



QUARTERLY INVESTMENT REPORT

For The Period Ended September 28, 2020

Muskoka Prudent Investor Portfolio

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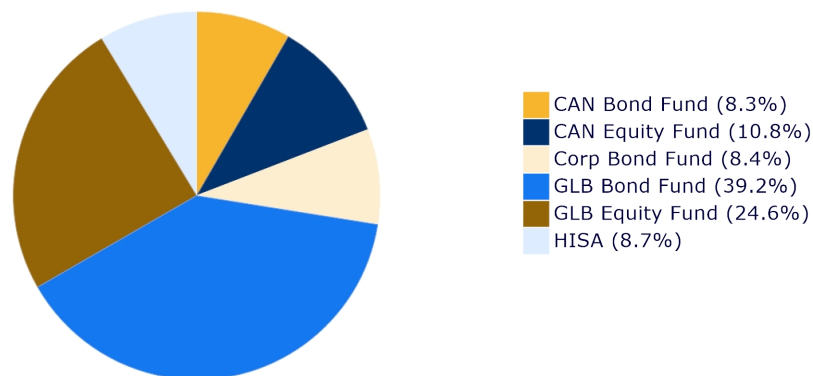
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Sample Report - For discussion purpose only.

Muskoka Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 28, 2020

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	-	-	-	-	-	-	1.8%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
HISA	11,089,921.78	-	-	-	17,492.19	11,107,413.97
CAN Bond Fund	10,577,757.60	-	-	73,565.12	-	10,651,322.72
CAN Equity Fund	13,146,387.50	-	-	663,240.51	-	13,809,628.01
Corp Bond Fund	10,577,757.60	-	-	96,662.73	-	10,674,420.33
GLB Bond Fund	49,362,868.90	-	-	713,722.91	-	50,076,591.81
GLB Equity Fund	30,674,904.40	-	-	760,222.29	-	31,435,126.69
Total	125,429,597.78	0.00	0.00	2,307,413.56	17,492.19	127,754,503.53

**Muskoka Prudent Investor Portfolio
Annual Consolidated Portfolio Activity
for Year ended September 28, 2020**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
HISA	11,089,921.78	-	-	-	17,492.19	11,107,413.97
CAN Bond Fund	10,577,757.60	-	-	73,565.12	-	10,651,322.72
CAN Equity Fund	13,146,387.50	-	-	663,240.51	-	13,809,628.01
Corp Bond Fund	10,577,757.60	-	-	96,662.73	-	10,674,420.33
GLB Bond Fund	49,362,868.90	-	-	713,722.91	-	50,076,591.81
GLB Equity Fund	30,674,904.40	-	-	760,222.29	-	31,435,126.69
Total	125,429,597.78	0.00	0.00	2,307,413.56	17,492.19	127,754,503.53

This page included in the package only for the 4th quarter.

Muskoka Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 28, 2020

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
HISA	11,107,413.970	1.00	11,107,413.97	1.00	11,107,413.97	8.69%
CAN Equity Fund	13,146.387	1,000.00	13,146,387.50	1,050.45	13,809,628.01	10.81%
GLB Equity Fund	30,674.904	1,000.00	30,674,904.40	1,024.78	31,435,126.69	24.61%
Corp Bond Fund	10,577.757	1,000.00	10,577,757.60	1,009.13	10,674,420.33	8.36%
CAN Bond Fund	10,577.757	1,000.00	10,577,757.60	1,006.95	10,651,322.72	8.34%
GLB Bond Fund	49,362.868	1,000.00	49,362,868.90	1,014.45	50,076,591.81	39.20%
					127,754,503.53	100.00

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Performance by Fund

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
ONE HISA	0.2	0.2	-	-	-	-	-	0.2	07/02/2020
ONE Global Equity Fund	0.9	0.9	-	-	-	-	-	0.9	07/02/2020
ONE Canadian Equity Fund	1.2	1.2	-	-	-	-	-	1.2	07/02/2020
ONE Canadian Corp Bond Fund	3.2	3.2	-	-	-	-	-	3.2	07/02/2020
ONE Canadian Govt Bond Fund	2.8	2.8	-	-	-	-	-	2.8	07/02/2020
ONE Global Bond Fund	0.2	0.2	-	-	-	-	-	0.2	07/02/2020

Performance by Outcome

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Cash Outcome	0.2	0.2	-	-	-	-	-	0.2	07/02/2020
Stable Return Outcome	0.9	0.9	-	-	-	-	-	0.9	07/02/2020
Contingency Outcome	1.2	1.2	-	-	-	-	-	1.2	07/02/2020
Asset Management Outcome	3.2	3.2	-	-	-	-	-	3.2	07/02/2020
Target Date 3 to 5 Year Outcome	2.8	2.8	-	-	-	-	-	2.8	07/02/2020
Target Date 5 to 10 Year Outcome	2.2	2.2	-	-	-	-	-	2.2	07/02/2020
Target Date 10 Year Plus Outcome	2.2	2.2	-	-	-	-	-	2.2	07/02/2020

QUARTERLY REVIEW

The Canadian economic and financial system weathered a historic shock during second quarter of 2020 driven by the COVID-19 pandemic and a steep decline in energy prices. An extraordinary global government and central bank response buffered the overall impact. The US Federal Reserve has pledged to keep interest rates near zero for an extended period of time and has expanded its quantitative easing program (e.g. large-scale bond purchases). The Bank of Canada has followed suit, sending interest rates sharply lower. Record government and central bank intervention aimed at mitigating the impact of COVID-19 shutdowns generated have helped to stabilize the economy and also resulted in an unparalleled rebound in equity prices in the second quarter of 2020. Without a broad treatment or vaccine available quickly, the path forward may be bumpy as governments may be forced to slow or reverse reopening policies.

It was the strongest quarterly period on record for the Canadian fixed income market with the FTSE Canada Universe Bond Index returning 5.9%. Positive fixed income market performance was driven by a combination of declining federal government bond yields and tightening credit spreads. Lower interest rates tend to push bond prices higher as do tighter credit spreads. Corporate bonds strongly outperformed federals and provincials. The average corporate spread reached a high of 275 bps in late March and narrowed to 160 bps as of June 30. The mid-term corporate index returned 9.0%, outperforming mid-term federals and provincials by 665 bps and 446 bps, respectively.

QUARTERLY REVIEW

The second quarter saw an increasing sense of optimism as countries worldwide started to curb the rate of new COVID-19 cases and commenced the gradual reopening of their economies. Investor sentiment improved with the news of economic indicators reversing downward trends and beginning to show signs of a recovery. This economic recovery has been aided by significant monetary and fiscal support from Central Banks globally, which has provided the liquidity to move equity markets higher. Equity markets have significantly rallied since their lows in March but there is a large dispersion in performance during the period. The S&P/TSX Composite Index was up 17.0% however, the majority of stocks lagged in this rally, with 8 out of 11 GICS sectors underperforming the overall Index. Consumer Discretionary (32.8%), Materials (+42.0%), and Information Technology (+68.3%) were the top performers during the quarter. Performance within the Information Technology sector was driven by Shopify's continued hot streak. Shopify's stock returned 118.7% during the quarter and now has the largest single stock weight of 6.4% on the S&P/TSX Composite as of June 30, 2020.

As we enter Q3 2020, the sharp rebound in near-term economic indicators such as employment and manufacturing continues. While there is no doubt that forceful monetary and fiscal policy stimulus are providing crucial support, it will take some time for the economy to regain solid footing as the path and duration of the pandemic remains uncertain. We are already observing large setbacks in US states that have re-opened, creating worries that economies may relapse if subsequent waves of the virus prove persistently disruptive. While equity markets have recovered strongly, the recovery has been extremely uneven: while a narrow, high-growth segment of the market has fully recovered, or even accelerated, other pockets of the market have barely budged from their lows or continue to struggle. We anticipate that the crisis will act to stimulate competitive advantage for some businesses, while stimulating decline in others. Our research process is directing us toward compelling opportunities in areas where companies with durable cash flows and competitive advantage are being weighed down by the uncertainty created by the pandemic, but have substantial recovery potential.

Muskoka Prudent Investor Portfolio
Holdings by Account
At September 28, 2020

Account Name: Muskoka - Contingency Outcome
Account Number: 570050088

For the Quarter Ending
September 28, 2020

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	315.59	1,000.00	315,598.70	1,009.13	318,482.74	5.9%	2,884.04	0.00
CAN Equity Fund	946.79	1,000.00	946,796.20	1,050.45	994,562.45	18.4%	47,766.25	0.00
CAN Bond Fund	315.59	1,000.00	315,598.70	1,006.95	317,793.59	5.9%	2,194.89	0.00
GLB Bond Fund	1,472.79	1,000.00	1,472,794.10	1,014.45	1,494,088.79	27.7%	21,294.69	0.00
GLB Equity Fund	2,209.19	1,000.00	2,209,191.20	1,024.78	2,263,942.03	42.0%	54,750.83	0.00
			<u>5,259,978.90</u>		<u>5,388,869.60</u>	100.0%	128,890.70	0.00

Muskoka Prudent Investor Portfolio
Performance History
At September 28, 2020

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	2.4	07/02/2020

% Calendar Year Returns

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Muskoka Prudent Investor Portfolio
Holdings by Account
At September 28, 2020**

**Account Name: Muskoka - Target Date 3 to 5 Year Outcome
Account Number: 570050096**

**For the Quarter Ending
September 28, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
HISA	9,264,283.87	1.00	9,264,283.87	1.00	9,264,283.87	19.7%	0.00	14,587.87
Corp Bond Fund	4,856.09	1,000.00	4,856,090.40	1,009.13	4,900,466.81	10.4%	44,376.41	0.00
CAN Equity Fund	1,387.45	1,000.00	1,387,454.40	1,050.45	1,457,452.03	3.1%	69,997.63	0.00
CAN Bond Fund	4,856.09	1,000.00	4,856,090.40	1,006.95	4,889,863.05	10.4%	33,772.65	0.00
GLB Bond Fund	22,661.75	1,000.00	22,661,755.20	1,014.45	22,989,414.72	49.1%	327,659.52	0.00
GLB Equity Fund	3,237.39	1,000.00	3,237,393.60	1,024.78	3,317,626.57	7.0%	80,232.97	0.00
			<u>46,263,067.87</u>		<u>46,819,107.05</u>	100.0%	556,039.18	14,587.87

**Muskoka Prudent Investor Portfolio
Performance History
At September 28, 2020**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	1.2	07/02/2020

% Calendar Year Returns

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Muskoka Prudent Investor Portfolio
Holdings by Account
At September 28, 2020**

**Account Name: Muskoka - Target Date 5 to 10 Year Outcome
Account Number: 570050104**

**For the Quarter Ending
September 28, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	5,406.06	1,000.00	5,406,068.50	1,009.13	5,455,470.78	7.4%	49,402.28	0.00
CAN Equity Fund	10,812.13	1,000.00	10,812,136.90	1,050.45	11,357,613.53	15.4%	545,476.63	0.00
CAN Bond Fund	5,406.06	1,000.00	5,406,068.50	1,006.95	5,443,666.08	7.3%	37,597.58	0.00
GLB Bond Fund	25,228.31	1,000.00	25,228,319.60	1,014.45	25,593,088.30	34.7%	364,768.70	0.00
GLB Equity Fund	25,228.31	1,000.00	25,228,319.60	1,024.78	25,853,558.09	35.0%	625,238.49	0.00
			<u>72,080,913.10</u>		<u>73,703,396.78</u>	100.0%	1,622,483.68	0.00

**Muskoka Prudent Investor Portfolio
Performance History
At September 28, 2020**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	2.2	07/02/2020

% Calendar Year Returns

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Muskoka Prudent Investor Portfolio
Holdings by Account
At September 28, 2020**

**Account Name: Muskoka - Cash Outcome
Account Number: 9021979213**

**For the Quarter Ending
September 28, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
HISA	1,843,130.10	1.00	1,843,130.10	1.00	1,843,130.10	100.0%	0.00	2,904.32
			<u>1,843,130.10</u>		<u>1,843,130.10</u>	100.0%	0.00	2,904.32

**Muskoka Prudent Investor Portfolio
Performance History
At September 28, 2020**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	0.1	07/02/2020

% Calendar Year Returns

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 28, 2020

TRANSACTION SUMMARY

Account Name: Muskoka - Contingency Outcome
Account Number: 570050088

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	315.59	315,599.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	315.59	315,599.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	1,472.79	1,472,794.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	946.79	946,796.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	2,209.19	2,209,191.00

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 28, 2020

TRANSACTION SUMMARY

Account Name: Muskoka - Target Date 3 to 5 Year Outcome

Account Number: 570050096

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	4,856.09	4,856,090.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	4,856.09	4,856,090.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	22,661.75	22,661,755.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	1,387.45	1,387,454.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	3,237.39	3,237,394.00
Reinvested Distributions	HISA	08/06/2020	08/06/2020	7,396.61	7,396.61
Reinvested Distributions	HISA	09/03/2020	09/03/2020	7,191.26	7,191.26
Transfer In	HISA	07/02/2020	07/02/2020	9,249,696.00	9,249,696.00

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 28, 2020

TRANSACTION SUMMARY

Account Name: Muskoka - Target Date 5 to 10 Year Outcome

Account Number: 570050104

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	5,406.06	5,406,068.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	5,406.06	5,406,068.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	25,228.32	25,228,320.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	10,812.13	10,812,137.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	25,228.32	25,228,320.00

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 28, 2020

TRANSACTION SUMMARY

Account Name: Muskoka - Cash Outcome

Account Number: 9021979213

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Distributions	HISA	08/06/2020	08/06/2020	1,471.56	1,471.56
Reinvested Distributions	HISA	09/03/2020	09/03/2020	1,432.76	1,432.76
Transfer In	HISA	07/02/2020	07/02/2020	1,840,225.78	1,840,225.78

**Muskoka Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 28, 2020**

I, Keith Taylor, certify and confirm that with respect to the three month quarterly period ending September 28, 2020, all investments in the Equity the Universe Corporate Bond Portfolio, the Bond Portfolio and the Money Market Portfolio are in compliance with the investment restrictions, policies, practices and other investment information as disclosed in or required by Part I of O. Reg. 438/97.

Disclaimer needs to be updated for PI clients

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Investment Manager, ONE Investment

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Name								<u>Allocation</u>		
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

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Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. Legal List client accounts may hold any combination of ONE Investment products desired by municipalities who deal directly with CIBC Mellon to contribute, withdraw or move funds. Account names are chosen by clients to be relevant to them.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of portfolio returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a portfolio and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Asset classes are collections of securities (stocks and bonds) whose returns behave similarly.

Benchmark

Benchmarks are the standard against which investors compare their portfolio returns to understand its performance. Benchmarks can be set either at the asset class level or for the total portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers normally aim to do better than that by at least the amount of fees they charge. For example:

- A typical benchmark for Canadian stocks is the (Standard & Poors) S&P/TSX Composite Index.
- And for Canadian money market, the typical benchmark is the (Financial Times Stock Exchange) FTSE 182-Day Treasury Bill Index.

For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time-weighted. (See Returns below for more detail on time weighted returns)

Canadian Corporate Bond Portfolio

The ONE Investment Canadian Corporate Bond Portfolio holds short and mid-term Canadian bonds managed by MFS to comply with Legal List regulations. The portfolio's official name was changed on April 1, 2020 and was previously known as the Universe Corporate Bond Portfolio. Based on the benchmark duration at March 31, 2019, the permitted duration range for the Bond Portfolio is 3.0 to 6.9 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Portfolio

The ONE Canadian Equity Portfolio holds Canadian stocks managed by Guardian Capital to comply with Legal List regulations. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors. The portfolio's official name was changed on April 1, 2020 and was previously known as the ONE Equity Portfolio.

Canadian Government Bond Portfolio

This ONE Canadian Bond Portfolio holds short-term Canadian bonds managed by MFS to comply with Legal List regulations. The portfolio's official name was changed on April 1, 2020 and was previously known as the ONE Bond Portfolio. Based on the benchmark duration at March 31, 2019, the permitted duration range for the Bond Portfolio is 1.6 to 3.6 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD: a short form for "Canadian dollars".

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment, excluding balances in the High Interest Savings Account (HISA).

Distribution: a cash payment of interest or dividends made by ONE Investment from a portfolio.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the portfolio: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment portfolio whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary.

Holdings: the ONE Investment portfolios held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for portfolios offered by ONE Investment, it is the date the portfolios started. Due to data limitations, the earliest inception date used in the reporting system is 28 February 2005.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income. Please see Return for Income Return.

Investment Manager

Investment managers are external firms hired by ONE Investment to create portfolios to our specifications. These are MFS Investment Management Canada for fixed income and Guardian Capital Group Ltd for equity.

Legal List: encompasses investments permitted to municipalities under Part I of O.Reg. 438/97.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Money Market Portfolio

The ONE Investment's Money Market Portfolio holds money market instruments managed by MFS to comply with Legal List regulations. MFS aims to outperform the benchmark, which is the FTSE Canada 182-Day Treasury Bill Index.

Portfolio

A portfolio is a collection of securities in an account. For the purposes of this report, portfolio refers to ONE Investment's offerings, such as the ONE Money Market Portfolio and the ONE Canadian Government Bond Portfolio.

Price

The price of ONE portfolios is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. Legal List regulations constrain Ontario municipalities' exposure by credit rating. The credit rating on an entire portfolio is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist "on paper" until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- Annual return: reflects the total return generated by investments in the specified year any between January 1 to December 31.
- Annualized return: the total return generated by investments in periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent

the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.

- Returns in this report are calculated net of fees based on the Prices of the ONE Investment portfolios. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the portfolio.
- Time-weighted returns: returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the portfolio. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Portfolio units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.