

**Corporate Planning & Financial Services Report to
Audit Committee
2026 April 23**

**ISC: UNRESTRICTED
AC2026-0094**

The City of Calgary 2025 Annual Investment Report

PURPOSE

The purpose of this report is to provide the Audit Committee with The City of Calgary's 2025 Annual Investment Report, which summarizes 2025 investment activity, asset allocation, investment performance, and compliance with applicable legislation and The City's investment policies. The Annual Investment Report is an integral component of The City's investment governance structure and risk oversight to ensure investments are optimally managed. Administration reports annually, through the Audit Committee, as required by The City of Calgary Investment and Governance Policy CP2020-02.

PREVIOUS COUNCIL DIRECTION

Pursuant to The City of Calgary Investment and Governance Policy CP2020-02, Administration reports to Council annually, through the Audit Committee, regarding the investments of The City during the year. The most recent report was AC2024-0460, Chief Financial Officer's Report to Audit Committee: 2024 Annual Investment Report (April 17, 2025)

RECOMMENDATION(S):

That the Audit Committee recommends that Council approve The City of Calgary 2025 Annual Investment Report.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

The General Manager concurs with this report and supports Council approval of The City of Calgary 2025 Annual Investment Report. Investments in financial markets provide an important source of revenue for The City of Calgary, and the annual reporting process provides transparency and oversight of investment activity, performance, and compliance with applicable legislation and The City's Investment and Governance Policy. Prudent investment management and the governance and oversight provided by the Investment Advisory Committee help preserve capital, manage risk, maintain liquidity, and support sustainable income generation and capital growth. This investment income and capital growth provide necessary contributions to the overall goal of a Well-Run City.

HIGHLIGHTS

- In 2025, The City of Calgary's Consolidated Investment Portfolio returned 5.18 per cent net of fees (estimated 5.02 per cent including HISAs).
- As at December 31, 2025, the market value of The City's total investment portfolio was \$7,285 million, an increase of \$193 million year-over-year.
- The Consolidated Investment Portfolio generated \$452.9 million of income available for distribution in 2025.
- Investment income before expenditures and allocations was \$490.4 million, and total investment management expenditure was approximately \$37.5 million in 2025.
- During the year, all investments complied with the Municipal Government Act, the Major Cities Investment Regulation, and The City of Calgary's investment policies.

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DISCUSSION

- The City of Calgary Investment and Governance Policy CP2020-02 provides the governance framework for the investment program and directs the investment of The City's assets.
- The City invests funds across a diversified mix of asset classes to preserve capital, manage risk, maintain liquidity, and maximize returns, aligned to differing time horizons and objectives across sources of funds.
- As at December 31, 2025, the total investment portfolio market value was \$7,285 million, with allocations across Short Term Liquidity, Short Term Fixed Income, Public Fixed Income (Canada and Global), Private Credit, Equities, and Real Assets.
- In 2025, the largest contributor to total portfolio return was the Equities Portfolio, while detractors included the Real Assets Portfolio and the currency overlay strategy, which was discontinued in June 2025.
- The City manages investment risk through strong governance, diversification, clearly defined policies and disciplined implementation, supported by independent custody and third-party performance measurement and verification.
- Compliance statements from investment managers are received and verified, and investments are managed in accordance with legislation and City policy requirements.

Administration will continue to report on investment activity, performance, and compliance through the Annual Investment Report and Quarterly Updates as part of ongoing investment governance and oversight.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

Public engagement is not required for this report. The Investment Advisory Committee (IAC), which includes external members, reviews the Annual Investment Report as part of The City's investment governance and oversight.

IMPLICATIONS

Social

Prudent investment management supports The City's financial sustainability and helps fund municipal programs and services for Calgarians. Responsible investing considerations are incorporated as part of ongoing manager due diligence to support long-term risk/return outcomes.

Environmental

Environmental, social and governance considerations are incorporated into investment manager selection and monitoring as part of due diligence and risk management practices, supporting prudent long-term stewardship of public funds.

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Economic

Financial market conditions impact both investment income earned and the market value of The City's investment portfolios. The City's diversified portfolio and governance framework are intended to support capital preservation, liquidity, and sustainable investment results over time.

Service and Financial Implications

Other: Income

Investment income earned contributes to corporate revenues and supports operating, reserve and other funding needs, which can help offset cost escalation pressures and reduce the risk of funding shortfalls.

RISK

The City mitigates investment risk through a sound governance structure, adherence to legislation and investment policy requirements, diversification across asset classes and managers, and ongoing oversight of performance, compliance and risk exposures. Key investment risks include market, credit, liquidity, interest rate and foreign exchange risks, which are monitored using portfolio risk metrics and supported by independent custody and third-party performance measurement and verification.

ATTACHMENT(S)

1. Attach 1 – Background and Previous Council Direction – AC2026-0094
2. Attach 2 – The City of Calgary Annual Investment Report – AC2026-0094
3. Attach 3 – Presentation – 2025 Annual Investment Report – AC2026-0094

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor	Corporate Planning & Financial Services	Approve

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