

## Appendix E - Investment Report

### Investment Report

Investment income for the whole year was \$259,530.

At the time of writing this report, FIN – 01 stipulates no more than 50% of the City's investments should be concentrated in any one Schedule I Bank. As previously communicated all the City's investments are in one Schedule I Bank. Financial Services advises this will be corrected by mid-year as certain investments mature and funds are reinvested.

### Investment Performance

The City is currently experiencing a favorable budget to actual variance despite declining interest rates. The historical budget practice did not budgeted interest earned on and to be transferred to reserves. In 2021 Financial Services budgetted operating budget and reserve interest.

	Trimester 1	Trimester 2	Trimester 3	Total	Annualized Return
<b>Actual</b>	\$ 95,102	\$ 86,013	\$ 78,415	\$259,530	1.70%
<b>Budget</b>	\$ 11,670	\$ 11,660	\$ 11,670	\$ 35,000	
<b>Variance</b>	\$ 83,432	\$ 74,353	\$ 66,745	\$224,530	

As a point of reference, the interest rate earned on the bank account has declined from 1.95%-2.10% on January 1, 2020 to 0.45%-0.60% by the fall of 2020. This decline was directly related to the Bank of Canada reduction in the overnight rate from 1.75% to 0.25% over the same time period in response to COVID-19 economic implications. In the event interest rates remain low as the current investments come due Council can expect the City's annualized return to decrease.

### Investment Term Holdings

Funds	Book Value	Weight
Investments < 1 Year	\$ 6,483,390	27%
Cash	\$17,233,663	73%
<b>Total Portfolio</b>	<b>\$23,717,053</b>	<b>100%</b>

Financial Services highlights that the investment to cash ratio is temporarily skewed to cash as a result of declining interest rates and the floor to which our bank account has provided.

## Investments

Institution	Type of Investment <sup>^</sup>	Purchased Amount	Interest Rate	Maturity Date	Percentage of Holdings
Scotiabank	Bank - GIC	\$ 108,903	2.20%	17-Jun-21	2%
Scotiabank	Bank - GIC	\$ 1,184,965	2.05%	23-Jun-21	18%
Scotiabank	Bank - GIC	\$ 5,189,522	2.05%	23-Jun-21	80%
<b>Total excluding cash</b>		<b>\$ 6,483,390</b>			<b>100%</b>
Primarily CIBC	Chequing Account	\$17,233,663	0.450%/ 0.600%	N/A	
<b>Total including Cash *</b>		<b>\$23,717,053</b>			

<sup>^</sup>The City does not own any of its own long-term or short-term debentures.

\* All figures in in Canadian dollars.

## Transactions

Transactions in the third quarter (September 1 to December 31) are as follows:

Transaction Date	Type	Type of Investment	Purchase Balance	Interest Rate
03-Dec-20	Maturity	Bank - GIC	\$775,000	2.50%