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Investment Dollar Earned, Tax Dollar Saved:  
The Opportunity to Finance *Municipal Infrastructure*

January 19, 2026

# ONE INVESTMENT

A not-for-profit organization dedicated to serving the investment needs of the Ontario municipal sector.

Established in 1993, operated by:



‘Legal List’ and Prudent Investment Options

‘Investment Advisory Services Team’ – available to all municipalities

ONE Investment manages over **\$5.6 Billion** for >190 municipalities and broader public sector entities (Conservation Authorities, etc.)

# MUNICIPAL CLIENTS (BY POPULATION)

Population	# Ontario Municipalities	ONE - Legal List and HISA Clients	% of Municipalities Using ONE	Average Investment Per Investor	ONE - Prudent Investment Clients
Under 5,000	186	53	29%	\$1.9 million	4
5,000 to 24,999	160	69	43%	\$5 million	5
25,000 to 49,999	31	17	55%	\$18.1 million	2
50,000 to 99,999	28	12	43%	\$21.6 million	2
Over 100,000	39	23	59%	\$61 million	4
<b>Total</b>	<b>444</b>	<b>174</b>	<b>39%</b>		<b>17</b>

# LEGAL LIST vs PRUDENT INVESTMENT

Two distinct regimes under  
the Municipal Act



## LEGAL LIST

Prescribed list of  
Canadian securities and issuers.



## PRUDENT INVESTMENT

**Any security**, provided that in making the investment the municipality exercises the care, skill, diligence and judgment that a prudent investor would exercise in making the investment.

# THE PRUDENT INVESTOR (PI) STANDARD

Section 418.1(8)

- Must exercise the care, skill, diligence, judgment that a prudent investor would use

Section 418.1(9)

- Duty to obtain advice

Section 418.1(10)

- Consider the investment planning criteria (i.e. economic conditions, inflation, role of each investment in the portfolio, need for liquidity, etc.)

Section 418.1(11)

- Diversify to an extent that is appropriate to general economic and investment market conditions

O. Reg 438/97

- Municipality must invest long-term money via an Investment Board or 'Joint' Investment Board

# A MUNICIPALITY MUST “OPT INTO” PRUDENT INVESTMENT (PI)

- A municipality (through council) must pass a by-law to opt into Prudent Investment to ensure that moving to PI is a thoughtful decision.

ONE has all the supports to help your municipality:  
Subject matter expertise, educational materials, council reports, etc.

# PI ONLY APPLIES TO 'MNRI'

- Term is not defined in the Act/Regulation
- It is flexible - defined by the municipality via the Council-approved Investment Policy
- Anything outside of the definition, remains under care and control of Treasurer and subject to Section 418 of the Act (Legal List)

MNRI =  
Money Not  
Required  
Immediately

# PI GOVERNANCE MODEL

- The Investment Board or Joint Investment Board (JIB) is a municipal services board
- ONE Investment offers a 'Joint Investment Board' (ONE JIB) for any municipality to access PI

## Municipality

- Adopts, maintains investment policy
- Reviews policy at least annually
- Monitors performance and compliance by the IB/JIB

## Investment Board or Joint Investment Board

- Adopts, maintains investment plan for MNRI
- Monitors, reports performance
- Updates plan to comply with the investment policy
- May engage agents to manage investment funds

# ONE JIB PARTICIPATING MUNICIPALITIES – OVER \$2.8 BILLION INVESTED

## Founding Municipalities (2020)

- City of Kenora
- District Municipality of Muskoka
- Town of Bracebridge
- Town of Huntsville
- Town of Innisfil
- Town of Whitby

## Other Participating Municipalities

- City of Quinte West
- City of Thunder Bay
- Municipality of Clarington
- Municipality of Neebing
- Municipality of Red Lake
- Regional Municipality of Durham
- Town of Aylmer
- Town of Aurora
- Township of Central Frontenac
- Municipality of Oliver Paipoonge
- Township of Georgian Bay

# DISPELLING MYTHS

## MYTH #1

### My municipality is too small

- The current smallest Prudent Investment municipality has a population of 2,000 and the largest is 2.9 million
- Although the pathway to Prudent Investment may differ, it is an option for all Ontario Municipalities

## MYTH #2

### We don't have enough money

- Even a modest investment is better than none
- On a per capita basis, \$1 of investment revenue is worth more in smaller municipalities than in larger ones
- *An investment dollar earned is one less tax dollar that needs to be raised*

# SOME TAKEAWAYS

- Financial pressures on municipalities are numerous and daunting
- Focus on the things that you do best, and bring in the pros when you need to
- PI is the best way to achieve higher long-term risk-adjusted investment returns
- Municipalities need to pursue every opportunity to generate non-tax revenue:
- You are not too small to become a Prudent Investor

# PH&N Institutional & Prudent Investing

Martin Leclair, CFA, Vice President and Institutional Portfolio Manager

# Why is 'Prudent Investor' widely adopted by institutional investors?



**“Active Portfolio  
Modeling with Purpose”**



**Takes Advantage of Global Opportunities**



**Enhances Potential Returns**



**Control over the Risk and Reward Decision**



**Protects Against Market Volatility**



**Reduces Risk of Loss**



**Mitigates Sector or Industry-Specific Risks**

# Portfolio modeling expertise



## Capital Market Assumptions

10-yr forward-looking capital market forecasts (Return, volatility, downside risk, correlations)



## Eligible Capital Market Exposures

Money market, global fixed income and credit, global equity markets and private markets



## Modeling Constraints

Ensure proper diversification, liquidity and practicality.

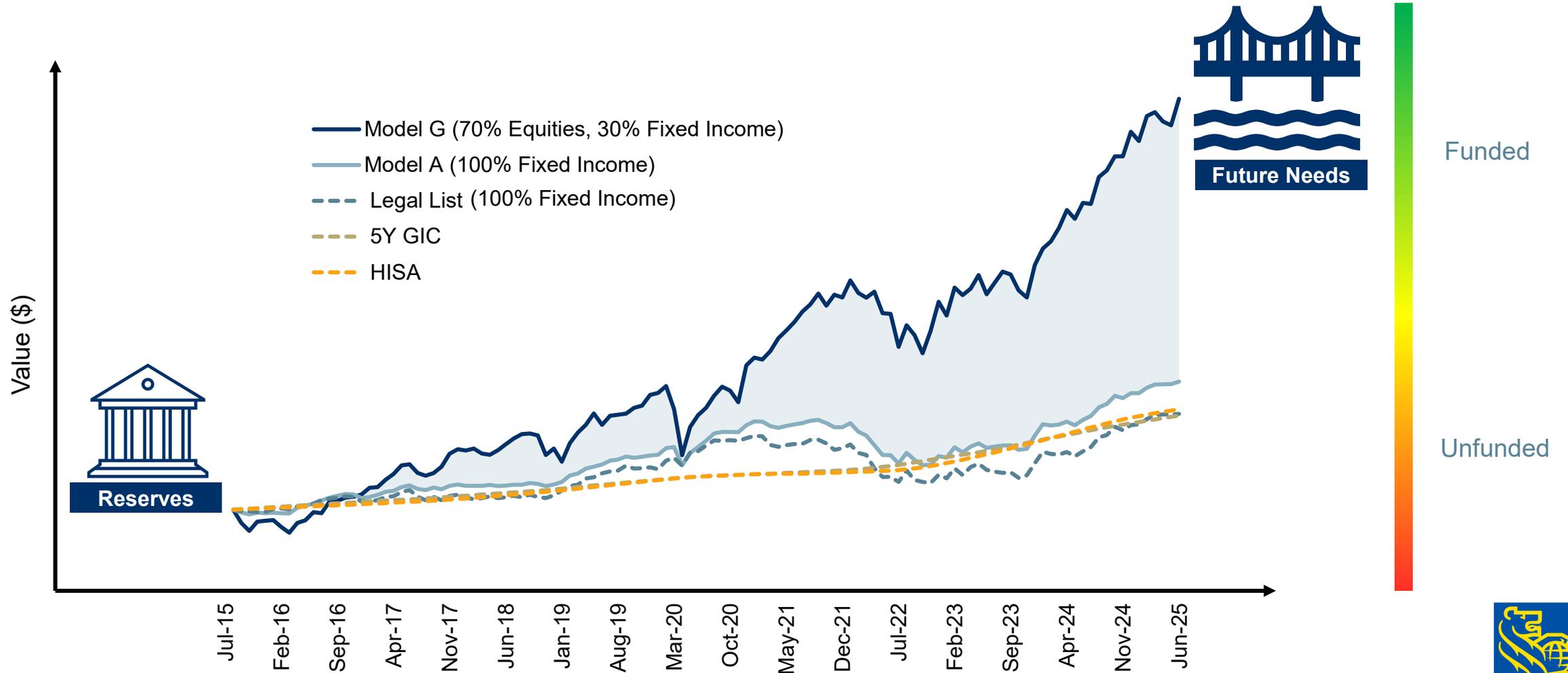


## Model Portfolios and Bespoke Allocations

# Broad selection of asset class exposures

 <b>Public markets</b>				 <b>Private markets</b>	
Canadian Fixed Income	Global Fixed Income	Equity		Debt	Equity
Core, Enhanced, Core Plus	Global & US Aggregate	Canadian	Fundamental	Mortgages	Real Estate
Short, Universe, Long	Sovereign	Global	Quantitative	Infrastructure Debt	Infrastructure
Investment Grade Corporate	Investment Grade Corporate	International	Value, Growth Style Investing	Illiquid Credit	
High Yield Corporate	High Yield Corporate	U.S.	Low Volatility	 <b>Liquid alternatives</b>	
Private Investment Grade Corporate	Emerging Market Debt	Emerging Markets	Small, Large Cap Investing	Multi-strategy, Absolute return	Global Macro
Levered strategies	Multi-Asset Credit	China	Portable Alpha	Long/Short Credit	Long/Short Equity
Enhanced Cash	Foreign Currency			Structured Credit	Market Neutral
 <b>Socially Responsible, Fossil Fuel Free, and ESG Thematic Investing</b>				Trend following	Event Driven Credit

# Success is not a straight line (illustrative)



# A Powerful Ecosystem



- Access to municipal expertise + Investment expertise
- A portfolio construction process supported by science, aligned with municipal needs
- Full access to the suite of RBC GAM investment solutions, and its investment teams
- White-labelled reporting
- Constant innovation
- IM Fees comparable/lower to largest institutional investors

# QUESTIONS

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