

## **REPORT OF THE INVESTMENT SUBCOMMITTEE**

(This subcommittee is responsible to the Financial Advisory Committee)

Our Investment Fund was restructured in June 1996 to the current participation unit format. It 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 deliver consistent and superior returns. For our portfolio, they currently employ 24 managers.

Russell charges a fee of 52 bps plus GST per year (a basis point (bps) is 0.01%), paid quarterly. Also, the Diocese charges an administrative fee of 50 bps per year, paid monthly. The current total fees are 1.02% per year.

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. 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. Unit values were originally set at \$10.00 and they peaked at \$17.30 on June 2007. As of June 2009 the unit value was \$14.03.

The returns on our participation units have fluctuated over a number of years similar with the stock markets. Following are the results, after expenses, as of June each year: June 2003 (1.72%), June 2004 13.56%, June 2005 9.48%, June 2006 7.14%, June 2007 13.33, June 2008 (3.81%) and June 2009 (12.77%).

We thank all of the members who are serving on the committee and in particular those who have recently left for their many years of service to the Diocese through their involvement on the Investment Sub-committee: Mr. Ted Crabtree, Mr. David W. Pady, Mr. Roger A. Philips and Mr. Malcolm Williams.

Present members of the Investment Subcommittee are:

Mr. Andrew Bucknall  
Rev. Canon Robert Fead  
Mr. Robert McKinnell (Diocesan Treasurer)  
Mr. David Ricketts  
Mr. David Watson (Interim Chair)  
Ms. Kim Waltmann (Secretary)

Respectfully submitted,  
Mr. David Watson, Interim Chair