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**STAFF REPORT: Financial Services**



**REPORT TO: Finance & Administration Committee**  
**MEETING DATE: April 22, 2008**  
**REPORT NO.: FS.08.15**  
**SUBJECT: 2007 Investment Performance**  
**PREPARED BY: Robert Cummings, Director of Finance**

**A. Recommendations**

THAT Council receive Staff Report FS.08.15, "2007 Investment Performance", for information purposes.

**B. Background**

A portion of the Town's Reserve Funds are invested in a number of investment vehicles. A large portion is earning a favourable interest rate in the Town bank account and at times, GIC's. There is also approximately \$6 million in our BMO Nesbitt Burns portfolio that earns interest at a (generally) better rate. The goal is to have some diversity in our accounts and safeguard against interest rate risk.

In 2007, the Town's BMO Nesbitt Burns portfolio rate of return was 4.49%. As a comparison, the Canadian T-bill rate of return was 4.22% for the same period. SCM Short Bond Index was 4.08%. Compared to CPI for 2007, our portfolio is earning at a favourable rate. The portfolio is limited in investment instruments to fixed income type securities.

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

Ensuring long-term financial sustainability.


**D. Budget Impact** (cc: Treasury if required)

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

**E. Attached** (Relevant documentation not personal information about an identifiable person)

BMO Nesbitt Burns Performance Report for 2007.

Respectfully submitted,

  
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Signature

# Performance Report

As of December 31, 2007

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CREATED ON : 05-JAN-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
370-17184	TOWN OF THE BLUE MOUNTAINS,	Corporate	01-FEB-01

Accrued Interest

Total value of your investments in CANADIAN \$

## Portfolio Activity Summary

Total Market Value of Portfolio as of Dec 31 06	\$6,236,703
Net Deposits / Withdrawals	-\$770,000
Investment Growth / Loss	\$259,869
Total Value of Account as of Dec 31 07	\$5,726,572

Your rate of return

Year-to-date	4.49%
Last 3 months	1.27%
Last 12 months	4.49%
Last 3 Years	3.95%
Since Inception	3.75%

Market Value as of Dec 31 06	Market Value as of Dec 31 07
6,227,978	5,726,572
\$8,725	\$0
\$6,236,703	\$5,726,572

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

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# Market Value and Deposits / Withdrawals

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	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
<b>PREVIOUS CALENDAR YEARS</b>						
01-FEB-2001		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
<b>CURRENT CALENDAR YEAR</b>						
31-DEC-2006		6,227,978	8,725	6,236,703		
31-MAR-2007		6,288,216	12,793	6,301,009		
30-APR-2007	630,000	6,940,836	14,149	6,954,985		
31-MAY-2007	- 1,400,000	5,560,659	15,551	5,576,209		
30-JUN-2007		5,594,897		5,594,897		
30-SEP-2007		5,654,877		5,654,877		
31-DEC-2007		5,726,572		5,726,572		
<b>Year-to-date Totals</b>	<b>- \$770,000</b>	<b>\$5,726,572</b>	<b>\$0</b>	<b>\$5,726,572</b>	<b>- \$510,131</b>	<b>\$259,869</b>
<b>Since Inception</b>	<b>- \$3,512,335</b>					<b>\$1,556,203</b>

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

# Time Weighted Rates of Return (ROR)

As of December 31, 2007

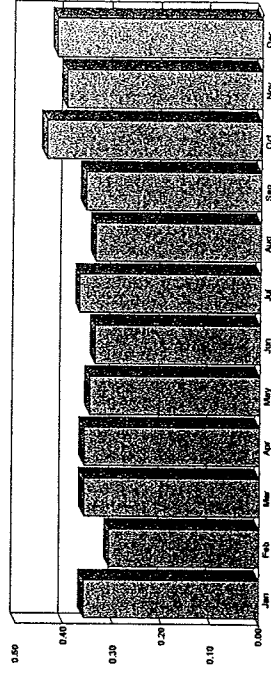
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Period 2007	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Monthly ROR %	0.36	0.31	0.36	0.36	0.35	0.34	0.37	0.34	0.36	0.44	0.40	0.42
Compound YTD ROR %	0.36	0.67	1.03	1.39	1.74	2.08	2.46	2.80	3.18	3.64	4.05	4.49

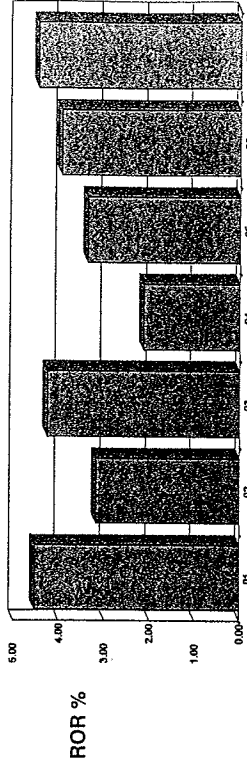
### 2007 Quarters

	1st	2nd	3rd	4th
Quarterly ROR %	1.03	1.04	1.07	1.27
Cumulative ROR %	1.03	2.08	3.18	4.49

YEAR-TO-DATE PERFORMANCE

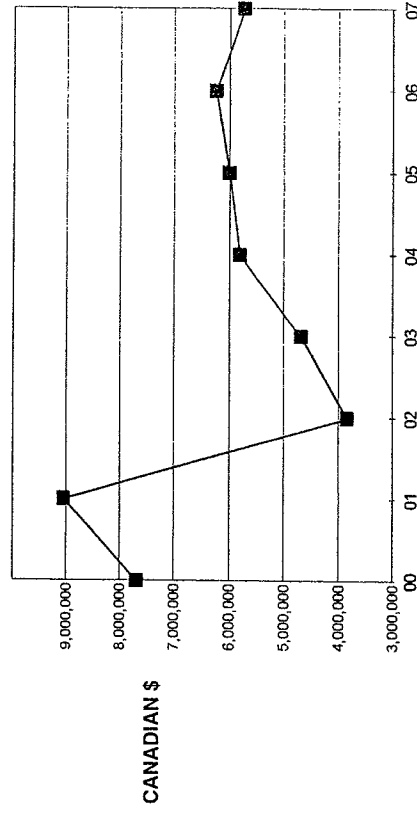


CALENDAR YEARS PERFORMANCE



Calendar Years	Acct. Value At Inception (Feb 01 01)	YE / YTD Account Balance	Previous Account Balance	Change in Account Balance
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 YTD		5,726,572	6,236,703	- 510,131

YOUR PORTFOLIO VALUE



\* - partial period.

# Time Weighted Rates of Return (ROR)

As of December 31, 2007

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## Benchmark Comparison

Market Index	Since Inception (February 01, 2001) %	Last 3 Years %	YTD %
YOUR PORTFOLIO	3.75	3.95	4.49
CDN T-bills	3.20	3.50	4.22
CPI (One Month Lag)	2.14	2.04	2.37
SCM Bond Universe	6.36	4.73	3.69
S&P/TSX Composite Index	7.98	16.93	9.83
S&P500 C\$	-3.15	1.86	-10.27
MSCI EAFE C\$	2.58	10.02	-5.05
SCM Long Bonds	8.35	7.02	3.45
U.S. Bond Universe Treasury Index C\$	-0.63	-1.60	-7.26
SCM Short Bond Index	5.04	3.48	4.08

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.