

Attachment #3 – Draft Investment Plan

Working with the ONE JIB, staff have reviewed the Town’s current investment portfolio and the timing of needing the funds based on reserve projections. The total portfolio was \$170.1M as of December 31, 2022 and \$80.8M was deemed to be MNRI.

Table 1
Breakdown of Overall MNRI

Invested in ONE Outcomes	\$ 42,800,000
In Kind holdings	38,000,000
Total MNRI	\$ 80,800,000

After looking at our current investment holdings, it is recommended that we liquidate \$42.8M of existing holdings to be transferred to the ONE JIB’s pooled funds. The remaining \$38.0M in investments will continue to be held with our brokers but considered to be in-kind holdings under the control of the JIB. What this means is that any income or maturities of these investments would be transferred to the ONE JIB’s pooled funds over time, with the assumption that they would all be transferred within the next five years. Overall, the proposed allocations will have about 45% allocated to equities. The tables below provide details on the allocations.

Table 2
Breakdown of MNRI Investment in ONE JIB’s Investment Outcomes

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Contingency	13.2	30.8	-	40	60	100
Target Date 3-5 Years	11.0	25.7	20	70	10	100
Target Date 5-10 Years	15.0	35.0	-	50	50	100
Target Date 10+ Years	3.6	8.4	-	25	75	100
Total	\$ 42.8	100.0				

Table 3
Consolidated Exposure of MNRI Invested in ONE JIB's Investment Offerings

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 2.2	5.1
ONE Canadian Equity Fund	5.8	13.5
ONE Global Equity Fund	13.5	31.4
ONE Canadian Government Bond Fund	3.2	7.5
ONE Canadian Corporate Bond Fund	3.2	7.5
ONE Global Bond Fund	15.0	35.0
Total	\$ 42.8	100.0

Table 4
Long Term Risk and Return Estimates for Investment Outcomes

Outcome	Expected Return	Standard Deviation	Allocation Weight
Contingency	5.4%	6.6%	30.8%
Target Date 3-5 Years	4.5%	2.8%	25.7%
Target Date 5-10 Years	5.2%	5.8%	35.0%
Target Date 10+ Years	5.6%	7.9%	8.4%
Overall	5.1%	5.3%	100.0%