debt Fund is awaiting its allocation in the Neebing and Quinte West accounts

The CIO and CCO have reviewed the allocations and holdings and have no concerns.

5. CONCLUSION

The Allocation report continues to provide ONE JIB with the ability to monitor allocations with the associated ONE JIB approved model portfolios in the new Prudent Investment Offering business model. The attached report provides ONE JIB with the tools to monitor the positioning of asset classes and individual holdings relative to their intended targets.

ATTACHMENT

Attachment 1: OCIO Asset Class and Target Weight Allocation Report

Drafted by: Evelyn Foo, Chief Compliance Officer

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