



Presentation to West Elgin

August 15, 2024

ONE INVESTMENT OVERVIEW

- A **not-for-profit** organization dedicated to serving the investment needs of the Ontario municipal sector
- Manages \$3.8 Billion in portfolio holdings as of August 2024
- Partnership established in 1993 and jointly operated by two not-for-profits:

- Local Authority Services



- CHUMS (*a subsidiary of MFOA*)



- ONE Investment incorporated in 2018
- Oversight provided by municipalities and investment industry experts
- 176 Ontario municipalities invest through ONE + 20 Other entities from the broader public sector (i.e. Conservation Authorities, Municipal Boards)

OUR MUNICIPAL CLIENTS (BY POPULATION)

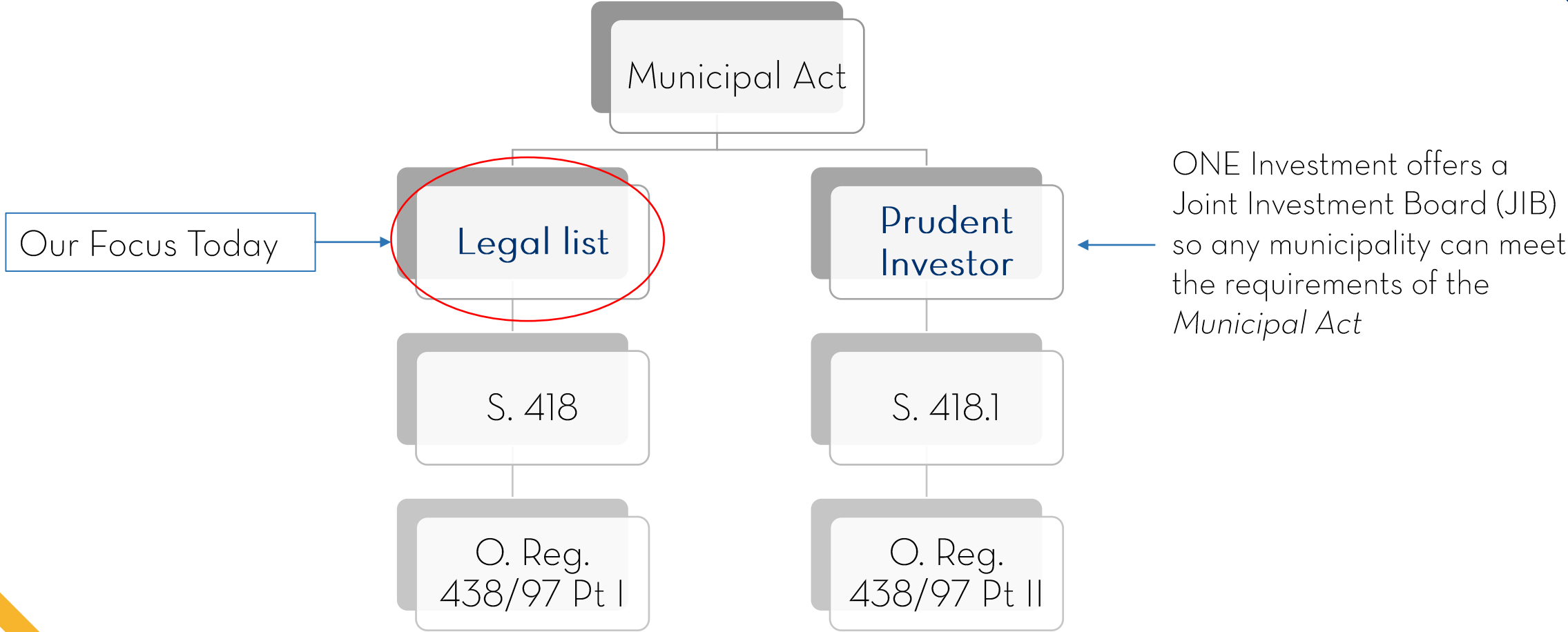
Population	# Ontario Municipalities	# ONE Investment Legal List Clients	% of Ontario Municipalities	# ONE Prudent Investment Municipalities
Under 5,000	186	55	30%	1
5,000 to 24,999	160	67	42%	4
25,000 to 49,999	31	17	55%	2
50,000 to 99,999	28	12	43%	2
Over 100,000	39	25	64%	3
Total	444	176	40%	12

INVESTMENT ADVISORY SERVICES


- In 2018 ONE Investment incorporated as a not-for-profit and received an exemption from the Ontario Securities Commission (OSC) that allows it to provide unbiased investment advice **at no-cost**
- ONE Investment staff include:
 - CFA Charter holder who can provide advice on investment policies / appropriate allocations
 - CPA Municipal finance expert that can assist with investment policy development and other requirements.
 - Municipal policy expertise
- Combined we can help you build investments into a capital financing strategy and portfolio structure.

ONE'S LEGAL LIST INVESTMENT OPTIONS

MUNICIPAL INVESTMENT LEGISLATION AND REGULATION



ONTARIO REGULATION 438/97

A hand holding a magnifying glass over text. The magnifying glass is held by a thumb and index finger, and the lens is focused on the text. The text is centered within the lens.

“A municipality does not have the power to invest under section 418 of the Act in a security other than a security prescribed under this Part.”

LEGAL LIST - PORTFOLIO OPTIONS

Portfolio	Intended Duration	Investment Approach	Holdings
HISA (High Interest Savings Account)	1+ months	Deposits with a Schedule One Canadian Bank under a master ONE Investment account	<ul style="list-style-type: none"> • Bank deposits
Bond	18 months to 3+ years	Provide a higher return over longer investment horizons through diversified investments	<ul style="list-style-type: none"> • Federal, provincial and municipal bonds • High quality bank paper • Bank guaranteed debt
Universe Corporate Bond*	4+ years	Investment in highly rated corporate bonds maturing over a wide timeframe	<ul style="list-style-type: none"> • Canadian corporate bonds • Federal, provincial and municipal bonds
Canadian Equity*	5+ years	A diversified, conservatively managed portfolio of equity securities issued by Canadian corporations	<ul style="list-style-type: none"> • Canadian equity securities

* Canadian equities and corporate bonds with maturities > 5 years are available only through ONE Investment as per the *Municipal Act* regulation.

GOVERNANCE

- ONE Investment's activities are governed by the **ONE Investment Board**, which oversees policy, financial decisions and general administrative functions.
 - 9 municipal representatives and 1 industry expert
- Legal List activities have additional advice provided by
 - **Investment Advisory Committee**
 - comprised of investment sector experts and legal representatives
 - **Peer Advisory Committee**
 - comprised of municipal representatives

ONE INVESTMENT BOARD OF DIRECTORS

- Julie Stevens, Chair, CAO, District of Muskoka
- Gary McNamara, Vice-Chair, Mayor, Town of Tecumseh
- Stephanie Leveille, Treasurer, City of Temiskaming Shores
- Terrie Miller, CFA, External Consultant
- Ken Nix, Former CAO, Township of Scugog
- Trevor Pinn, Deputy CAO, Finance and Technology/Treasurer, Municipality of Clarington
- Julie Pittini, Director of Treasury Services, Region of Peel
- Sandra Zwiers, Director of Financial Services/Treasurer, County of Essex

Note: LAS and CHUMS each have a vacancy on the Board to be filled this summer

INVESTMENT ADVISORY COMMITTEE

- Heather Douglas, Chair, Partner at Weirfoulds LLP
- Jennifer Dowty, CFA
- James Giles, CPA,CFA
- Geri James, CFA
- Bill Hughes, MBA, MES
- Christine Tessier, CFA

The Committee:

- Meets quarterly
- Maintains understanding of legal and regulatory requirements for Legal List
- Reviews each Portfolio's Statement of Investment Guidelines and makes recommendations
- Reviews each Portfolio and activities of the Managers
- Keeps ONE informed of broader industry or capital market developments

ONE INVESTMENT PRUDENT INVESTMENT PROGRAM

BENEFITS OF GOING PRUDENT

- Increased investment products available – Canada vs the World
- Better diversification of the portfolio, mitigating risk
- Takes day to day management of investments off the “side of the desk” – create internal staff capacity
- Provides subject matter expertise on day-to-day management and oversight of investments.
- Depoliticizes investment decisions via ONE JIB (Joint Investment Board)
 - ONE JIB is a Municipal Services Board, and operates according to the *Municipal Act*
 - ONE JIB includes 9 finance industry professionals and 3 municipal treasurers

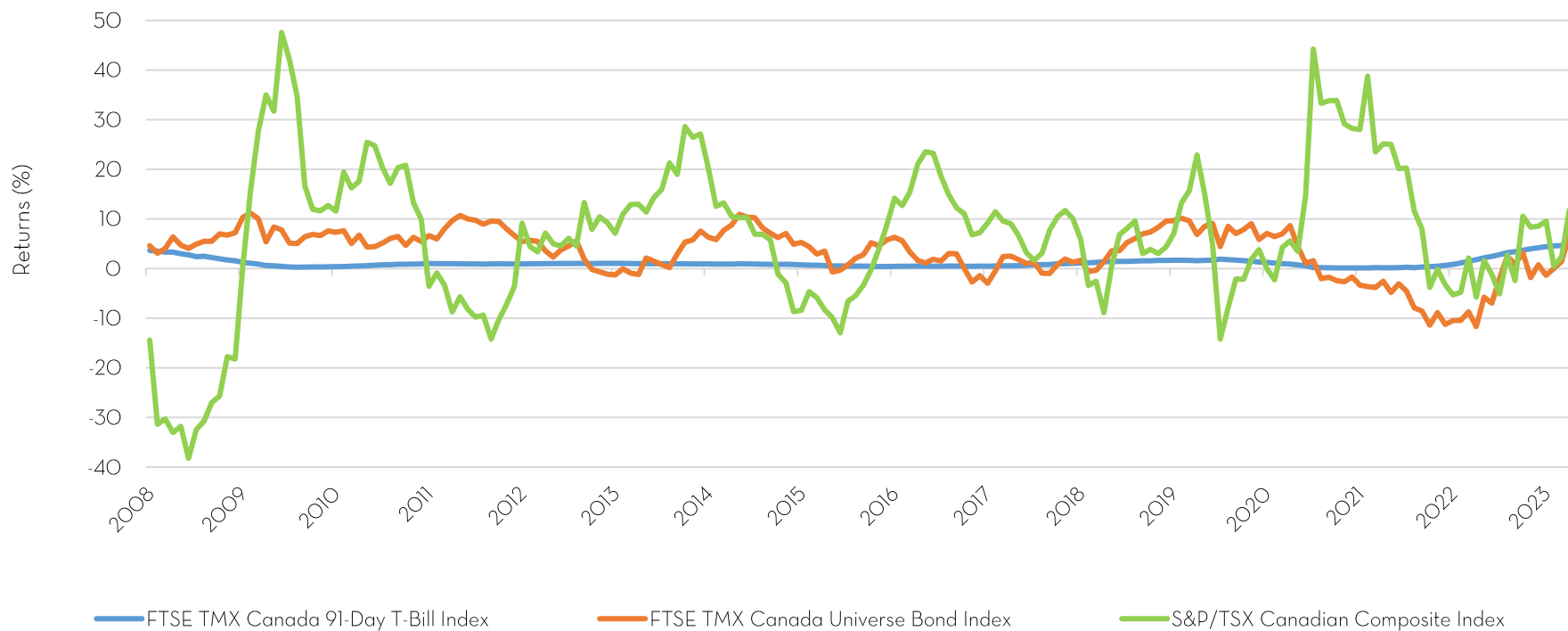
Legal
List

Prudent
Investor

BENEFITS OF A DIVERSIFIED PORTFOLIO

THE NATURE OF ASSET CLASSES

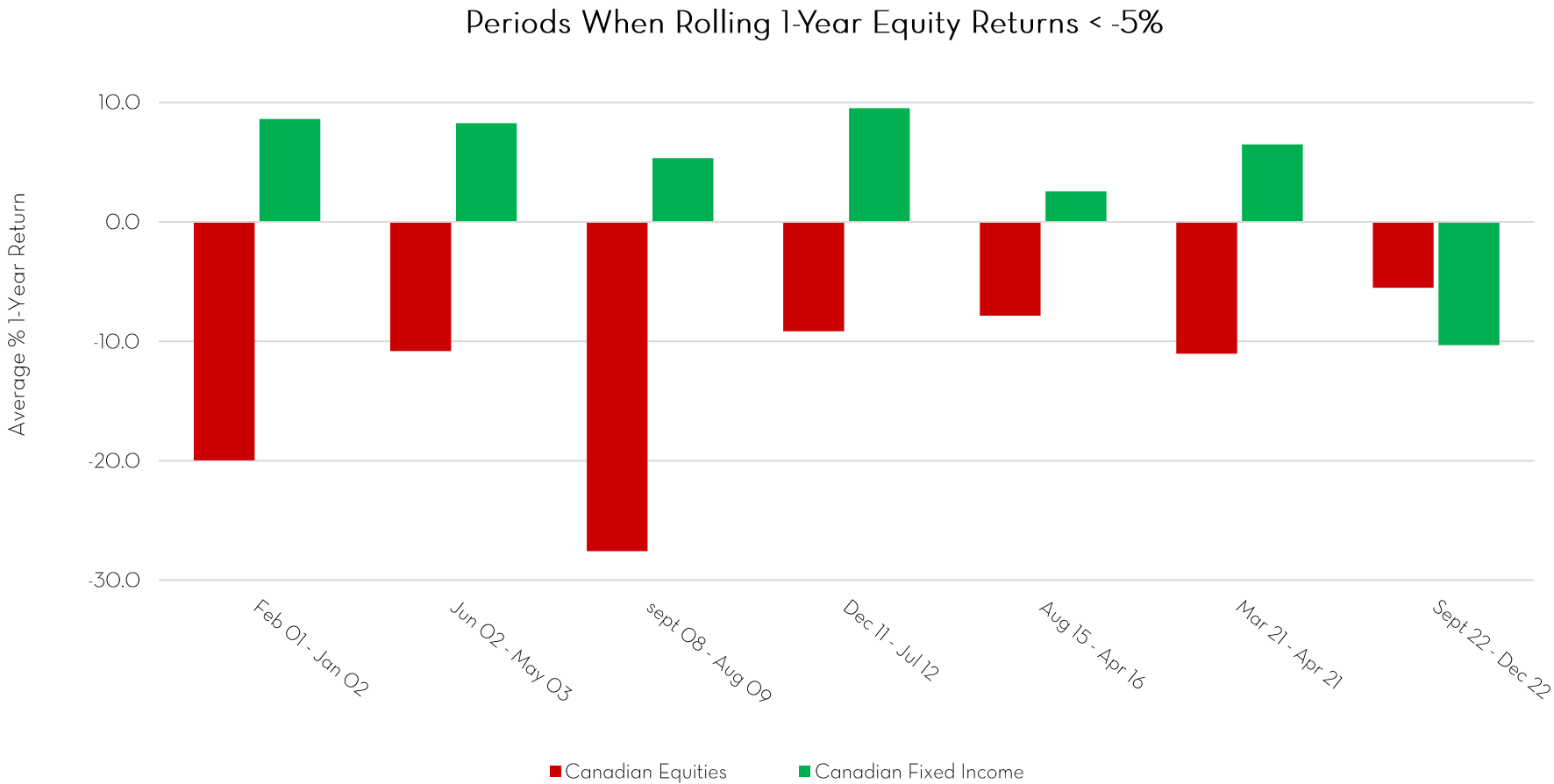
Rolling 1-Year Returns of key Canadian Benchmarks
September 2008 to December 2023



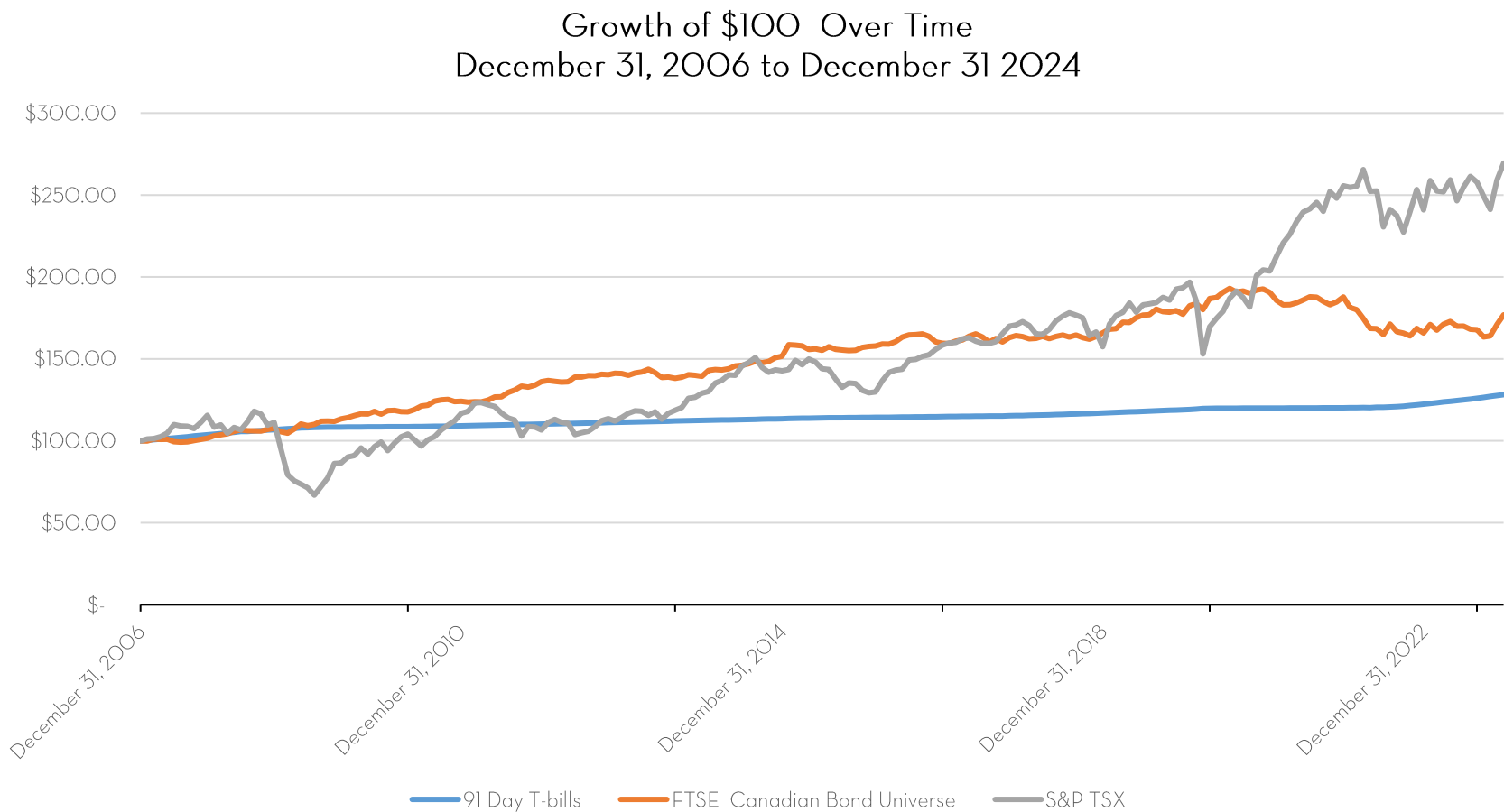
Sources: S&P, FTSE

Stocks display much more volatility

BENEFITS OF DIVERSIFICATION



EQUITY INVESTMENTS = GROWTH



KEY TAKEAWAYS

- Legal List - If the investment is not in the *Municipal Act* regulation, it's not allowed
- It's ok to start small ('a toe in the water') with long term investing
- Longer-term investment strategies can create greater opportunity for higher investment returns
- Diversification is key for your investment plan
- We are here to help with your policy, strategy and products.



QUESTIONS?