



	<b>REPORT NO.: 2018-22</b>
<b>MEETING DATE: APRIL 19, 2018</b>	<b>DATE PREPARED: MARCH 23, 2018</b>
<b>SUBJECT: YEAR 2017 INVESTMENT PORTFOLIO PERFORMANCE</b>	

**RECOMMENDATION**

THAT with respect to Report No. 2018-22 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board, approve the Phillips, Hager & North Investment Funds Ltd. Investment Services Resolution as attached, to be duly signed in accordance with TBDSSAB By-Law Number 01-2017 (Governance & Procedural).

**REPORT SUMMARY**

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information relative to the Year 2017 performance of investments held by TBDSSAB.

**BACKGROUND**

The Board has approved the Reserve and Reserve Fund Policy #CS-02:19, and, on an annual basis, approves the Reserve and Reserve Fund Strategy. Since 2015, TBDSSAB has transferred \$12.8 million to TD Waterhouse (TD), representing the value of various TBDSSAB Reserve Funds. The Direct-Owned Housing Portfolio Capital Replacement Reserve Fund is invested in the Social Housing Investment Program, administered by the Housing Services Corporation (HSC) and managed by Phillips, Hager & North Investment Funds Ltd. (PH&N), in accordance with Section 124(b) of the *Housing Services Act*.

In accordance with the Investment Policy #CS-02:70, Administration presents the Board with an annual update of the investment portfolio's performance for the year.

**COMMENTS****2017 INVESTMENT PERFORMANCE**

The Table, below, summarizes the performance of investments held at TD and PH&N for the 2017 year.

<b>Fair Market Value (as at December 31, 2017)</b>	<b>TD (\$)</b>	<b>PH&amp;N (\$)</b>	<b>Total (\$)</b>
Opening Balance	13,291,394	8,635,954	<b>21,927,348</b>
Deposits	-	-	-
Withdrawals	-	-	-
Change in Value	502,188	130,675	<b>632,863</b>
<b>Ending Balance</b>	<b>13,793,582</b>	<b>8,766,629</b>	<b>22,560,211</b>
Return on Investment	3.8%	1.5%	<b>2.9%</b>

The fair market value (FMV) at December 31, 2017, is \$22,560,211 (2016: \$21,927,348) compared to the book value of \$22,355,858 (2016: \$21,223,061). The total unrealized gain on investments at the end of 2017 is \$204,353. Attachment 1 shows the FMV of investments over the past ten (10) years.

The investment strategy approved by the Board includes a recognition that the priority of the investment portfolio is to generate income, while, at the same time, preserving capital. The asset mix in 2017 reflected these goals. As at December 31, 2017, the asset mix of TBDSSAB investments was as follows:

	<b>TD (\$)</b>	<b>PH&amp;N (\$)</b>	<b>Total (\$)</b>	<b>Asset Mix</b>
Cash & Cash Equivalents	1,922,266	-	<b>1,922,266</b>	9%
Fixed Income	7,797,494	8,766,629	<b>16,564,123</b>	73%
Equities	4,073,822	-	<b>4,073,822</b>	18%
<b>Total</b>	<b>13,793,582</b>	<b>8,766,629</b>	<b>22,560,211</b>	<b>100%</b>

In accordance with Public Sector Accounting Board (PSAB) requirements, marketable securities are recorded at FMV in the 2017 Consolidated TBDSSAB Financial Statements with the market value change presented in the Statement of Re-measurement Gains and Losses, (Report No. 2018-20AGM Year 2017 Audited Consolidated Financial Statements of The District of Thunder Bay Social Services Administration Board).

**ADMINISTRATIVE CHANGES**

Attachment 2 is a "Resolution of Directors" form, required to update the signing officers on the PH&N Account in accordance with the Approval and Signing Authorization Policy #CS-01:79.

**FINANCIAL IMPLICATIONS**

There are no direct financial implications associated with this report. The 2017 investment portfolio performance is reflected in the 2017 Consolidated TBDSSAB Financial Statements.



**CONCLUSION**

It is concluded that all investments in 2017 were consistent with the Investment Policy and goals approved by the Board.

It is further concluded that Administration will continue to monitor the performance of investments in accordance with the Investment Policy #CS-02:70, and Reserve and Reserve Fund Policy #CS-02:19, and provide an annual update to the Board.

**REFERENCE MATERIALS ATTACHED**

- Attachment 1: [Historical Investment Portfolio Summary](#)
- Attachment 2: [PH&N Investment Services "Resolution of Directors" form](#)

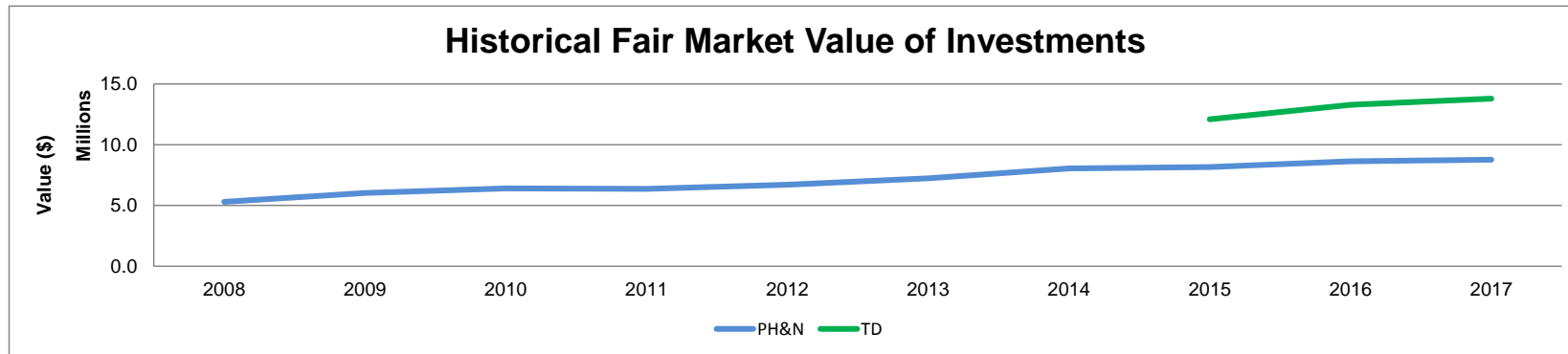
<b>PREPARED BY:</b>	Keri Greaves, CPA, CMA, Manager, Finance The District of Thunder Bay Social Services Administration Board
<b>APPROVED / SIGNATURE:</b>	 Georgina Daniels, FCPA, FCA, Director - Corporate Services Division The District of Thunder Bay Social Services Administration Board
<b>SUBMITTED / SIGNATURE:</b>	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

**The District of Thunder Bay Social Services Administration Board  
Historical Investment Portfolio Summary**

<b>TD</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
FMV	-	-	-	-	-	-	-	12,094,495	13,291,394	13,793,582
Change in FMV	-	-	-	-	-	-	-	12,094,495	1,196,899	502,188
	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	9.9%	3.8%

<b>PH&amp;N</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
FMV	5,297,687	6,025,896	6,406,795	6,376,001	6,711,852	7,236,188	8,043,405	8,166,728	8,635,954	8,766,629
Change in FMV	(664,816)	728,209	380,899	(30,794)	335,851	524,336	807,217	123,323	469,226	130,675
	-11.1%	13.7%	6.3%	-0.5%	5.3%	7.8%	11.2%	1.5%	5.7%	1.5%



Certified Copy of  
Resolution of Directors

This form is to be used to update officers on existing Social Housing Investment Funds accounts (mail original).

Name of Corporation (please print)

The District of Thunder Bay Social Services Administration Board (TBDSSAB)

Resolution passed as of (yyyy/mm/dd)

2018/04/19

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THAT either (check one)

- any one of the following officers
- any two of the following officers

Name (print)	Title	Signature
Lucy Kloosterhuis	Board Chair	
Mark Figliomeni	Board Vice-Chair	
William Bradica	Chief Administrative Officer	
Georgina Daniels	Director, Corporate Services	

has, and is hereby given, full power and authority to deal with and make decisions in regard to the Corporation's portfolio and PH&N Investment Services, in its capacity as principal distributor of the Social Housing Investment Funds, shall be fully entitled to rely upon this authority without the need to make further inquiries of the Corporation.

By signing this document, you agree that all officers (including agents) who are authorized to transact on accounts have at minimum the investment knowledge as reflected on the account application form or latest authorized update. Please contact our Investment Funds Centre at 1-888-771-7473 if you wish to confirm or change this information.

In your capacity as signing officers, you authorize Phillips, Hager & North Investment Funds Ltd. to provide application and account information to Encasa Financial Inc.

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THAT the secretary of the corporation shall inform PH&N Investment Services of all change of persons holding the office(s) listed in Section 1 above.

CERTIFIED to be a true copy of a Resolution duly passed by the Board of Directors of TBDSSAB (the "Corporation") in the manner required by law, which Resolution is now in full force and effect, has not been amended and does not conflict with the by-laws of said Corporation.

Name of Secretary (print)

Signature

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■ Corporate seal must be affixed. (if no Corporate seal exists, indicate name)

Encasa Financial Inc. is the manager of the Social Housing Investment Funds.

PH&N Investment Services® is a trade name used by Phillips, Hager & North Investment Funds Ltd. (PH&NIF), an indirect, wholly-owned subsidiary of Royal Bank of Canada. PH&NIF is the principal distributor of the Social Housing Investment Funds. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence.

INVESTMENT FUNDS ADVICE & INFORMATION

Telephone: 1-888-771-7473 Facsimile: 1-800-666-9899 Email: shsf@phn.com Website: www.encasa.ca

Please return form to: PH&N Investment Services, 20<sup>th</sup> Floor, 200 Burrard Street, Vancouver, B.C., V6C 3N5