



Attachment 12

INVESTMENT PLAN FOR

The City of Kenora

DATE: November 25, 2025



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DEFINITIONS

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

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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 City of Kenora's Money Not Required Immediately (MNRI) as defined in section 3.1 of Kenora's Investment Policy Statement (IPS).

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

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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 the City of Kenora's IPS.

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

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

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INVESTMENT GOALS AND OBJECTIVES

The City of Kenora's investment needs, as 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 determine investment allocations.

The City of Kenora has two separate investment accounts that each reflect unique circumstances. Kenora's General Account holds MNRI associated with the City's municipal reserves. Kenora has a second account representing MNRI, associated with the Citizens' Prosperity Trust Fund (CPTF). The CPTF is a perpetual trust established in 2008 with proceeds from the sale of the Kenora Municipal Telephone System, totalling \$40.8 million. It is intended that the value of investments continue to exceed the initial contribution amount, and that the Town will annually receive income from the CPTF of \$1.1 million. In 2025, the City increased this annual income target to \$1.25 million

The allocation of Kenora's MNRI in this Plan is consistent with the details as disclosed in Kenora's IPS and MCQ. Section 5.2.1 of Kenora's IPS provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for the MNRI of the General Account	<ul style="list-style-type: none"> • Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

<p>Objectives for the MNRI of the CPTF</p>	<ul style="list-style-type: none"> • Preservation of capital is emphasized <ul style="list-style-type: none"> ○ The value of investments should not decline below of the initial contribution to the CPTF (\$40.8 million). • \$1.25 million of income will be remitted to the City annually. <ul style="list-style-type: none"> ○ Maintaining the stability of the annual income stream to the City is a priority. ○ Annual income payments should be curtailed if the AUM declines below the initial capital contribution of \$40.8 million. ○ This may lead to a deferral of the income being paid. • The trust has a perpetual investment horizon. • The liquidity of investments is not a priority. • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.
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The MNRI invested with ONE JIB will be broadly diversified by asset class, market, sector, issuer, credit quality, and term to maturity, helping to 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 to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time. Achieving returns above inflation is a key investment objective, but near-term liquidity from investments likely will not be required.

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INVESTMENT PORTFOLIO

Asset allocations 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 / Model Assigned	Allocation
General Account	Model E (50% Equity) assigned.	\$24,780,822
CPTF Account	Model E+ (50% Equity) assigned.	\$47,424,367

Other considerations:

- Kenora will be making a \$500,000 contribution to MNRI this year to the General account.
- The CPTF will make an in-year drawdown of \$1.6 million. This amount represents the annual payment to the City from the CPTF and includes an accrual for income expected to be transferred in prior years that was deferred.
 - ONE staff were not previously aware that curtailed annual income payments to the city would be accrued and paid at a later date.
 - This has significant implications for the risk profile, implying that market volatility would not lead to diminished income received by the City, but rather a deferral of the income being received.
- The CPTF has a perpetual investment horizon and does not expect drawdowns beyond the \$1.25 million annual income payment to the City
 - There is a provision that if the AUM of CPTF declines below the initial contribution amount (\$40.8 million), annual income payments would be deferred.
 - Currently total AUM of CPTF is over \$48 million, about 20% above this threshold.
 - The Investment Plan has assigned a higher allocation to equities than in prior years, to reflect the ability to defer annual payments. Rising AUM has also decreased the probability of an annual income payment being deferred.
- Kenora's IPS permits the use of long-term alternative investments. They will be included in the CPTF account.
- It is expected that up to \$5 million of MNRI may need to be withdrawn from the General Account within the next 5 years. Given the size and timing of this expected drawdown,

allocating to alternative investments would not be appropriate at this time for the General account.

- Kenora's IPS update reclassified holdings in Synergy North as Restricted Special Assets.
- Kenora's CPTF no longer has in-kind bonds held at ONE's custodian.
- Kenora's MNRI, previously held in ONE Investment pooled funds, was transitioned into the OCIO Offering in March 2025, retaining allocations aligned with the Outcome Framework. The implementation of this Investment Plan will replace the mapping to the outcomes with a single consolidated portfolio, using Model E+ for the CPTF account and Model E for the General account.
- Both accounts have a 50% allocation to equities, with the CPTF also having a 10% target exposure to long-term alternative investment equities. The allocation ranges are detailed in section 5.2 below:

5.2 Allocations

Account 1: Citizens' Prosperity Trust Account (CPTF)

50% EQUITY MODEL (E+)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0.0%	10
Canadian Fixed Income	25	32.5%	45
Global Fixed Income and Credit	0	7.5%	15
Canadian Equities	15	25.0%	35
Global Equities	15	25.0%	35
Alternatives	0	10.0%	20
Total		100.0%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025- ([Model Portfolio Review 2025](#)).

Account 2: General Account

50% EQUITY MODEL (E)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	25	37.5%	45
Global Fixed Income and Credit	0	12.5%	25
Canadian Equities	15	25%	35
Global Equities	15	25%	35
Alternatives	0	0%	0
Total		100%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025- ([Model Portfolio Review 2025](#)).

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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 Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

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ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining 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	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	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	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	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	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
Global Equities	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 RBC International Equity Index 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
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

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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.

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IMPLEMENTATION

9.1 Custodian

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

9.2 Implementation Plan

Timeline	Implementation Details
November or December 2025	<ul style="list-style-type: none"> • Kenora will remit the \$500,000 MNRI contribution to ONE Investment to be invested for the General account. • Existing holdings for the General account that are currently allocated based on the Outcome Framework will be transitioned to Model E, along with the \$500,000 contribution. • Holdings in the CPTF account will be transitioned from holdings based on the Stable Return Outcome to Model E+ • Allocation weights for both accounts will be rebalanced to the intended target weights of Model E+. • Limited liquidity in the alternative investments may require the intended positions to be built over time and substitute securities used in the interim.
2026 in-year Withdrawal	<ul style="list-style-type: none"> • It is expected that \$1.6 million in MNRI will be drawn from the CPTF before the next annual review.

9.3 Accommodating Cashflow needs

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 pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.