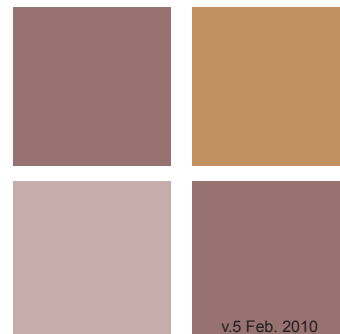




## Bond Portfolio Fact Sheet



Offering municipalities the opportunity to invest in a range of secure short-term government bonds since 1993.

### Portfolio Description

#### *Objective*

The original product of the One Investment Program, the objective of the One Bond Portfolio is to provide competitive rates of return through a diversified portfolio of conservatively managed short-term bonds where preservation of capital is of prime concern.

Qualified securities include Government of Canada Debt and Guarantees, Provincial Government Debt and Guarantees, Canadian Municipal Debt, Canadian Bank Debt, Loan and Trust Company Debt, and highly rated commercial paper. Complete investment guidelines for the Bond Portfolio are available on the One Investment Program website.

#### *Investment Horizon*

With an investment horizon of 18 months to 5 years, municipalities will find the One Bond suitable for:

- Surplus operating funds not required in the current year
- Capital funds to be expended in the following one to three year period
- Gas Tax receipts not expended in the current year

#### *Investment Measurement*

The performance benchmark is comprised of: 95% DEX Short All Government Bond Index and 5% DEX 91 Day T-Bill Index.

#### *Portfolio Performance*

In 2006 the investment guidelines for the Bond Portfolio were revised to ensure strong and enhanced fund performance going forward.

Subsequently performance improved. Two-year Bond Portfolio returns for months ending in 2009 exceeded all two-year period returns since 2002.

In addition, the Bond Portfolio balance under management has increased substantially in 2009.

#### *Portfolio Manager*

The long-time fund manager for the One Bond Fund is McLean Budden. They also manage the Money Market Portfolio and Universe Corporate Bond Portfolio. McLean Budden is one of Canada's largest investment counsel firms, with \$34 billion in assets under management, and has been managing institutional portfolios since 1956. The firm has a long track record of delivering superior returns for both bonds and money market portfolios.

### Portfolio Details

■ Inception Date  
**March, 1993**

■ Portfolio Manager  
**McLean Budden**

■ Total Fund Size  
**\$165.9 Million**  
(at December 31, 2009)

■ Rolling Two-Year Return  
**High: 12.21%**  
(ending November, 1996)  
**Low: 1.76%**  
(ending June, 2007)  
**Average: 5.75%**

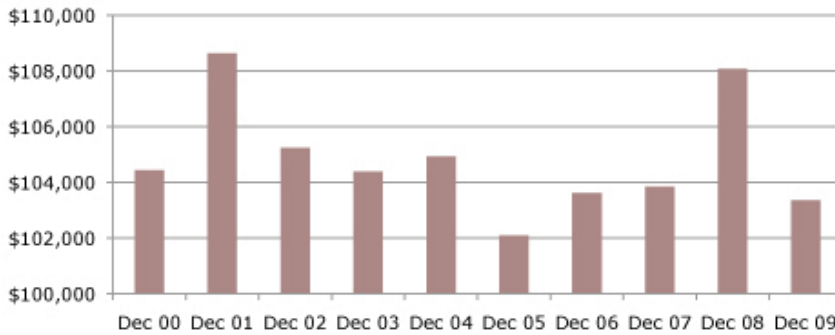
■ Average Term  
**3.4 years**

■ Percent Positive Two-Year Investment Period  
**100%**

■ Minimum Investment  
**\$5,000**

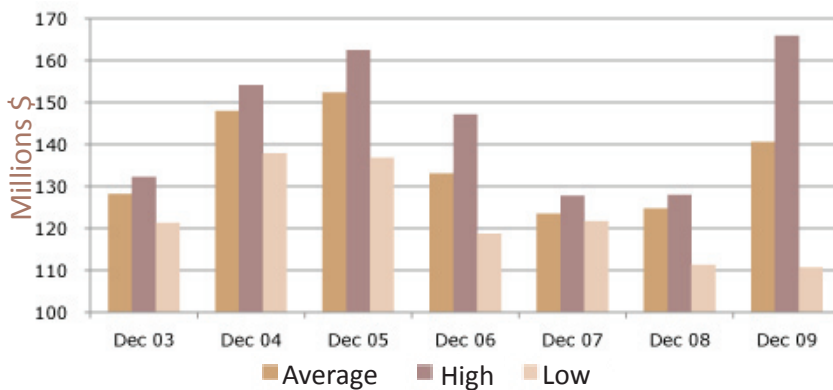
## Portfolio Performance

*Graph 1: Value of a One Year Bond Portfolio Investment  
Ending December 31*



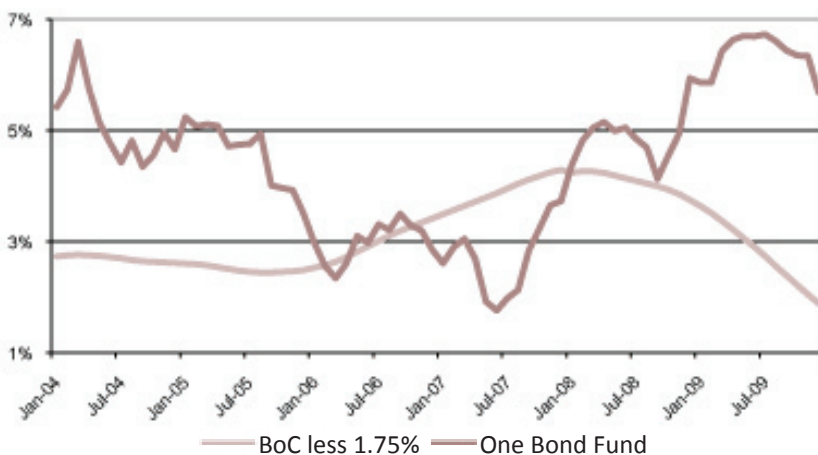
Graph 1 shows the year-ending value of a single \$100,000 one-year investment made in the Bond Portfolio for each of the past 10 years. Despite the very low interest environment through 2009 the Portfolio returned 3.35% for the year ending December 31, 2009.

*Graph 2: Average Annual Bond Portfolio Balances  
(Year Ending December 31)*



Graph 2 presents the one year low, high and average investment levels in the Bond Portfolio (at December 31st). With the high level of investment in this portfolio, One is able to achieve low transaction fees and high quality instruments often unavailable to municipalities on an individual basis. The result is higher net returns, as seen in 2009.

*Graph 3: Bond Portfolio vs. Bank of Canada less 1.75%  
Two Year Annualized Returns (January 2004 to December 2009)*



Graph 3 illustrates the Bond Portfolio return compared to the bank interest rate of Prime less 1.75% - the interest rate commonly realized by larger Ontario municipalities. Following periods of underperformance in 2006/07 the Bond portfolio has restored a consistent outperformance relative to the prime less 1.75% measure

The One Investment Program is operated jointly by Local Authority Services Limited and The CHUMS Financing Corporation, wholly owned subsidiaries of The Association of Municipalities of Ontario and The Municipal Finance Officers' Association of Ontario, respectively. The One is a pooled program where the deposits of multiple participating municipalities and eligible public sector organizations are jointly invested, and managed by professional portfolio managers. For current performance data please contact the One Investment Program representatives listed below.

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The ONE financial investment choice for your municipality.  
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