

# INVESTMENT MANAGEMENT

## SNAPSHOT MEDIANS FOR 2017

# 2.21%

return on investment  
**TOTAL INVESTMENT PORTFOLIO**

INVT310 (EFFICIENCY)

# 1.84%

return on investment  
**INTERNAL INVESTMENT PORTFOLIO**

INVT312 (EFFICIENCY)



# 2.17%

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*



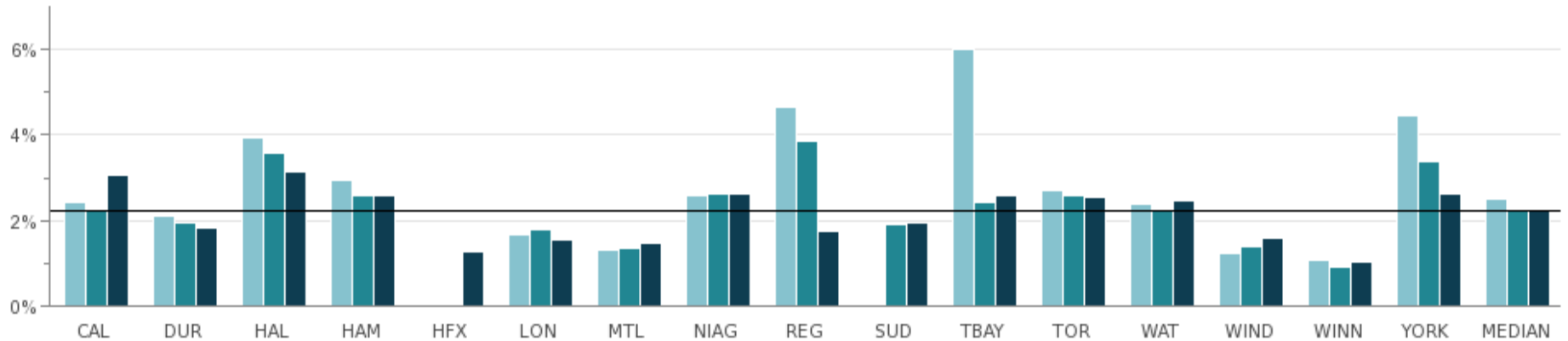
### Provincial Legislation

*Varies between provinces resulting in different constraints to investment options*

*For a full description of influencing factors, please go to: [www.mbnccanada.ca](http://www.mbnccanada.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, trust funds, etc. are excluded. Rising interest rates accounted for most of the variances from 2016 for many municipalities.



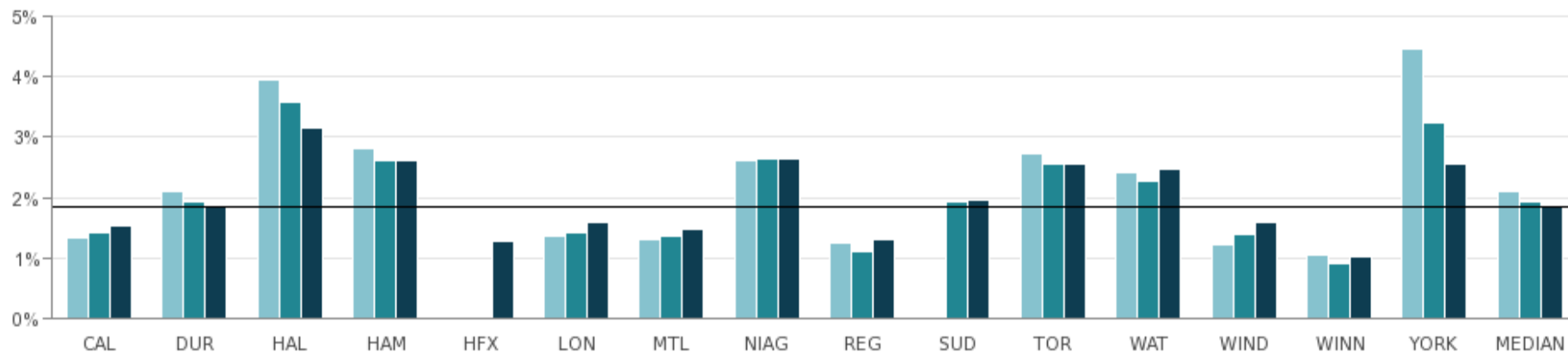
2015	2.41%	2.11%	3.95%	2.93%	N/A	1.67%	1.29%	2.60%	4.67%	N/A	6.02%	2.72%	2.40%	1.23%	1.05%	4.47%	2.51%
2016	2.24%	1.93%	3.57%	2.58%	N/A	1.80%	1.36%	2.63%	3.87%	1.92%	2.42%	2.57%	2.28%	1.39%	0.91%	3.39%	2.28%
2017	3.07%	1.84%	3.15%	2.57%	1.28%	1.54%	1.47%	2.64%	1.75%	1.96%	2.60%	2.56%	2.45%	1.58%	1.03%	2.64%	2.21%

Source: INVT310 (Efficiency)

Thunder Bay: The decrease in investment income for 2016 and 2017 is the result of lower bond returns and/or in 2015, funds were extracted from the One Fund resulting in gain and this did not occur in 2016 or 2017.

**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, trust funds, etc. are excluded.



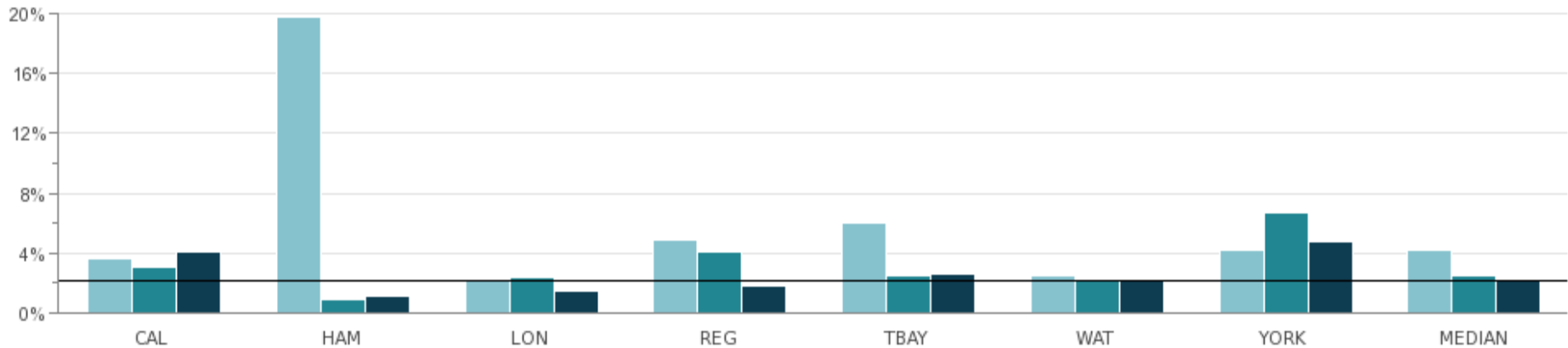
2015	1.32%	2.11%	3.95%	2.82%	N/A	1.36%	1.29%	2.60%	1.24%	N/A	2.72%	2.40%	1.23%	1.05%	4.48%	2.11%
2016	1.43%	1.93%	3.57%	2.60%	N/A	1.43%	1.36%	2.63%	1.10%	1.92%	2.57%	2.28%	1.39%	0.91%	3.25%	1.93%
2017	1.52%	1.84%	3.15%	2.61%	1.28%	1.60%	1.47%	2.64%	1.31%	1.96%	2.56%	2.47%	1.58%	1.03%	2.57%	1.84%

Source: INVT312 (Efficiency)

Thunder Bay: Does not have an internally managed portfolio.

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

This measure includes the general investment fund only (cash, fixed income and equity investments); and excludes all other investment portfolios.



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%
2017	4.04%	1.15%	1.47%	1.83%	2.60%	2.17%	4.74%	2.17%

Source: INVT314 (Efficiency)

Durham, Halifax, Halton, Montreal, Niagara, Sudbury, Toronto, Winnipeg and Windsor: Do not have externally managed portfolios.