

Appendix 1 – ES-0XX-25
Investment Portfolio Authorized Investments and Limitations

Authorized Investments and Limitations						
Category	Sector ⁽¹⁾	Portfolio Maximum		Individual Maximum ⁽²⁾	Term Limitation (Years)	Minimum DBRS Rating ⁽³⁾
						Short-term Long-Term
Federal	Federal and Federal Guaranteed ⁽⁴⁾	100%		100%	20	N/A A (low)
Provincial	Provincial and Provincial Guaranteed ⁽⁴⁾ (example: Provincial Hydro Authority)	100%		20%	15	R-1 (low) A (low)
Municipal	Municipal and Municipal Guaranteed	50%		10%	15	R-1 (low) A (low)
Boards / Schools	School Board	15%	5%	10	R-1 (low)	AA(low)
	University and College ⁽⁵⁾					
	Local Board or Conservation Authority					
	Public Hospital Board					
	Non-profit Housing Corporation					
Financial Institution⁽⁶⁾	Schedule I Bank (BMO, BNS, CIBC, NBC, RBC, TD)	60% ⁽⁷⁾	60%	20%	10	R-1 (low) A (low) ⁽⁸⁾
	Schedule II & Other Schedule I Banks not listed above		20%	10%	2	
	Trust Loan / Credit Union					
ONE Investment Program⁽⁹⁾	Canadian Government Bond Portfolio	25%		10%	N/A	N/A
	Canadian Corporate Bond Portfolio			10%		
	Canadian Equity Portfolio			10%		
Other	Asset Backed Securities	10%		5%	5	R-1 (high) AAA
	Commercial paper or promissory notes	10%		5%	1	R-1 (mid) N/A

Notes:

(1) Per definitions and regulations under Ontario Regulation 438/97.

(2) Individual maximum applies to either an individual institution or in the case of the ONE Investment Program it applies to individual portfolios.

(3) Equivalent ratings from Moody's Investor Services, Standard and Poor's or Fitch Ratings are also acceptable.

(4) Includes bonds, debentures or other evidence of indebtedness issued or guaranteed by the Government of Canada, or a Province of Canada. A minimum of 10% of the portfolio must be in the Federal or Provincial category.

(5) Includes a University in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000 and a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002.

(6) Includes bonds, debentures, deposit receipts, deposit notes, certificates of deposit or similar instruments issued, accepted, guaranteed or endorsed by a bank in Schedule I or II or a Credit Union, including bail-in. Six major Schedule I Banks include: Bank of Montreal, Bank of Nova Scotia (The), Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and Toronto-Dominion Bank (The). Credit Unions require financial statements or certification in writing that various financial criteria has been met as outlined in O. Reg. 438/97.

(7) The overall Financial Institution category shall not exceed 60% of the total portfolio, within this category:

- i) Aggregate holdings of the Six major Schedule I Banks shall not exceed 60% of the total portfolio; and
- ii) Aggregate holdings of Schedule II & Other Schedule I Banks not listed above and Trust Loan / Credit Union's shall not exceed 20% of the total portfolio.

(8) For securities of bonds, debentures, promissory notes or other evidence of indebtedness, issued or guaranteed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada) with a term-to-maturity less than or equal to 2 years on the day the investment is made, the prescribed minimum credit rating is AA(low).

(9) The ONE Investment Program provides recommended investment timelines for each fund however funds can be withdrawn with one day's notice and investments in each pool meet eligibility criteria as defined by regulations under the Municipal Act.