

## **REPORT OF THE INVESTMENT SUBCOMMITTEE**

(This subcommittee is responsible to the Financial Advisory Committee)

Our Investment Fund, 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 deliver consistent and superior returns. For our portfolio, they currently employ 26 managers.

The returns, before expenses, for our Russell account are:

6 years ending June 30, 2008:	7.35% p.a. (since inception)
5 years ending June 30, 2008:	9.11% p.a.
1 year ending June 30, 2008:	-2.56%

The current year's return is disappointing but largely reflects the downward movements in all security markets, which began in the second quarter of 2008 and continued into the third quarter.

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. Since June 30, 1997 unit values have increased from \$10.00 to \$16.53212 as at June 30, 2008.

Present members of the Investment Subcommittee are:

Mr. Andrew Bucknall

Mr. Robert McKinnell (Diocesan Treasurer)

Mr. David Pady

Mr. Roger Phillips (Chair)

Mr. David Ricketts

Mr. David Watson

Mr. Malcolm Williams

Ms. Kim Waltmann (Secretary)

Respectfully submitted,  
Mr. Roger Phillips, Chair