



Information Report Committee of the Whole_Apr16_2024

Investment Policy FIN-010-C

Purpose:

The purpose of this report is to provide the Committee of the Whole with a proposal to update the Investment Policy FIN-010-C.

Background:

In early 2024, administration engaged the Hobson & Chahal Advisory Group of CIBC Wood Gundy to provide Investment Advisory Services. The Hobson & Chahal Advisory Group specializes in the management of public and not-for-profit institutions, including: municipalities, towns, cities, school divisions, foundations, charities, insurance reciprocals, health care organizations, and government bodies. Now in their fortieth year of operation, they are responsible for the professional oversight and management of over 100 institutional accounts, including 73 Canadian municipalities and they manage approximately \$3.45 billion in combined assets.

Summary Analysis:

Hobson & Chahal have recommended several changes to our Investment Policy that further mitigate risk and to ensure that the policy is appropriate for the current market environment.

Significant amendments include:

- Changes to holding restrictions in the Long Term Portfolio;
- Changes to the return and performance standards; and
- Add reference to the CFA Institute Code of Ethics and Standards of Professional Conduct and the CFA Institute Asset Manager Code to the Conflict of Interest/Ethics section.

These changes are expected to increase portfolio diversification and potential future returns while reducing the City's risk exposure. A detailed description of the proposed amendments and the rationale is attached as Appendix A. These changes have been drafted into an updated Investment Policy FIN-010-C, and is attached as Appendix B.

Financial Implications:

These changes are expected to result in higher returns over time compared to investing under the current policy.

Internal/External Impacts:

These amendments are not expected to have internal or external impacts and will not result in a significant change in processes.

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Diversity Impacts:

These amendments are not expected to impact accessibility of services, diversity of opportunities, or require a communication plan.

Risk Analysis:

These changes are expected to reduce the risk of investment concentration while increasing the ability to invest in high quality securities that have superior returns.

Plans/Standards/Legislation:

- Section 250 of the MGA, RSA 2000, c M-26
- Investment Regulation, Alta Reg 66/2000

The proposed amendments align to the City's Strategic Plan by making continuous improvements to the City's treasury management and investment practices.

City's Strategic Plan:

➤ Goal - Operational Excellence and Continuous Improvement (continuous improvement; constantly looking for ways to improve our services through innovative practices, technology, collaboration, and consultation).

Next Steps:

Administration will incorporate any feedback from the Committee on the proposed policy update and will present an updated Investment Policy for approval at a future regular Council meeting.

Attachments:

1. Appendix A – Hobson & Chahal Advisory Group of CIBC Wood Gundy - Proposed Investment Policy Updates
2. Appendix B – Proposed Investment Policy FIN-010-C
3. Appendix C – Current Investment Policy FIN-010-C

Prepared by: Clayton Northey Date: April 3, 2024
Manager, Accounting and Reporting, Finance Services

Approved by: Jeremy Emann Date: April 8, 2024
Director, Finance Services

Approved by: Janel Smith-Duguid Date: April 11, 2022
Acting General Manager, Corporate Services

Approved by: Troy Fleming Date: April 11, 2022
City Manager