

STAFF REPORT: Financial & Information Services



REPORT TO: Finance & Administration
MEETING DATE: July 20, 2010
REPORT NO.: FIS.10.35
SUBJECT: 2009 Investment Performance
PREPARED BY: Robert Cummings CMA
Director of Financial & Information Services

A. Recommendations

THAT Council receive Staff Report FIS.10.35, "2009 Investment Performance" for information purposes.

B. Background

In accordance with the Town's Investment Policy, the following report outlines the performance of the Town's investments in 2009.

One of the Town's investment goals is to ensure diversity in our accounts to safeguard against interest rate risk. This has been accomplished in 2009 by investing with a number of institutions and a diversified range of fixed income products.

The Town's Reserve Funds are invested in a number of investment vehicles. A large portion of the Reserve Funds is earning a relatively favourable interest rate in the Town bank account. The average interest in 2009 is calculated at 3.07%

There is also \$3.401million with BMO Nesbitt Burns that earns interest at a better rate and invests in a more diversified range of fixed income securities in accordance with the Town's Investment Policy. This account earned approximately \$84,140 in interest in 2009.

In 2009, the Town's BMO Nesbitt Burns portfolio rate of return was 1.74%. As a comparison, the Canadian T-bill rate of return was .53% for the same period. SCM Short Bond Index return was 4.55%. The portfolio is limited in investment instruments to fixed income type securities.

Additionally, there is \$4.2 million in GIC's with Meridian Credit Union. These GIC's mature at different points throughout 2010 with \$1.6 million available on demand. The annual average rate of return in 2009 was 2.85%.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability

D. Environmental Impacts

N/A

E. Budget Impact

Future budgets will benefit from maximizing returns on the Town's investments.

F. Attached

1. BMO Nesbitt Burns Performance Report for 2009

Respectfully submitted,

Signature

For more information, please contact:

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Performance Report

As of December 31, 2009

Performance Report in Canadian \$ For
TOWN OF THE BLUE MOUNTAINS
A/C : 370-17184

TOWN OF THE BLUE MOUNTAINS
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Portfolio Overview

Account No.	Client Name	Client Type	Performance Start Date	Market Value as of Dec 31 09
370-17184	TOWN OF THE BLUE MOUNTAINS,	Corporate	01-FEB-01	3,389,068
Accrued Interest				\$12,368
Total value of your investments in CANADIAN \$				\$3,401,436

Portfolio Activity Summary

Total Market Value of Portfolio as of Dec 31 08	\$5,943,589
Net Deposits / Withdrawals	-\$2,626,293
Investment Growth / Loss	\$84,140
Total Value of Account as of Dec 31 09	\$3,401,436
Your rate of return	
Year-to-date	1.74%
Last 3 months	0.35%
Last 12 months	1.74%
Last 3 Years	3.33%
Since Inception	3.53%

Market and Performance values do not include any transactions back-dated to previous months.

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Market Value and Deposits / Withdrawals

As of December 31, 2009

Performance Report in Canadian \$ For
 TOWN OF THE BLUE MOUNTAINS
 A/C : 370-17184

	Net Deposits / Withdrawals	Market Value	Accrued Interest	Total Market Value	Change in Account Value	Investment Growth / Loss
	A	B	C	B+C	D*	D-A
PREVIOUS CALENDAR YEARS						
01-FEB-2001	Initial Market Value	7,682,704		7,682,704		
31-DEC-2001	1,012,000	9,051,068		9,051,068	1,368,364	356,364
31-DEC-2002	- 5,411,000	3,844,856		3,844,856	- 5,206,211	204,789
31-DEC-2003	656,665	4,673,713	15,202	4,688,915	844,059	187,394
31-DEC-2004	1,000,000	5,801,971		5,801,971	1,113,055	113,055
31-DEC-2005		5,971,807	26,571	5,998,378	196,407	196,407
31-DEC-2006		6,227,978	8,725	6,236,703	238,325	238,325
31-DEC-2007	- 770,000	5,726,572		5,726,572	- 510,131	259,869
31-DEC-2008		5,919,090	24,499	5,943,589	217,017	217,017
CURRENT CALENDAR YEAR						
31-DEC-2008	Opening Market Value	5,919,090	24,499	5,943,589		
31-MAR-2009		5,962,022	18,612	5,980,635		
30-APR-2009	- 933,837	5,035,708	18,415	5,054,123		
31-MAY-2009	- 505,000	4,532,420	22,345	4,554,765		
30-JUN-2009		4,533,585	26,761	4,560,346		
31-JUL-2009	- 580,021	3,954,286	31,692	3,985,978		
30-SEP-2009		3,954,951	41,397	3,996,348		
31-OCT-2009	- 208,435	3,755,103	38,056	3,793,160		
30-NOV-2009	- 399,000	3,364,373	34,093	3,398,467		
31-DEC-2009		3,389,068	12,368	3,401,436		

Market Value and Deposits / Withdrawals

As of December 31, 2009

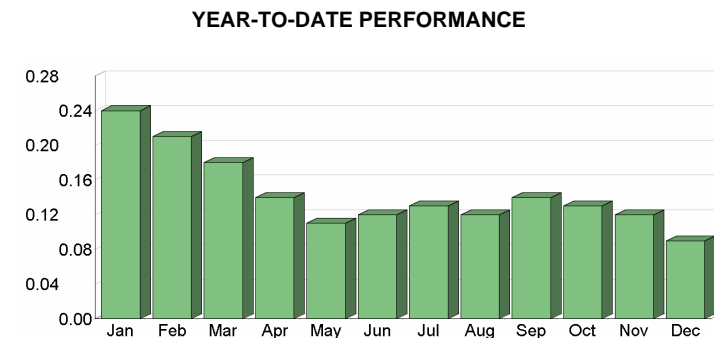
		Net Deposits / Withdrawals	Market Value	Accrued Interest	Total Market Value B+C	Change in Account Value D*	Investment Growth / Loss D-A
		A	B	C		D*	D-A
31-DEC-2009	Year-to-date Totals	- \$2,626,293	\$3,389,068	\$12,368	\$3,401,436	- \$2,542,153	\$84,140
	Since Inception	- \$6,138,628					\$1,857,360

*Change in Account Value signifies the difference in Total Market Value from previous year.

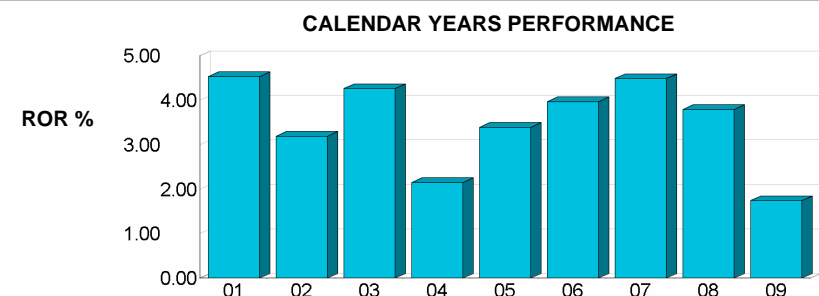
Time Weighted Rates of Return (ROR)

As of December 31, 2009

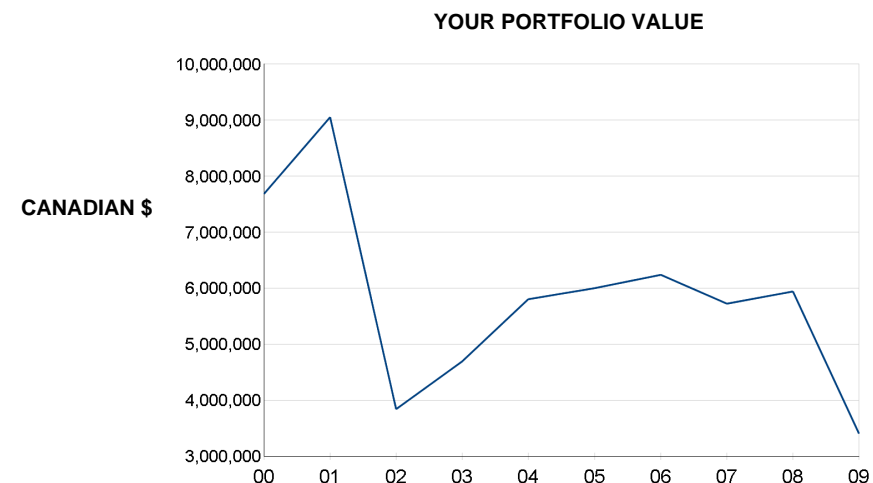
<u>Period 2009</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
Monthly ROR %	0.24	0.21	0.18	0.14	0.11	0.12	0.13	0.12	0.14	0.13	0.12	0.09
Compound YTD ROR %	0.24	0.44	0.62	0.76	0.88	1.00	1.13	1.25	1.39	1.53	1.65	1.74
<u>2009 Quarters</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>								
Quarterly ROR %	0.62	0.37	0.39	0.35								
Cumulative ROR %	0.62	1.00	1.39	1.74								



<u>Calendar Years</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
ROR %	1.74	3.79	4.49	3.97	3.39	2.15	4.26	3.19	4.53*



<u>Calendar Years</u>	<u>Acct. Value At Inception (Feb 01 01)</u>	<u>YE / YTD Account Balance</u>	<u>Previous Account Balance</u>	<u>Change in Account Balance</u>
2001	7,682,704	9,051,068		1,368,364
2002		3,844,856	9,051,068	- 5,206,211
2003		4,688,915	3,844,856	844,059
2004		5,801,971	4,688,915	1,113,055
2005		5,998,378	5,801,971	196,407
2006		6,236,703	5,998,378	238,325
2007		5,726,572	6,236,703	- 510,131
2008		5,943,589	5,726,572	217,017
2009 YTD		3,401,436	5,943,589	- 2,542,153



* - partial period.

Time Weighted Rates of Return (ROR)

As of December 31, 2009

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TOWN OF THE BLUE MOUNTAINS
A/C : 370-17184

Benchmark Comparison

Market Index	Since Inception (February 01, 2001) %	Last 3 Years %	YTD %
YOUR PORTFOLIO	3.53	3.33	1.74
CDN T-bills	2.89	2.61	0.53
CPI (One Month Lag)	1.95	1.74	1.05
SCM Bond Universe	6.26	5.16	5.41
S&P/TSX Composite Index	4.95	- 0.21	35.05
S&P500 C\$	- 4.28	- 8.82	9.12
MSCI EAFE C\$	- 0.53	- 8.77	14.30
SCM Long Bonds	7.38	3.86	5.50
U.S. Bond Universe Treasury Index C\$	1.21	2.55	- 16.79
SCM Short Bond Index	5.37	5.71	4.55

Portfolio and all index rates of return are stated in Canadian \$ and are calculated on a total return basis (including price changes, dividend and interest income and accrued interest).
Information contained herein has been obtained from sources which we believe to be reliable but is not guaranteed by BMO NB.