



Attachment 18

INVESTMENT PLAN FOR

The City of Thunder Bay

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

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

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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 Thunder Bay'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 Thunder Bay'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 inform ONE JIB about Thunder Bay's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations. The allocation of Thunder Bay's MNRI in this Plan is consistent with the details as disclosed in Thunder Bay's IPS and MCQ. Section 5.2.1 of Thunder Bay'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 overall MNRI	<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.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. 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
Consolidated MNRI Holdings	Model E+ (50% Equity) assigned.	\$142,080,629

Other considerations:

- The City's circumstances and reserve mapping remain broadly unchanged vs the details shared in the 2024 Investment Plan update.
- Thunder Bay will neither contribute nor withdraw MNRI as part of the Investment Plan update this year.
- It is expected that MNRI balances will be stable over the foreseeable future and there are no planned contributions/withdrawals planned in the foreseeable future
- If new spending is approved, it is likely that the City will utilize debt financing to fund the expenditures.
- Details about the investment horizon provided in the MCQ suggest that the average horizon associated with municipal reserves is between 5 and 10 years.
 - Context provided by the Treasurer implied that the investment horizon is likely much longer.
- Thunder Bay's approved IPS permits the use of longer-term alternative investments.
 - Based on the City's investment horizon, it is appropriate to use alternative investments in Thunder Bay's allocations.
- The City's IPS update reclassified Thunder Bay Hydro as RSA.
- Thunder Bay's MNRI investments that historically have been invested according to the ONE JIB Outcome Framework will be migrated into a single account to be invested into Model E+, as detailed in Section 5.2 below.

5.2 Allocations

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](#)).

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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 City’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 City'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"> • A new investment allocation will be assigned to Thunder Bay's MNRI based on Model E+. • Thunder Bay's portfolio will be rebalanced, which will reorient the investment allocation to align with the new model assigned. • Trade Implementation to take place in November or December 2025. • Limited liquidity in the alternative investments may require the intended positions to be built over time and substitute securities used in the interim.

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Thunder Bay 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.