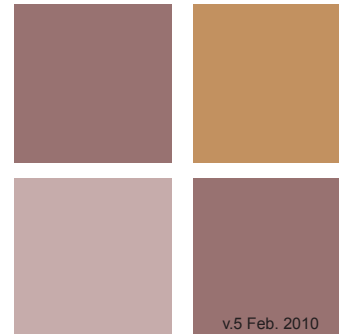




Universe Corporate Bond (UCB) Portfolio Fact Sheet



Municipalities can leverage the long-term growth potential of Corporate Bonds maturing in greater than five years but only through the One Universe Corporate Bond Portfolio.

Portfolio Description

Objective

This portfolio meets One's objective to offer municipal participants access to investments across the spectrum of investment duration. The objective of the UCB is to: provide competitive rates of return by investing in a diversified, conservatively managed portfolio of bonds, debentures, promissory notes of corporations, governments or their agencies, or supranational organizations or their agencies, as permitted by applicable regulation.

Investment Horizon

With a longer-term investment horizon of four to ten years, municipalities will find the UCB suitable for:

- Long-term reserves and reserve funds
- Perpetual and trust funds, as required for cemetery funds
- Development charge receipts not required in the short term

Investment Performance Measurement

The investment performance will be measured on the basis of time weighted rates of return over a moving four-year period.

The performance benchmark is 60% the Scotia Capital Universe Bond Index, 38% the Scotia Capital All Government Bond Index and 2% the 91 Day T-Bill Index.

Portfolio Manager

McLean Budden was selected through a competitive RFP process as the UCB Portfolio Manager. McLean Budden is also the long standing manager for the One Bond Portfolio and also took over management of the One Money Market Portfolio in 2007. 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.

Investment Guideline Rationale

	Target	Range
Government Bond & Money Market	25%	0 – 40%
Corporate & Other Eligible Issuers	75%	60 - 100%

The One Corporate Universe Bond Portfolio was designed to provide an opportunity to benefit from income gains and capital appreciation by investing primarily in high quality corporate bonds and from time-to-time in Canada, Provincial and Municipal (Government) bonds.

The primary reason to permit Government bonds into the asset mix is to allow the portfolio a defensive mechanism to protect against widening credit spreads. Historically credit markets have operated in a cycle and widening credit-spread markets will cause corporate bonds to under-perform compared to Government of Canada bonds. A defensive credit mechanism provides for superior preservation of capital in poor credit environments. Secondly, corporate bonds have higher transaction costs versus Government of Canada bonds; it is more effective to execute duration strategies with Government securities that have greater liquidity and lower transaction costs.

Portfolio Details

■ Inception Date
August, 2008

■ Portfolio Manager
McLean Budden

■ Fund Return
9.5% (one year)

■ Total Fund Size
\$17.6 Million
(at December 31, 2009)

■ Participants
4

■ Select Holdings

Bank of Montreal
Bank of Nova Scotia
Canadian Utilities
CIBC
Enbridge Pipelines
Encana
GE Capital
Honda Finance Canada
HSBC Bank of Canada
Investors Group
RBC
Schlumberger Canada
TD Bank
TransCanada PipeLines
Wells Fargo Fin. Canada

Portfolio Performance

The UCB Fund offers far greater diversification than available and permitted bank products. In 2009, the portfolio returned 9.5% because of higher incremental yields over Government of Canada bonds.

Chart 1: Value of \$100,000 Invested in UCB Portfolio vs. Portfolio Benchmark and One Bond Portfolio (Calendar Year 2009)

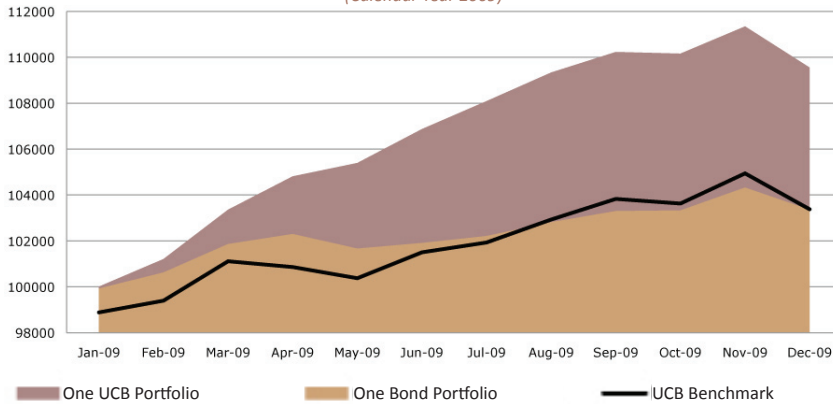
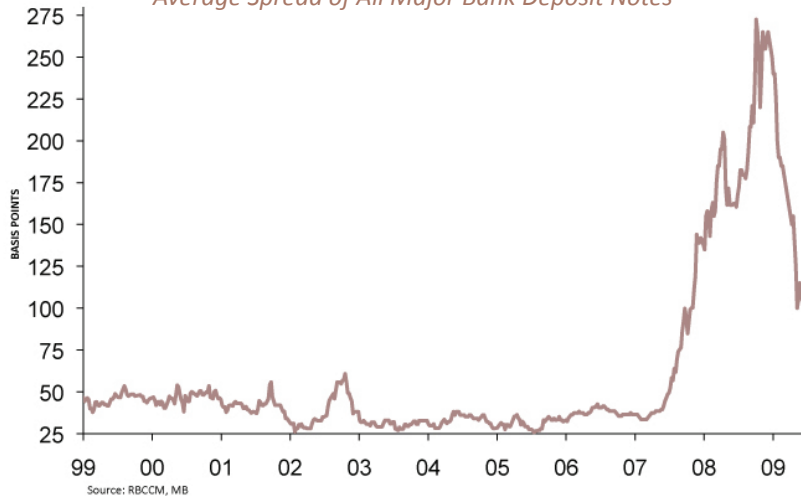


Chart 1 shows the income earned from a \$100,000 investment for Calendar Year 2009 in both the Universe Corporate Bond Portfolio compared to the Portfolio benchmark and the same period return for the One Bond Portfolio. The UCB is designed to provide increased returns over the 4+ year time horizon.

*5 YEAR BANK SPREADS
Average Spread of All Major Bank Deposit Notes*



Throughout 2008 and into 2009 there were very positive conditions for a strong UCB portfolio. The Bank of Canada rate stabilized in 2009 but the Corporate Bond opportunity is still strong. Much outperformance vs. Canada bonds has already occurred with credit spreads returning to more moderate levels. There still however exists an opportunity to enhance returns for 4+ year investments by using the Corporate Bond Fund.

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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