

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: May 29, 2025
 Re: Investment Plan Implementation Update Q1 2025
 Report: ONE JIB 2025-019

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report summarizes the implementation and related activities for February 2025 and March 2025. The activities during this period are summarized in the table below.

Municipality	Details	Trading
Neebing	<ul style="list-style-type: none"> Investment Plan implemented and MNRI was deployed to OCIO Model E (50% equity) 	Yes - March
Quinte West	<ul style="list-style-type: none"> Investment Plan implemented and MNRI was deployed into OCIO Model D (40% equity) \$5 million in MNRI was drawn down during the transition to the OCIO Offering. 	Yes - March
Muskoka	<ul style="list-style-type: none"> \$25 million in MNRI was drawn down during the transition to the OCIO Offering. Security acceptance plan received. 	-
Aurora	<ul style="list-style-type: none"> Security acceptance plan received. 	-
Aurora, Aylmer, Bracebridge, Huntsville, Innisfil, Kenora, Muskoka, Thunder Bay and Whitby	<ul style="list-style-type: none"> Holdings in ONE Investment pooled funds liquidated and proceeds redeployed into OCIO Offering funds (retaining mapping of Outcome allocations) 	Yes - March

Investment Plans for Neebing and Quinte West, which were approved by ONE JIB in February 2025, were implemented, deploying MNRI into the recently approved model portfolios. The remaining nine participating municipalities that invested in the ONE Investment pooled funds were also transitioned into the OCIO Offering. MNRI drawdowns for Muskoka and Quinte West were coordinated with the transition to the OCIO Offering in March.

3. BACKGROUND

Investment Plan updates for Neebing and Quinte West deployed MNRI into the recently approved model portfolios

Investment Plans for Neebing and Quinte West were approved at the ONE JIB meeting on February 25, 2025. These two Investment Plans directed that MNRI be invested in the model portfolios approved by ONE JIB on November 27, 2024. Neebing's MNRI was deployed into Model E, which has a 50% allocation to equities, while Quinte West's MNRI was deployed into Model D, which has a 40% allocation to equities. Neither of these municipalities will invest in long-term alternative investments at this time.

A transition plan to redeploy MNRI invested in ONE Investment's pooled funds into the OCIO Offering was implemented in March

The Transition Plan to move the MNRI of the eleven Participating Municipalities invested in ONE Investment pooled funds into the OCIO Offering approved by ONE JIB on November 27, 2024, was implemented in March. This involved extensive planning and coordination. Two of the Participating Municipalities (Neebing and Quinte West) that had updated Investment Plans in February were transitioned directly into the newly approved OCIO models. The remaining nine municipalities were transitioned into the OCIO's funds, retaining the mapping of the Outcomes that was detailed in the most recently approved Investment Plans.

All investments in the ONE Investment pooled funds have been fully liquidated and will not be utilized in the future. These pooled funds are in the process of being wound down.

Further details about this transition plan can be found here: [Business Transformation Plans](#)

4. ANALYSIS

MNRI to be drawn down, as requested by two municipalities, was processed as part of the transition to the OCIO Offering

Quinte West's updated Investment Plan included a drawdown of \$5 million, and Muskoka submitted a mid-year MCQ update form to process a drawdown of \$25 million. The plans to fund these drawdowns were approved by ONE JIB at the February 25, 2025, meeting and were coordinated to occur during the transition to the OCIO Offering to reduce portfolio turnover. The proceeds from the liquidation of ONE Investment pooled funds were used to facilitate these drawdowns, reducing the amount of MNRI invested in the OCIO Offering. Coordinating the transactions with the transition allowed the MNRI to be drawn down while minimizing fund turnover.

There was a one-day lag between the liquidation of ONE Investment pooled funds and the purchase of new funds associated with the OCIO Offering

Instructions to sell the ONE Investment pooled funds were initiated on March 4, 2025, with settlement on a T+1 basis. This meant that the cash was available to purchase PH&N funds on March 5th. Trades to purchase PH&N funds were transacted on March 5, 2025, also on a T+1 basis. Due to this timing difference, MNRI had no investment exposure on March 5th, but interest was earned on cash balances for one day.

To minimize the time that the MNRI was uninvested, a Letter of Indemnity was issued by ONE Investment, allowing PH&N to streamline the trading process and thereby reducing the time the MNRI remained out of the market from two days to one day. This could have been further reduced to maintain market exposure by indemnifying PH&N to trade concurrently with the liquidation of the ONE Investment pooled funds on March 4th. However, due to the operational complexities involved, the trading of PH&N funds was deferred by one day to reduce the risk associated with the implementation.

In total, over 300 trades were initiated by PH&N to deploy the MNRI into the OCIO Offering, and the trading of securities in ONE Investment pooled funds was coordinated to ensure that the flow of investment proceeds occurred on the intended timeline. To complicate matters, the final capital gains distributions were processed amid these transition trades. There were no issues in implementing the transition plans.

5. CONCLUSION

Since the last ONE JIB meeting in February 2025, 11 municipalities were transitioned into the OCIO Offering. Quinte West and Neebing updated their Investment Plans, directing that their MNRI be invested directly in the OCIO models. The remaining nine municipalities were transitioned into the OCIO Offering in a different manner. The investments were mapped into PH&N funds in a way that preserved the investment characteristics of the Outcomes Framework. No clients remain invested in the ONE Investment pooled funds. As Investment Plans are updated in 2025, all clients will be transitioned to model portfolios approved at the November 27, 2024, meeting. The transition planning required comprehensive preparation and was implemented seamlessly.

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Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEOs, ONE Investment