

A nighttime photograph of a city street. On the right, a tall, ornate clock tower is illuminated with warm lights. A streetcar is visible in the background, and a modern street lamp is in the foreground on the left.

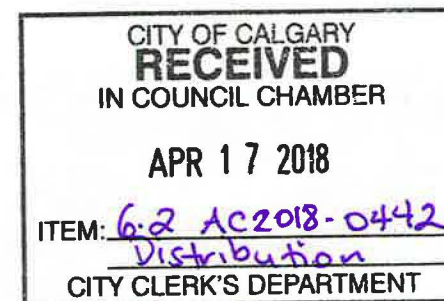
AC2018-0442

2017 Annual Investment Report

April 17, 2018



Investment Governance



- ▶ Investment management is guided by two City policies:
 - ▶ Investment Governance Policy
 - ▶ Investment Policy
- ▶ The Investment Advisory Committee (IAC) is responsible for investment and risk oversight to ensure investments are optimally managed in accordance with legislation and Council Policy
- ▶ All internally and externally managed portfolios were in compliance with Policy in 2017
- ▶ The City has three primary investment objectives:
 - ▶ Capital Preservation
 - ▶ Risk Mitigation
 - ▶ Investment Return

2017 Investment Summary

- ▶ In 2017, the market value of total investments under management was \$4.2 billion, down slightly from \$4.4 billion in 2016.





2017 Investment Summary

Annualized Rates of Return As at December 31, 2017 (%)		
	1 Year	4 Years
Working Capital Return	1.4*	1.5
Working Capital Benchmark	0.6	0.7
*includes Rec Centre bonds & Trusts		
Short Term Bond Return	1.0	2.3
Short Term Bond Benchmark	0.7	1.8
Long Bond Return – Universe bonds	3.0	4.5
Long Term Bond Benchmark	2.5	4.1
Long Bond Return – Non Universe	1.8	1.8
Benchmark	1.4	1.4
Canadian Equity Return	8.8	8.3
Canadian Equity Benchmark	9.1	7.6
Global Equity Return	14.3	9.1
Global Equity Benchmark	18.6	9.8
Return on Total Portfolio	2.6	2.6
Benchmark	2.2	2.0

- ▶ Total investments returned 2.6% compared to the benchmark return of 2.2%
- ▶ \$126 million of investment income generated for The City
- ▶ Global equity was the strongest performer, returning 14.3%
- ▶ Internally managed portfolios returned 1.4% against a benchmark of 0.6%.
- ▶ All asset classes except Global equity exceed benchmark on a 4-year annualized basis

Recommendation

- ▶ That the Audit Committee recommend that Council receive the 2017 Annual Investment Report for information