



100 John West Way
Aurora, Ontario
L4G 6J1
(905) 727-3123
aurora.ca

Town of Aurora
Memorandum
Finance

Re: Prudent Investor Update

To: Finance Advisory Committee

From: Laura Sheardown, Advisor, Financial Management

Date: September 10, 2024

Recommendation

1. That the memorandum regarding the Prudent Investor Update be received; and
2. That the Finance Advisory Committee comments regarding the Prudent Investor Update be received and referred to staff for consideration and further action as appropriate.

Background

In March 2023, the transition to the Prudent Investor regime was completed with the transfer of funds to the ONE joint Investment Board (JIB). As of December 31, 2023, the Town achieved a realized rate of return of 2.6 percent and an unrealized return of 4.1 percent on its prudent investor investments.

Analysis

Aurora's ONE JIB investments continue to perform well

Aurora's investments with ONE JIB continue to benefit from their exposure to a wider range of equity investment options, showing a 3.4 percent return year-to-date and a 10.3 percent return since inception. The complete investment reports from ONE Investment for the quarters ending March 31, 2024 and June 30, 2024, can be found in Attachments #1 and # 2 respectively.

ONE JIB municipal membership continues to rise as its benefits become clear over time

The ONE JIB continues to attract new municipalities as it demonstrates its benefits over time; membership has now expanded to 12 municipalities. The most recent member addition was The Regional Municipality of Durham in early 2024 who contributed approximately \$1.8 billion in funds to the ONE JIB's overall investment portfolio. It is anticipated that three additional municipalities will join the ONE JIB before the end of the year.

ONE JIB Participating Municipalities	
Town of Aurora	Town of Alymer
Town of Bracebridge	Town of Huntsville
Town of Innisfil	City of Kenora
District Municipality of Muskoka	Municipality of Neebing
City of Quinte West	City of Thunder Bay
Town of Whitby	Regional Municipality of Durham

As the ONE JIB continues to maximize its investment portfolio's return for member municipalities, the board has just engaged an Outsourced Chief Investment Officer (OCIO) from PH&N Investment Services, a wholly owned subsidiary of RBC Global Asset Management Inc. to provide it with investment services and analysis which will allow it to expand and enhance its current investment offerings. Durham Region has already begun investing under the new OCIO offering; Aurora, along with the remainder of the municipal members, will transition to the OCIO model in 2025, the details of which are currently under development.

Attachments

Attachment #1 – ONE JIB Quarterly Statement as of March 31, 2024

Attachment #2 – ONE JIB Quarterly Statement as of June 30, 2024