

To: ONE Joint Investment Board (ONE JIB) Participating Municipalities
From: Judy Dezell and Donna Herridge, Co-Presidents / Co-CEOs
CC: Denis Kelly, Board Secretary – ONE Joint Investment Board
Date: May 8, 2025
Re: Recent changes to your municipal investments under the Prudent Investment Offering

SUMMARY

Your municipality is one of 15 Participating Municipalities in the ONE Joint Investment Board (ONE JIB).

As a follow-up to our November 29, 2024, memo on the same topic, the ONE Investment Board and ONE JIB have fully implemented an Outsourced Chief Investment Officer (OCIO) business model for our Prudent Investment Offering, which increases the number of investment products available and enhances ONE's overall capacity to manage your investment plan as ONE JIB continues to grow.

As a Participating Municipality of ONE JIB, your municipality has successfully transitioned over to the new Prudent Investment offering in March 2025, which has resulted in the crystallization of investment gains that will have to be reported on your 2025 Financial Statements.

BACKGROUND

ONE JIB is a joint local board within the meaning of the *Municipal Act* and constitutes a local board of each Participating Municipality; currently fifteen municipalities participate in ONE JIB.

PH&N Institutional, part of RBC Global Asset Management, is the Sub-Investment Manager for ONE's new Prudent Investment Offering. They were selected through a competitive RFP process and have significant outsourced chief investment officer and Canadian municipal sector experience. All existing ONE JIB clients were informed of this change in early 2024 and updated throughout the process, including at our quarterly Participating Municipalities Meetings. This memo provides a final update on the transition.

THE DETAILS

The new Prudent Investment Offering increases the number of investment fund products available to ONE JIB and the Participating Municipalities. The new Offering also allows Investment Plans to include an additional investment class, known as alternative investments, as deemed appropriate by the Participating Municipality and ONE JIB.

As a Participating Municipality, your municipality was transitioned over to the new Prudent Investment Offering on March 5, 2025. The full transition plan was approved by ONE JIB at their [November 27, 2024 meeting](#). This plan replicated market and risk factor exposures of the



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existing Outcomes Framework benchmarks referred to in each Participating Municipality's Investment Plan.

As part of the transition, all investments held in the five ONE Investment PI Funds were sold on March 3, 2025, and units of PH&N/RBC Funds were purchased on March 5. This action resulted in significant capital gains distributions from the ONE Investment PI Funds with cumulative investment gains and losses being crystalized for all Participating Municipalities that will have to be reported on your municipal 2025 Financial Statements. There was also interest income earned on cash balances as they transitioned into the new Prudent Investment Funds operated by PH&N Institutional/RBC Global Asset Management.

ONE Investment staff, including our Chief Investment Officer (CIO) and PH&N Institutional, met individually with each Participating Municipality to discuss the transition plan, local circumstances and to confirm that there was no municipal effort required to facilitate the transition.

ONE JIB acknowledges municipal sensitivity to recognizing investment gains and losses as part of the transition but is pleased to report that all investors had positive investment results as part of the change. ONE JIB takes its fiduciary responsibility seriously and will continue to carefully exercise its fiduciary role as it considers any future investment decisions in 2025 and beyond, based on changes to the Municipal Investment Plan for any of the Participating Municipalities during the annual review process and changes to the desired model portfolios.

Following the payment of all applicable Q1 2025 investor rebates to PI Investors (as applicable), ONE Investment is in the process of closing the five existing PI Funds. The quarterly reporting packages issued to investors for Q1 2025 include a supplemental section that summarizes the gains, losses and income recognized during the transition.

As part of the transition to PH&N Funds, there are changes to investor reporting, as well as to the Investment Policy Statement. In the coming months, all Participating Municipalities will receive an overview session to highlight the new monthly and quarterly statements. Also, a revised Investment Policy Statement template will be used for all annual reviews in 2025.

ONE Investment staff is available to answer any questions, on the legislation, current market conditions or ONE's Prudent Investment program. Please have your Treasurer reach out to us as required.

Lastly, as you finalize your 2024 financial statements, you may wish to view the audited financial statements for the ONE Prudent Investment Funds – these are available on the [ONE Investment website](#).