

Frequently Asked Questions



GENERAL

1) What is The One Investment Program?

The One Investment Program is a pooled investment vehicle offered to Ontario municipalities and the broader Ontario public sector. The One Investment Program is jointly operated LAS and CHUMS, wholly owned subsidiaries of the Association of Municipalities of Ontario (AMO) and The Municipal Finance Officers' Association (MFOA), respectively.

2) What products and investment types are available through The One Program?

The One family of products includes a Money Market Portfolio (recommended for investments up to 18 months), a Bond Portfolio (recommended for investments from 1.5-5 years), a Corporate Bond Portfolio (recommended for investments of 4-10 years), and an Equity Portfolio (recommended for investments of 5 years or longer). One also plans to offer a new Balanced Portfolio in mid-2010.

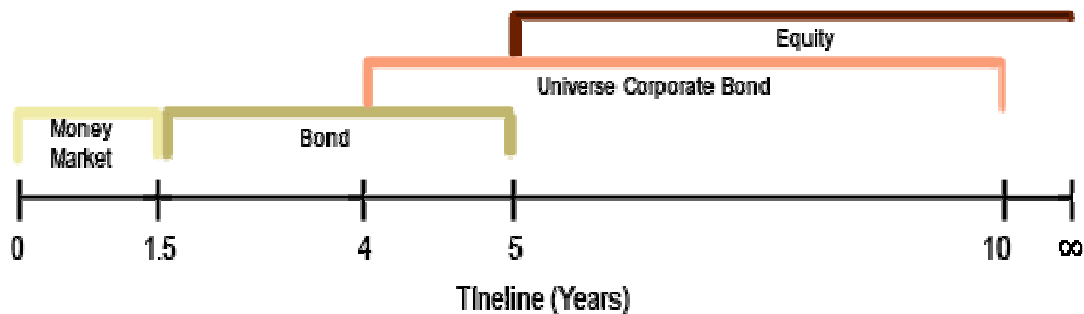
3) What makes The One Investment Program different than my bank?

The various One portfolios allow your municipality to realize stronger returns than can typically be realized through your bank. By choosing the investment product that best fits your investment horizon The One Investment Program allows you to maximize the return potential of your investments while minimizing risk and ensuring regulatory compliance.

4) How long has had The One Investment Program been in operation?

Both CHUMS and LAS have offered individual investment funds for Ontario municipalities since the early 1990s, but in 1994, CHUMS and LAS combined their efforts to better meet the needs of Ontario's local governments. The best aspects of the existing programs were leveraged and the funds were replaced with a single investment program known as "One - The Public Sector Group of Funds". After a rebranding in 2010, the program is now "The One Investment Program".

The One Money Market Portfolio has been in operation since 1993, the Bond Portfolio since 1995, the Equity Portfolio since 2007, and a Universe Corporate Bond Portfolio was made available in 2008.



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5) Is my municipality too small / large to participate?

Participation in any of the portfolios includes municipalities of all sizes – some with populations as small as a few hundred and others with hundreds of thousands. Smaller municipalities investing in The One Investment Program benefit from being included in larger more cost-effective market purchases and equally, larger municipalities benefit from the stronger returns and lower costs realized through aggregated investment purchases.

In addition, all municipalities benefit from access to certain securities that cannot be purchased by them directly. The One Investment Program is therefore an appropriate investment option for all lower, single and upper tier municipalities.

6) Who are the One Portfolio managers?

The Money Market, Bond, and Universe Corporate Bond Portfolios are all managed by McLean Budden. The Equity Portfolio is managed by Guardian Capital.

7) What is the minimum investment?

The minimum investment in any single Portfolio is \$5,000. The \$5,000 limit also applies to redemptions.

8) Is there a minimum time that we must enroll for?

There is no minimum time in which the investment must remain in the Portfolio(s). Further, there are no fees or penalties for any redemption.

Each Portfolio is however operated with a specific investment horizon in mind so attention to these time frames is important to ensure the predictability of investment returns through the One Program. For illustrative purposes, you would not invest 6-month money in the Equity Portfolio as the returns from this product can fluctuate widely in the short term compared to the Money Market Portfolio, but can provide competitive returns over a longer (5+ year) term.

9) Do you guarantee regulatory compliance?

Included in your program fees is compensation for our professional portfolio managers, the program custodian and our own legal advisors. Together, The One Investment Program ensures regulatory compliance.

ENROLLMENT AND ACCOUNT CHANGES

10) How do we enroll?

To obtain an enrollment kit, please contact Martin Benson at MFOA/CHUMS at (416) 362-9001 ext. 221 or by email at martin@mfoa.on.ca. To assist in the enrollment process, One Investment Program staff can provide you with a template staff report, sample investment policies, and a model by-law.

11) How do we make withdrawal requests?

All investments and withdrawals are to be initiated by a fax instruction, signed by an authorized municipal employee, to CIBC – Mellon, the program custodian. Currently, One Investment

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Program instruction forms are found on the program website at www.OneInvestmentProgram.ca

12) How do we review or change our signing officers and update our account info?

To review your current signing officers or existing investment accounts please contact Martin Benson. He can provide these details to you. Martin can be reached at (416) 362-9001 ext. 221 or by email at martin@mfoa.on.ca.

If you wish to change account information or signing officers, or open new accounts, the required forms can be downloaded from the “Investor Services” section of the One Investment Program website.

13) How does The One Investment Program handle third party data requests?

If any One investor utilizes the services of a third party investment consultant we require that the municipality advise us of who they work with (including names), as well as what information we can share with the third party. The reason that we are cautious about third party requests is that we value the privacy of our investors.

14) Can I have multiple accounts in any particular portfolio?

Yes, The One Investment Program accounting processes allow any investor to have any number of accounts in any one or more of the portfolios. In this way The One Investment Program does your accounting for you, because a separate account can be set up for each municipal reserve fund. At year end, accounting for the allocation of investment income to each reserve is already done for you, thereby making your life easier.

15) What are the fees to participate in The One Investment Program?

The fees to be involved in the One investment Program are nominal compared to other investment options available in the public sector. Fees are accrued daily based on the amount of your municipality’s investment. The current annualized fee schedule is as follows:

- Money Market Portfolio 19 Basis Points
- Bond Portfolio 40 Basis Points
- Corporate Bond Portfolio 45 Basis Points
- Equity Portfolio 60 Basis Points

By way of example, assume your municipality has \$100,000 invested in the Money Market Portfolio. The annual fee on the \$100,000 would be \$190 or approximately 52 cents per day. Inasmuch as your balance changes each day the formula is:

$$\text{Daily Balance} \times 0.19\% / 365 \quad (\text{Money Market Portfolio})$$

INVESTOR QUESTIONS

16) Who do I contact with technical/performance-related questions about The One Investment Program?

These questions are best answered by Tom Bradbury who can be reached at: (905) 304-4429 (home office) | (905)973-2898 (cell), or by email at tom@mfoa.on.ca.

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17) How are the portfolios valued and how can I get my balance?

Based on the value of the securities held in each portfolio, the One Program custodian, CIBC – Mellon, values the total of each portfolio each day and your balance is based on your proportional ownership of the entire portfolio balance. Balances for each account in each portfolio are posted each day on the One Program website. Access to your accounts is password protected. Monthly statements are posted via the same portal for each of your accounts, and monthly portfolio level performance data is also available on the Program website, www.OneInvestmentProgram.ca.

All posted returns for the Program are always net of fees!

18) Is my principle investment guaranteed?

No, the investment is not guaranteed. That said, all One products are managed by professional investment managers who monitor the funds and associated risk on a daily basis. In its 15+ years of operation The Money Market Portfolio has posted only one month end negative return and the Bond Portfolio has experienced only three losses at the end of 172 one year periods ending at month end, since inception (as at December 2009).

19) How liquid are investments in The One Investment Program?

As a rule, if withdrawal instructions are faxed to the One Program custodian by 4:00 p.m. on any given day, the money will be in your bank account the morning of the following working day. The One Investment Program does reserve the right to withhold funds for up to three working days for the Money Market and Bond Portfolios and up to 20 days for the Equity Portfolio to ensure liquidity and to protect other program investors but we have never exercised this right.

20) How regular is the oversight of the portfolios and the fund managers and how often do the Advisory Committee and the related Boards meet?

All oversight bodies meet regularly. The One Advisory Committee is as the name implies, advisory in nature, having no decision making authority. The boards of CHUMS (the subsidiary of MFOA) and LAS (the subsidiary of AMO) meet quarterly and together are responsible for setting One Investment Program policy and direction. One Program staff are committed to regularly monitoring performance and program operations to ensure adequate performance and quality of service.

In addition, from 2007 onwards a third party investment consultant conducts an annual review of the performance of our professional portfolio managers to ensure that they are providing strong program management and strategic planning for all One Program products.

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Current One Investment Program Advisory Committee members include:

- Steven Cairns District of Muskoka
- Dan Cowin CHUMS
- Vince Grillo City of Windsor
- Ed Hankins Region of York
- Gerry Mahoney City of Ottawa
- Ken Nix Town of Whitby
- Nancy Plumridge LAS
- Marc J. Pourvahidi Whitchurch-Stouffville

21) Why do we have a third-party investment consultant if we have professional portfolio managers?

The third-party investment consultant is responsible for periodic review of the performance of our portfolio managers. This consultant also provides objective and independent advice to One Program staff and the controlling Boards on the management of The One Investment Program.

For More Information, please contact:

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Or visit: www.OneInvestmentProgram.ca