

INVESTMENT MANAGEMENT



VALUE PROPOSITION

I expect the municipality is managing its cash effectively by investing it in a manner that minimizes risk while meeting the organization's cash flow requirements and reasonable return on investment.

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

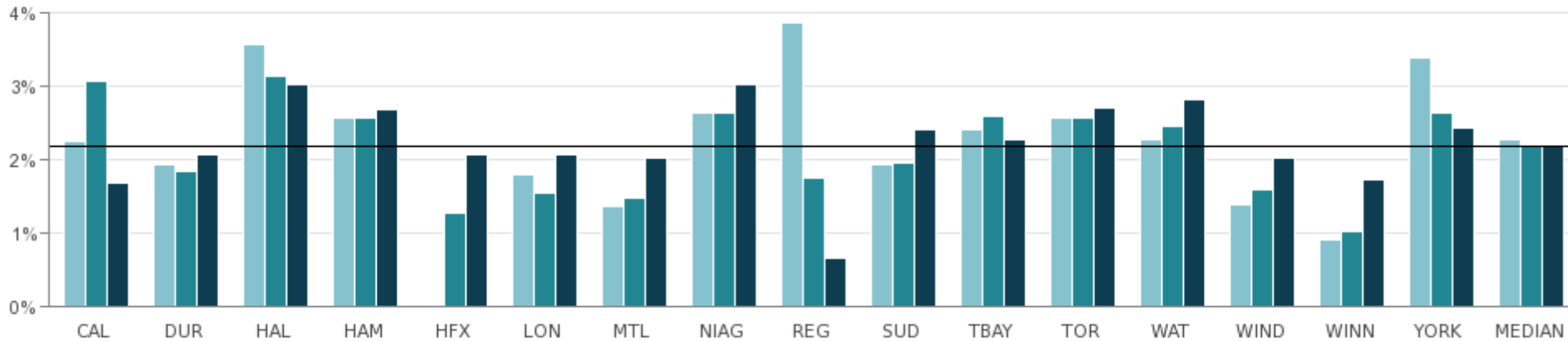
Varies between provinces resulting in different constraints to investment options

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

Investment Management

Figure 16.1 Gross Percent Realized Return on the Total Investment Portfolio

This measure is based on the Average Adjusted Book Value and refers to the General Investment Fund only. Sinking funds, pension funds, and trust funds are excluded.



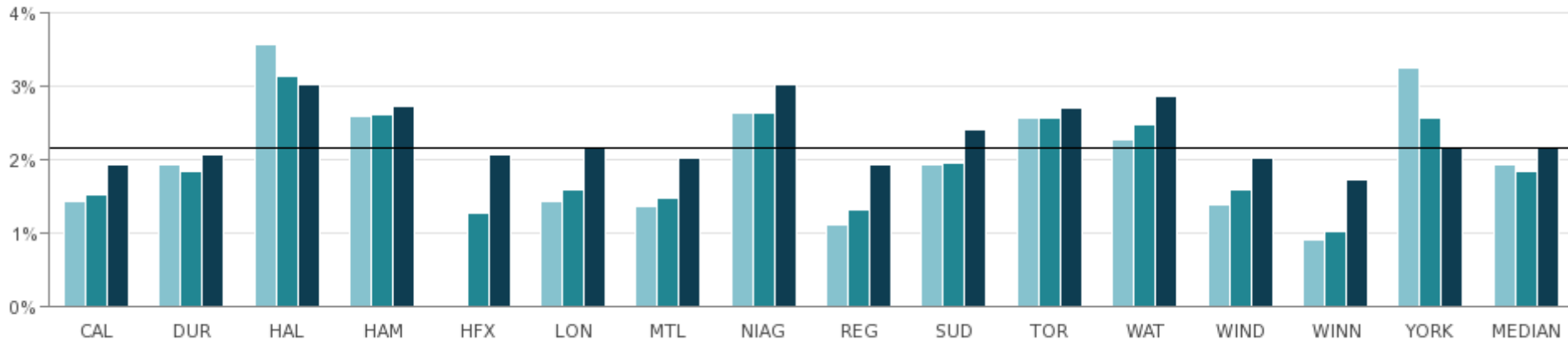
2016	2.24%	1.93%	3.57%	2.58%	N/A	1.80%	1.36%	2.63%	3.87%	1.92%	2.42%	2.57%	2.28%	1.39%	0.91%	3.39%	2.28%
2017	3.07%	1.84%	3.15%	2.57%	1.28%	1.54%	1.47%	2.64%	1.75%	1.96%	2.60%	2.56%	2.45%	1.58%	1.03%	2.64%	2.21%
2018	1.67%	2.07%	3.02%	2.69%	2.07%	2.07%	2.03%	3.02%	0.65%	2.41%	2.28%	2.70%	2.82%	2.02%	1.73%	2.43%	2.18%

Source: INVT310 (Efficiency)

Investment Management

Figure 16.2 Gross Percent Realized Return on the Total Internally Managed Investment Portfolio

This measure is based on the Average Adjusted Book Value and represents the General Investment Fund. Sinking funds, pension funds, and trust funds, etc. are excluded.



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%
2018	1.93%	2.07%	3.02%	2.74%	2.07%	2.16%	2.03%	3.02%	1.93%	2.41%	2.70%	2.87%	2.02%	1.73%	2.19%	2.16%

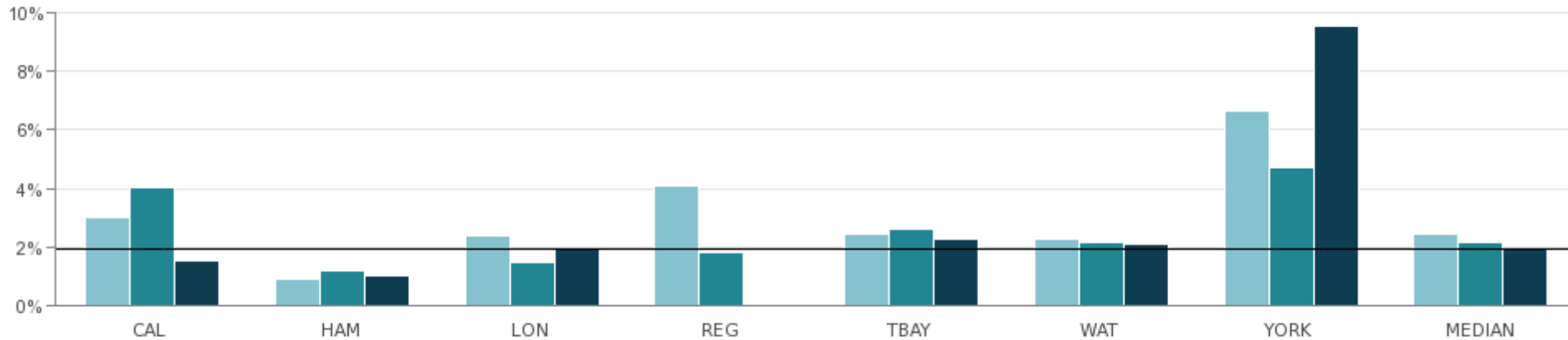
Source: INVT312 (Efficiency)

Thunder Bay: Does not have an internally managed portfolio.

Investment Management

Figure 16.3 Gross Percent Realized Return on the Total Externally Managed Investment Portfolio

This measure is based on the Average Adjusted Book Value and includes the General Investment Fund only (cash, fixed income and equity investments); and excludes all other investment portfolios.



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%
2018	1.54%	1.03%	1.90%	0.00%	2.28%	2.10%	9.58%	1.90%

Source: INVT314 (Efficiency)

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

Regina: In 2018, no portion of the City's portfolio was externally managed.

