



INVESTMENT GUIDELINES ONE EQUITY PORTFOLIO

Attached are the Investment Guidelines for the ONE Equity Portfolio. These guidelines provide limits for each class of security, which is a permitted investment under the Municipal Act. They will be reviewed periodically by the Agent in consultation with Investment Counsel Portfolio Manager.

Limits for individual issuers have been set based on their respective credit quality, which in turn, have been based on ratings of the four major rating agencies - Dominion Bond Rating Service (DBRS), Moody's, Standard & Poor's and Fitch.

All investments will comply with O Reg 438/97 as amended from time to time.

In addition, the Investment Manager has significant in-house research and analytical capabilities that ensure issuers on the eligible list have passed rigorous standards set for issuers' balance sheet condition, operating results and management quality.

INVESTMENT GUIDELINES - ONE EQUITY PORTFOLIO

Objective: To seek to provide superior long-term investment returns by investing in a diversified, conservatively managed portfolio of equity securities issued by corporations, as permitted by applicable regulation from time to time.

Permitted Investments:

- 1.0 **Legal Authority** - As outlined in the *Municipal Act* and the current regulations (O.Reg. 438/97).
- 2.0 **Limitations** - This policy limits (both minimum and maximum) the amount the portfolio can hold with respect to industry group, industry sector and individual issuer. These limitations are outlined in the following subsections.

2.1 Industry Group and Industry Sector:

Proposed Group & Sector Allocations			Minimum	Maximum
Group	MSCI World GIC Sector			
	Resource	14.82%	50%	150%

2.2 Sector and Issuer Diversification:

A minimum of seven industry sectors must be represented in the portfolio.

Maximum exposure to any single issuer is 7% based on the market value of the portfolio at the time of purchase and 10% of the market value of the portfolio.

Up to 10% of the portfolio may be held in cash and cash equivalents that comply with the regulations.

2.3 Currency:

	Minimum	Maximum
Canadian Dollars	100%	100%

3.0 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 will be constructed based on a portfolio of 3% Money Market and 97% Canadian equity. The Canadian equity Benchmark will be based on the S&P/TSX Composite Total Return Index.