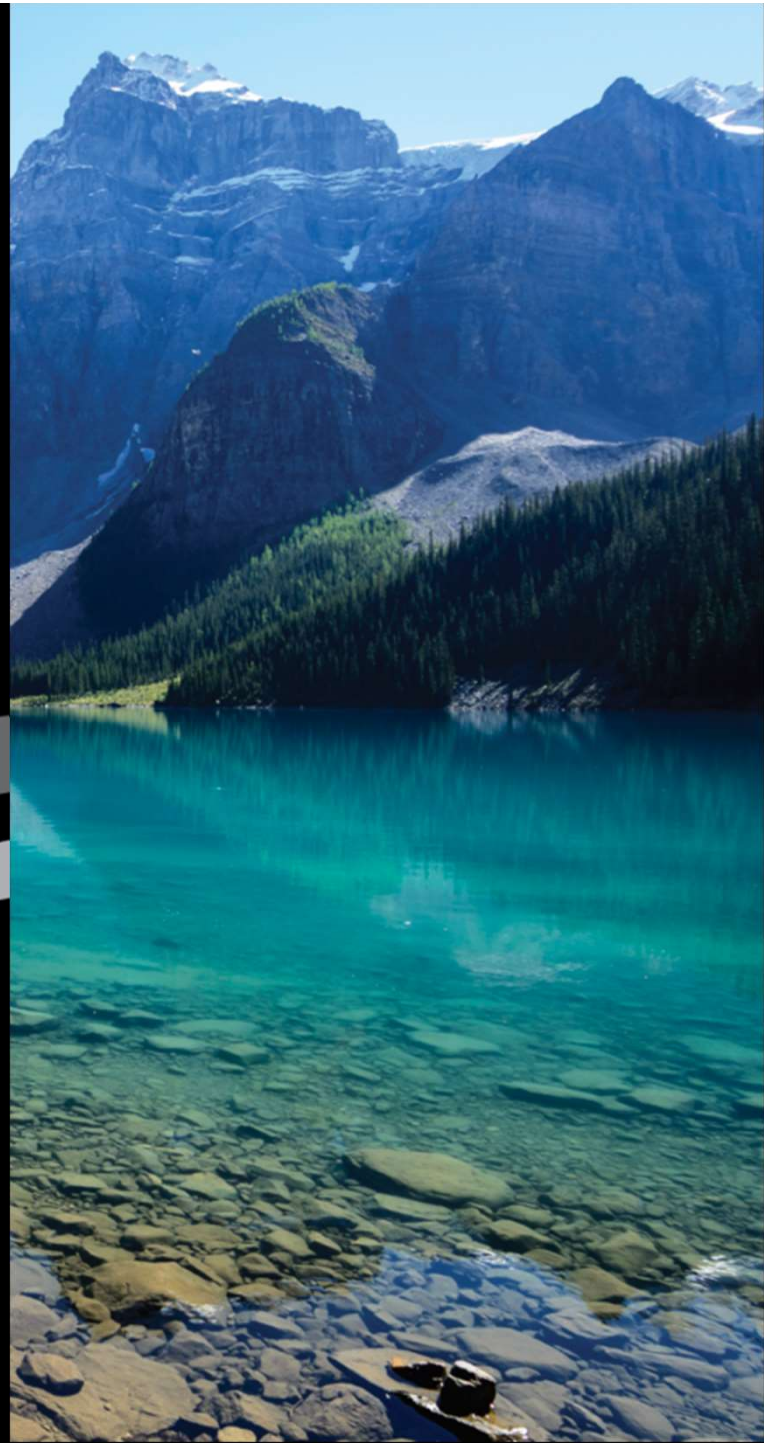
CIBC Wood Gundy | Hobson Chahal Advisory Group

# Town of Fort Frances

## *Customized Investment Management*




**Presenters:**

James Hobson, CFA, Investment Advisor, Portfolio Manager

Charet Chahal, CFA, Investment Advisor, Portfolio Manager

Nick Poulias, MBA, Investment Advisor

# Hobson Chahal Advisory Group

One of Canada's largest and most experienced teams in municipal customized investment management

Responsible for creating customized investment solutions for clients using any financial institution through open architecture to ensure highest returns

Clients include: Municipalities (11 cities, 17 counties, 22 towns), Insurance Reciprocals, Public Sector Institutions, School Boards, Foundations, Charities, etc.

Customized reporting solutions (accounting, analytics, performance)

Institutional focus with over $2.6 billion AUM



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# The Team

**James Hobson, CFA**
First Vice-President, Portfolio Manager

**Charet Chahal, CFA**
First Vice-President, Portfolio Manager

**Nick Poulias, MBA**
Investment Advisor

## Research & Trading

**Ricky Chan, CFA**
Institutional Analytics & Reporting

**David Newton, CFA**
Executive Director, Trading & Risk

**Avery Shenfeld, Ph.D**
Managing Director, Chief Economist

**Sid Mokhtari, CMT**
Technical Strategist

## Client Service & Administration

**Marika Poulin, BComm**
Client Associate

**David Olson, BA**
Client Communications

**Karen Scatolin**
Client Associate



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# Investment Objectives

"The important thing about an investment philosophy is that you have one you can stick with." – David Booth, Nobel Laureate

1. **Preservation of Capital -** What level of capital protection is needed?
2. **Risk Mitigation -** Ensuring sufficient diversification among assets
3. **Return on Investment -** Maximizing rate of return subject to constraints
   - Generate additional cash flow and grow the portfolio
   - Protect reserve funds from the eroding effects of inflation
4. **Liquidity Needs -** Structuring portfolios for optimal liquidity



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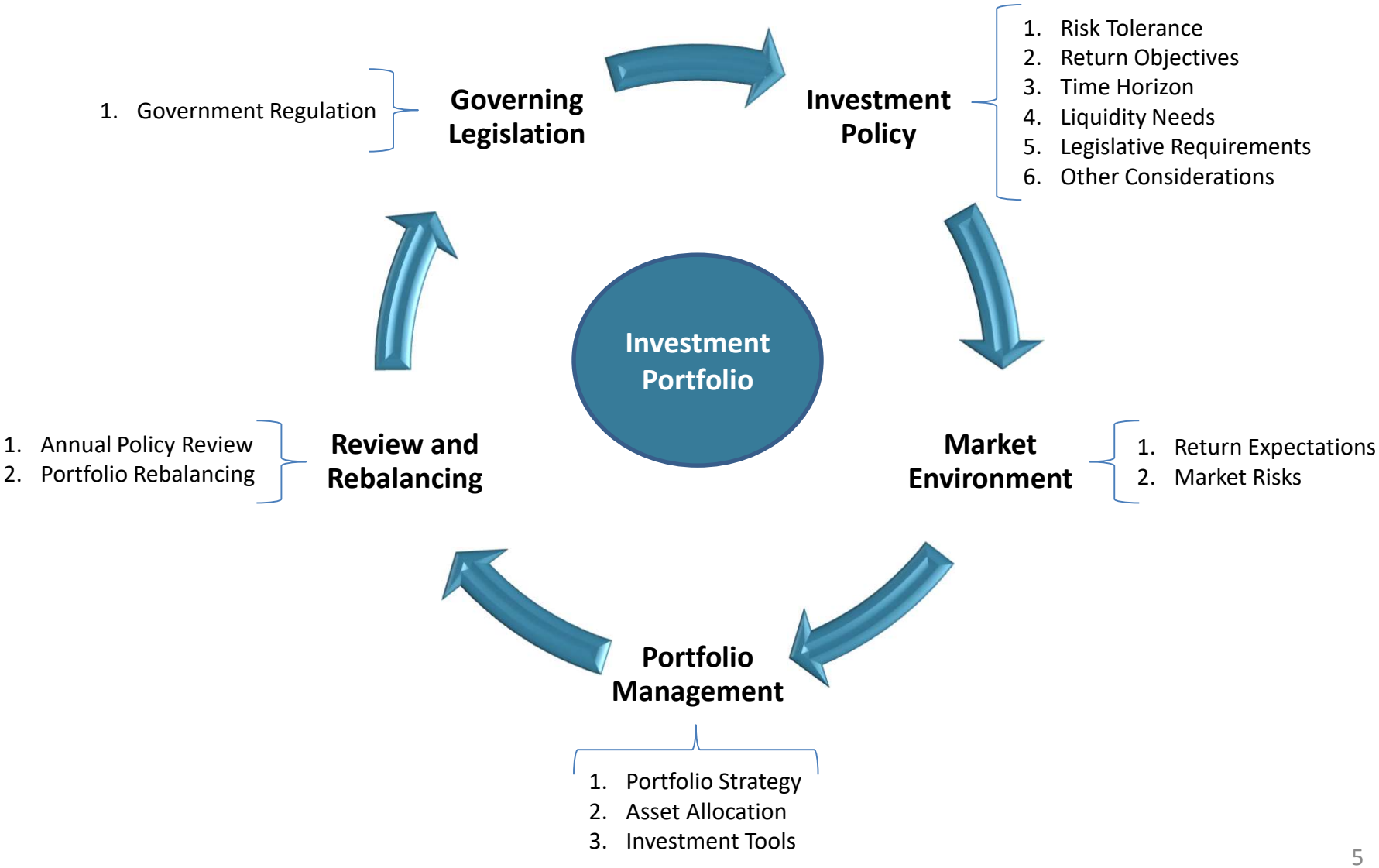
# Institutional Investment Management



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# Customized Approach vs. Pooled Funds

| Individual Portfolio | Pooled Funds |
|---|---|
| ➢ Bonds are customized to match your unique liquidity needs | ➢ All clients receive the same bonds regardless of capital needs |
| ➢ Interest rate risk is minimized by holding bonds to maturity | ➢ There is no defined maturity date or principal guarantee |
| ➢ Trade for advantage when opportunities arise | ➢ Inflexible to take advantage of market anomalies |
| ➢ Structured notes can enhance returns when interest rates rise | ➢ Can be subject to higher fees |
| ➢ Typically lower fees | |

***These are important considerations with rising rates!***



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# Customized Analytics and Reporting

**Reporting**

- Accounting support for year-end and audit purposes where required
- Amortization spreadsheets for investments
- Customized reporting system to best meet needs
- Quarterly conference calls (if desired) and initiate regular monthly reporting
- Secure online access to statements, reporting, and trade confirmations

**Value-Added Services**

- Investment Policy creation
- Economic updates and Council presentations
- Educational workshops hosted in Toronto to learn from industry leading experts



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# Unique Advantages

- Portfolios customized to meet the unique objectives of the Town
- Unblemished track record investing for municipalities since 1983
- Leverage economies of scale investing alongside fellow municipalities
- Access to proprietary investments not available anywhere else, designed specifically for municipalities and compliant with municipal legislation
- Wealth of experience creating and advising on Investment Policy Statements
- CFA Charterholders with over 25+ years of combined experience
- Direct access to leading economics and market research
- Strong commitment to partnership through education for key personnel
- Customized analytics and reporting



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# Thank You

# Questions?

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