

**STAFF REPORT: Financial and Information Services**

**REPORT TO:** Finance & Administration Committee  
**MEETING DATE:** May 5, 2009  
**REPORT NO.:** FIS.09.22  
**SUBJECT:** 2008 Investment Performance  
**PREPARED BY:** Robert Cummings, Director of Financial and Information Services

**A. Recommendations**

THAT Council receive Staff Report FIS.09.22, "2008 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 2008.

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 2008 is calculated at 3.07%

There is also \$5.919 million with BMO Nesbitt Burns that earns interest at a generally 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 \$217,000 in interest in 2008.

Additionally, there is \$4.2 million in GIC's with Meridian Credit Union. In December of 2008, \$3.5 million was invested in a cashable GIC earning interest at 3%. Annual average rate of return in 2008 is 3.18%.

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 2008 by investing with a number of institutions and a diversified range of fixed income securities.

In 2008, the Town's BMO Nesbitt Burns portfolio rate of return was 3.79%. As a comparison, the Canadian T-bill rate of return was 3.19% for the same period. SCM Short Bond Index was 6.41%. The portfolio is limited in investment instruments to fixed income type securities.

**C. The Blue Mountains' Strategic Plan**

Ensuring long-term financial sustainability

## **D. Environmental Impacts**

Supporting environmentally sound decisions

## **E. Budget Impact**

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

## **F. Attached**

1. BMO Nesbitt Burns Performance Report for 2008

Respectfully submitted,

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Robert Cummings, CMA  
Director of Financial and Information Services

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# Performance Report

As of December 31, 2008

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

TOWN OF THE BLUE MOUNTAINS  
C/O ROBERT CUMMINGS  
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## Portfolio Overview

Account No.	Client Name	Client Type	Performance Start Date	Market Value as of Dec 31 07	Market Value as of Dec 31 08
370-17184	TOWN OF THE BLUE MOUNTAINS,	Corporate	01-FEB-01	5,726,572	5,919,090
Accrued Interest				\$0	\$24,499
Total value of your investments in CANADIAN \$				\$5,726,572	\$5,943,589

## Portfolio Activity Summary

Total Market Value of Portfolio as of Dec 31 07	\$5,726,572
Net Deposits / Withdrawals	\$0
Investment Growth / Loss	\$217,017
Total Value of Account as of Dec 31 08	\$5,943,589
Your rate of return	
Year-to-date	3.79%
Last 3 months	1.01%
Last 12 months	3.79%
Last 3 Years	4.08%
Since Inception	3.76%

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, 2008

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

	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			
<b>PREVIOUS CALENDAR YEARS</b>						
01-FEB-2001	<b>Initial Market Value</b>	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
<b>CURRENT CALENDAR YEAR</b>						
31-DEC-2007	<b>Opening Market Value</b>	5,726,572		5,726,572		
31-MAR-2008		5,791,560	667	5,792,226		
30-JUN-2008		5,836,214	7,083	5,843,297		
30-SEP-2008		5,870,592	13,658	5,884,249		
31-DEC-2008		5,919,090	24,499	5,943,589		
31-DEC-2008	<b>Year-to-date Totals</b>	\$0	\$24,499	\$5,943,589	\$217,017	\$217,017
	<b>Since Inception</b>	- \$3,512,335				\$1,773,220

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

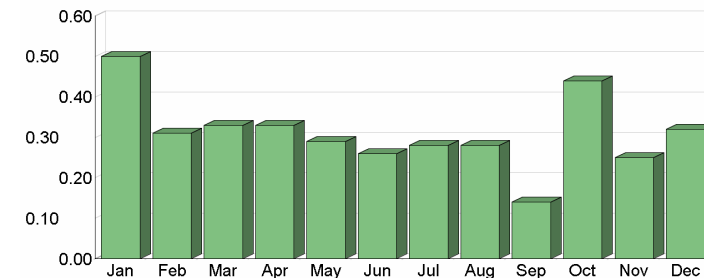
# Time Weighted Rates of Return (ROR)

As of December 31, 2008

<u>Period 2008</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 %	0.50	0.31	0.33	0.33	0.29	0.26	0.28	0.28	0.14	0.44	0.25	0.32
Compound YTD ROR %	0.50	0.81	1.15	1.48	1.77	2.04	2.32	2.61	2.75	3.21	3.46	3.79
<u>2008 Quarters</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>								
Quarterly ROR %	1.15	0.88	0.70	1.01								
Cumulative ROR %	1.15	2.04	2.75	3.79								

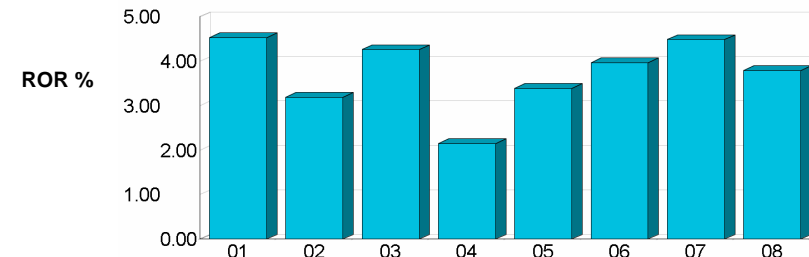
Monthly ROR %

YEAR-TO-DATE PERFORMANCE



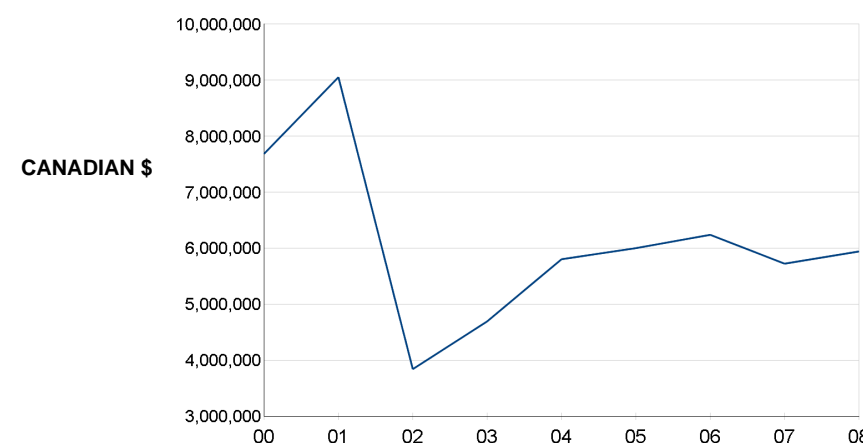
<u>Calendar Years</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
ROR %	3.79	4.49	3.97	3.39	2.15	4.26	3.19	4.53*

CALENDAR YEARS PERFORMANCE



<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 YTD		5,943,589	5,726,572	217,017

YOUR PORTFOLIO VALUE



\* - partial period.

# Time Weighted Rates of Return (ROR)

As of December 31, 2008

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CREATED ON : 01-APR-2009

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## Benchmark Comparison

Market Index	Since Inception (February 01, 2001) %	Last 3 Years %	YTD %
YOUR PORTFOLIO	3.76	4.08	3.79
CDN T-bills	3.19	3.72	3.11
CPI (One Month Lag)	2.12	2.00	1.78
SCM Bond Universe	6.36	4.71	6.41
S&P/TSX Composite Index	1.66	- 4.80	- 33.00
S&P500 C\$	- 5.85	- 7.01	- 22.59
MSCI EAFE C\$	- 2.26	- 5.56	- 30.04
SCM Long Bonds	7.62	3.39	2.65
U.S. Bond Universe Treasury Index C\$	3.75	10.12	39.75
SCM Short Bond Index	5.48	5.53	8.56

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.