

INVESTMENT MANAGEMENT

SNAPSHOT MEDIANS FOR 2016

2.28%

return on investment
**TOTAL INVESTMENT
PORTFOLIO**

INVT310 (EFFICIENCY)

1.93%

return on investment
**INTERNAL INVESTMENT
PORTFOLIO**

INVT312 (EFFICIENCY)



2.42%

return on investment
**EXTERNAL INVESTMENT
PORTFOLIO**

INVT314 (EFFICIENCY)

KEEP IN MIND:

Influencing Factors

Influencing factors can create variances in comparison data from year-to-year and from municipality-to-municipality.



Economic Conditions

Local economy, unionization, state of assets, interest rates, shape of the yield curve and/or availability of product



Geography

Population, density and land mass



Government Structure

Single-tier vs. Upper-tier municipalities



Organizational Form

Department reporting structure



Policy & Practices

Accounting, investment objectives, municipal life stage, investment constraints and cash inflows/outflows to portfolio



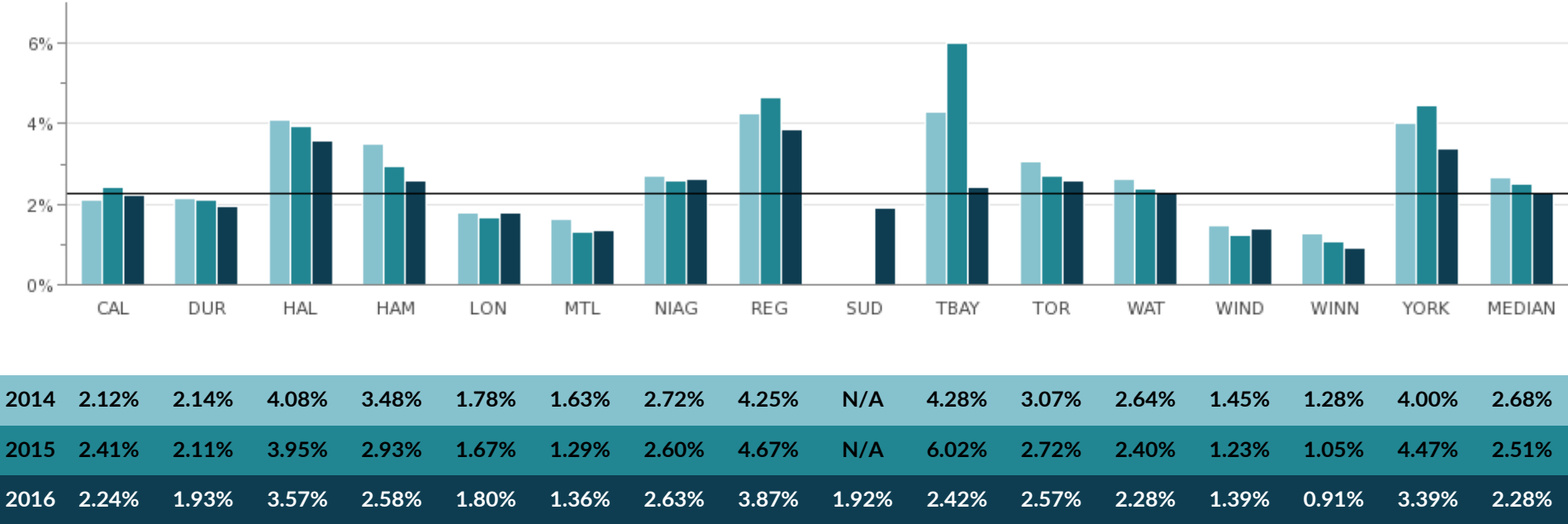
Provincial Legislation

Varies between provinces resulting in different constraints to investment options

For a full description of influencing factors, please go to: www.mbncanada.ca

Fig. 16.1 Gross Percent Realized Return on the Total Investment Portfolio (based on the Average Adjusted Book Value)

This measure refers to the General Investment Fund only. Sinking funds, pension funds, and trust funds, etc. are excluded.



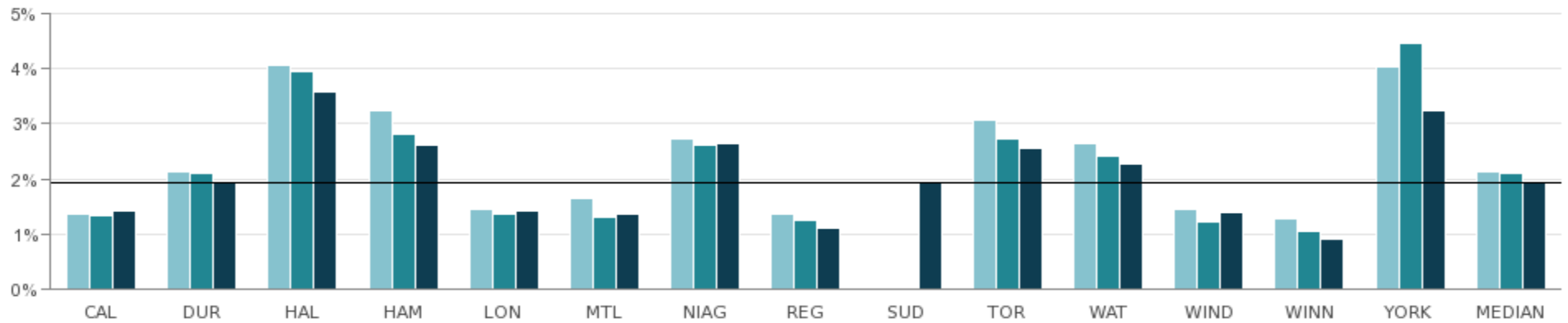
Source: INVT310 (Efficiency)

Comment:

The decrease in investment income for the City of Thunder Bay is a result of lower bond returns earned in 2016 as compared to 2015. As well, in 2015 funds were extracted from the One Fund resulting in gain and in 2016 this did not occur.

Fig. 16.2 Gross Percent Realized Return on the Total Internally Managed Investment Portfolio (based on the Average Adjusted Book Value)

This measure represents the General Investment Fund. Sinking funds, pension funds, and trust funds, etc. are excluded.



2014	1.35%	2.14%	4.08%	3.24%	1.45%	1.63%	2.72%	1.36%	N/A	3.07%	2.65%	1.45%	1.28%	4.03%	2.14%
2015	1.32%	2.11%	3.95%	2.82%	1.36%	1.29%	2.60%	1.24%	N/A	2.72%	2.40%	1.23%	1.05%	4.48%	2.11%
2016	1.43%	1.93%	3.57%	2.60%	1.43%	1.36%	2.63%	1.10%	1.92%	2.57%	2.28%	1.39%	0.91%	3.25%	1.93%

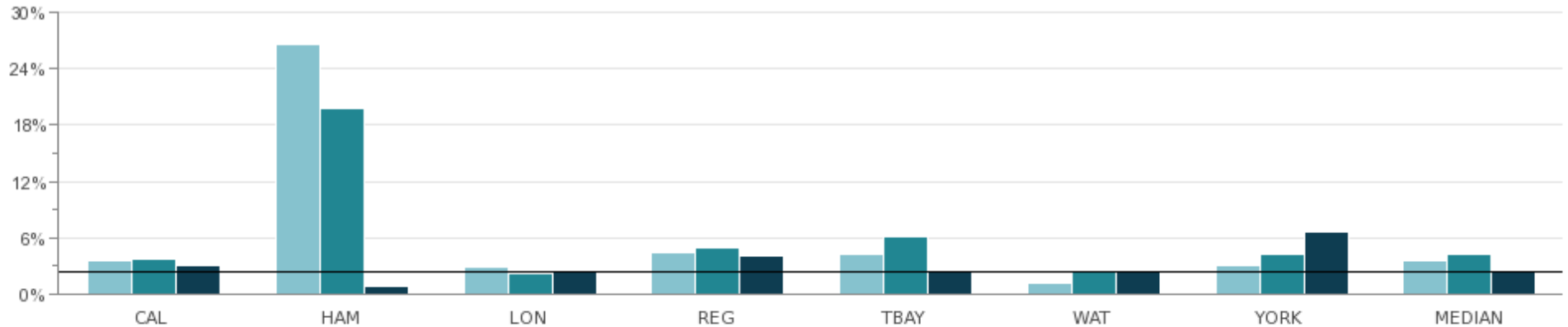
Source: INVT312 (Efficiency)

Comment:

The City of Thunder Bay does not have an internally managed portfolio; therefore they do not appear on this graph.

Fig. 16.3 Gross Percent Realized Return on the Total Externally Managed Investment Portfolio (based on the Average Adjusted Book Value)

The Regions of Durham, Halton, and Niagara; as well as the Cities of Greater Sudbury, Montreal, Toronto, Winnipeg and Windsor do not have an externally managed portfolio.



2014	3.53%	26.70%	2.93%	4.47%	4.28%	1.12%	3.07%	3.53%
2015	3.64%	19.85%	2.21%	4.90%	6.02%	2.49%	4.16%	4.16%
2016	3.02%	0.88%	2.35%	4.11%	2.42%	2.27%	6.65%	2.42%

Source: INVT314 (Efficiency)

Comment:

The City of Hamilton did not realize any capital gains in the One Fund holdings in 2016.