

## **REPORT OF THE INVESTMENT SUBCOMMITTEE**

(This subcommittee is responsible to the Financial Advisory Committee)

Our Investment Funds which started in June 1996 has been managed by Frank Russell Canada Limited (Russell) since July 1, 2002. Russell uses a multi-asset multi-style multi-manager approach to reduce risk and delivers consistent and superior returns. For our portfolio they employ 24 managers.

The Synod of the Diocese of Niagara uses a system of participation units through which the Diocese and the participating Parishes share the risks and rewards associated with the investment of their funds. For the five years since we have been with Russell, the returns before expenses are as follows: June 2003 (1.72%), June 2004 13.56%, June 2005 9.48% and June 2006 7.14%, June 2007 14.7%, for a 5-year average return of 9.5% per year.

The fees charged by Russell were until recently 62 bps (a basis point (bps) is 0.01%) plus 6% GST per year, paid quarterly. Russell has recently reduced its fee to 52 bps plus GST per year. Also, a monthly administrative fee 50 bps is charged by the Diocese. The current total fees are 1.02% per year.

Parishes, who chose to receive a monthly payment, received a 5% cash payout each year up to December 31, 2000 except for 1998 when they received 7.2%. Since January 1, 2001 Parishes have been able to withdraw funds by redeeming units on a monthly basis and this has replaced the cash payout. Since June 30, 1997 unit values have increased from \$10.00 to \$17.18717 as at June 30, 2007.

Present members of the Investment Subcommittee are:

Mr. Andrew Bucknall  
Mr. Robert McKinnell (Diocesan Treasurer)  
Mr. David W. Pady (Past Chair)  
Mr. Roger A. Phillips (Chair)  
Mr. David Ricketts  
Mr. Dan Waterston  
Mr. David Watson  
Mr. Malcolm Williams  
Ms. Kim Waltmann (Secretary)

Respectfully submitted,  
Mr. Roger A. Phillips, Chair