

2024 INVESTMENT COMMITTEE ANNUAL REPORT

Recommendation

That the June 4, 2025, Financial and Corporate Services report FCS02851, be received for information.

Requested Action		Information only	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		N/A	
City Plan Values	N/A		
City Plan Big City Move(s)	N/A	Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Managing the corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">City Policy C212E - Investment PolicyBylaw 11713 - Ed Tel Endowment Fund Bylaw		
Related Council Discussions	<ul style="list-style-type: none">May 3, 2024, Financial and Corporate Services report FCS02347, 2023 Investment Committee Annual Report		

Executive Summary

- This report is provided in consideration of the requirement in Section 2.1.1 of City Policy C212E - Investment Policy that "City Council approves the Investment Policy and receives the annual investment report through Executive Committee."
- Performance ranged from five per cent (Money Market Fund) to 17.4 per cent (Pension Fund), reflecting each fund's asset mix (e.g., bonds vs. equities).

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- This report provides the performance results of the City's investment funds in 2024.

REPORT

The Investment Committee's mandate is to oversee the investment of the funds managed by the City. The Committee comprises a mix of individuals with investment and business expertise in an effort to ensure good governance of the City's financial assets. These funds totaled \$3.6 billion as of December 31, 2024.

The 2024 Investment Committee Annual Report is included as Attachment 1.

2024 Investment Performance

Performance ranged from five per cent (Money Market Fund) to 17.4 per cent (Pension Fund), reflecting each fund's asset mix (e.g., bonds vs. equities).

On a four-year basis, returns have been strong and all of the City's investment funds have exceeded their policy benchmarks. Over a longer term, 10 year basis, all of the funds have continued to outperform their benchmarks.

The City's benchmarks represent the performance of the underlying index of each fund. Benchmarks are a comparison between the overall fund performance to the value gained from the City actively managing its funds.

The City's largest fund, the Ed Tel Endowment Fund, paid \$46 million in dividends to the City in 2024 and ended the year at a market value of over \$1 billion—the first time in the fund's history.

The estimated fee savings from managing a portion of the City's financial assets in-house are approximately \$1.5 million a year, resulting in more than \$15 million in savings over the last 10 years.

2024 Key Projects

The Investment Committee oversaw the following projects in 2024:

Implementation of Infrastructure and Real Estate Strategies

As part of a multi-year project to improve diversification, the City continued to transition assets to infrastructure and real estate strategies as suitable investment opportunities became available.

New Investment Committee Member Appointment

A new member was recruited to the City's Investment Committee in 2024 to replace the skill-set and expertise of the member whose term was ending. The Investment Committee ensures good governance of the City's financial assets.

Global Equity Manager Search

A search for an external investment firm to manage a global equity strategy for the City was completed and assets were transitioned to the new manager in the second half of 2024.

Community Insight

The City's financial assets support projects and services that undertake their own efforts to gain insight from Edmontonians. Additional community insight is not sought for this annual report.

GBA+

All of the City's investment managers incorporate Environmental, Social and Governance (ESG) factors into their investment decision-making, when selecting companies to invest in on behalf of the City of Edmonton. For example, the community and societal impact of a company's operations will be considered or the composition and diversity of the company's board of directors will be evaluated.

In addition, all of the City's investment managers are signatories of the United Nations Principles of Responsible Investment.

When selecting an investment firm to manage assets for the City, ESG and Diversity, Equity and Inclusion attributes are reviewed as part of the decision process.

Finally, the City's Investment Policy contains a commitment for the City of Edmonton to support social and ethical business practices through proxy voting, which provides the right to vote on corporate policies of the companies in which the City owns shares. In 2024, the City of Edmonton exercised its shareholder rights and voted its proxies in accordance with the Investment Policy.

Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

Attachment

1. 2024 Investment Committee Annual Report