



	<b>REPORT No.: 2020-16</b>
<b>MEETING DATE: APRIL 16, 2020</b>	<b>DATE PREPARED: MARCH 16, 2020</b>
<b>SUBJECT: 2019 INVESTMENT PORTFOLIO PERFORMANCE</b>	

**RECOMMENDATION**

For information only.

**REPORT SUMMARY**

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information relative to the year 2019 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 Housing Portfolio Capital Reserve Fund is invested in the Social Housing Investment Program, administered by the Housing Services Corporation in accordance with Section 124(b) of the *Housing Services Act*, and managed by Encasa Financial. Worldsource Financial Management Inc. is the principal distributor of these Funds.

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****2019 INVESTMENT PERFORMANCE**

The Table, below, summarizes the performance of investments held at TD and Encasa for the 2019 year:

<b>Fair Market Value (as at December 31, 2019)</b>	<b>TD (\$)</b>	<b>Encasa (\$)</b>	<b>Total (\$)</b>
Opening Balance	13,467,508	8,833,590	<b>22,301,098</b>
Deposits	-	-	-
Withdrawals	-	-	-
Change in Value	951,529	505,500	<b>1,457,029</b>
<b>Ending Balance</b>	<b>14,419,037</b>	<b>9,339,090</b>	<b>23,758,127</b>
Return on Investment	7.1%	5.7%	<b>6.5%</b>

The fair market value (FMV) of investments at December 31, 2019, is \$23,758,127 (2018: \$22,301,098) compared to the book value of \$23,278,699 (2018: \$22,968,260). The FMV of investments increased by \$1,457,029 during 2019. 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 2019 reflected these goals. As at December 31, 2019, the asset mix of TBDSSAB investments was as follows:

	<b>TD (\$)</b>	<b>Encasa (\$)</b>	<b>Total (\$)</b>	<b>Asset Mix</b>
Cash & Cash Equivalents	2,941,871	-	<b>2,941,871</b>	12%
Fixed Income	7,324,531	9,339,090	<b>16,663,621</b>	70%
Equities	4,152,635	-	<b>4,152,635</b>	18%
<b>Total</b>	<b>14,419,037</b>	<b>9,339,090</b>	<b>23,758,127</b>	<b>100%</b>

In 2019, TBDSSAB recorded earned investment income on reserve funds of \$495,318 (2018: \$637,611). Investment income included interest revenue, dividends reinvested, and capital gains on equities.

In accordance with Public Sector Accounting Board requirements, marketable securities are recorded at FMV in the 2019 Consolidated TBDSSAB Financial Statements with the market value change presented in the Statement of Re-measurement Gains and Losses, (Report No. 2020-14AGM Year 2019 Audited Consolidated Financial Statements of The District of Thunder Bay Social Services Administration Board).

**FINANCIAL IMPLICATIONS**



There are no direct financial implications associated with this report. The 2019 investment portfolio performance is reflected in the 2019 Consolidated TBDSSAB Financial Statements.

**CONCLUSION**

It is concluded that all investments in 2019 were consistent with the Investment Policy and goals approved by the Board.

**REFERENCE MATERIALS ATTACHED**

Attachment #1 [Historical Investment Portfolio Summary](#)

<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**

TD	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FMV	-	-	-	-	-	12,094,495	13,291,394	13,793,582	13,467,508	14,419,037
Change in FMV	-	-	-	-	-	12,094,495	1,196,899	502,188	(326,074)	951,529
	n/a	n/a	n/a	n/a	n/a	n/a	9.9%	3.8%	-2.4%	7.1%

Encasa	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FMV	6,406,795	6,376,001	6,711,852	7,236,188	8,043,405	8,166,728	8,635,954	8,766,629	8,833,590	9,339,090
Change in FMV	380,899	(30,794)	335,851	524,336	807,217	123,323	469,226	130,675	66,961	505,500
	6.3%	-0.5%	5.3%	7.8%	11.2%	1.5%	5.7%	1.5%	0.8%	5.7%

