

Appendix 2 – Detailed Comparison of PI Options

	Remain on Prescribed List	Prudent Investor through own Investment Board	Prudent Investor through ONE JIB as a founding municipality
<i>Control over investments</i>	<ul style="list-style-type: none"> • High level of control over narrow range of investments • Limited ability to set own risk tolerance, otherwise dictated by Province 	<ul style="list-style-type: none"> • Strategic control through investment policy • Full control over short-term investments through definition of money not required immediately • Ability to set own risk tolerance 	<ul style="list-style-type: none"> • Strategic control through investment policy • Partial control over governance through rotating term for treasurer on ONE JIB and committees • Full control over short-term investments • Ability to set own risk tolerance
<i>Cost</i>	<ul style="list-style-type: none"> • Status quo 	<ul style="list-style-type: none"> • Costs of establishing are high. Toronto's budget during their set-up year was ~\$560K. • Ongoing maintenance of the Toronto IB is estimated at \$1M annually. • Fees are likely to be slightly higher than legal list due to greater product complexity and required level of active management. • Establishing an IB and ongoing maintenance would have a direct budget impact. 	<ul style="list-style-type: none"> • Maintenance costs shared among all members through ONE fees. • Average fees are slightly higher than legal list as manager fees for PI products are higher due to complexity of offering. • Fees are charged to investment funds so there are no direct budget implications.
<i>Risks</i>	<ul style="list-style-type: none"> • Lower potential return on investment • Concentration risk 	<ul style="list-style-type: none"> • No alternative IB / JIB at present if IB fails or proves too costly to justify over long-term 	<ul style="list-style-type: none"> • JIB agreements can make it slightly more difficult to switch to other IB or JIB option in future; though ONE has developed clear procedures for founding municipalities to exit the JIB • No alternative IB / JIB at present

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<i>Opportunities</i>	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Potential for improved risk-adjusted returns 	<ul style="list-style-type: none"> • Potential for risk-adjusted returns • Fee rebates for founding municipalities • Expert advice of an CFA charterholder is a part of the turnkey solution • ONE has developed IPS templates and investment plan templates that are in full compliance with the Municipal Act. • Set up costs have already been absorbed by ONE Investment.
<i>Feasibility</i>	<ul style="list-style-type: none"> • High 	<ul style="list-style-type: none"> • Moderate / Low 	<ul style="list-style-type: none"> • High