

Investment Fund Report

Respectfully submitted by Annis Tebbutt and Sharm Powell

PART 1

Starting and Ending Balance for 2025 Year (and Net Decrease):

Opening Balance	(Jan 1, 2025):	\$611,105
Closing Balance	(Dec 31, 2025):	\$566,052
Net Decrease in Balance During Year:		(\$44,963)

Decrease Comprised of:

Amounts Deposited:	\$24,577	(\$11,500 Bequest; Givings \$11,020 Undesig. & \$2,057 Designated)
Amounts Withdrawn:	(\$102,364)	(This includes the withdrawal of the \$11,020 as it is Undesignated)
Net Withdrawn:	(\$77,787)	(This includes the withdrawal of the \$11,020 as it is Undesignated)
Add: Value Increase:	\$33,905	(This is the market value increase we had during 2025)
Less: BMO Adjustment	(\$1,081)	(Combo of commissions and funds left in post June 30 2025)
Total Decrease:	(\$44,963)	

PART 2

Total Investment Fund Drawdown for Operating/Capital Purposes:

Gross Amount Withdrawn (includes \$11,020 for Undesignated Giving)	(\$102,364)
Adjust by excluding the \$11,020 Undesignated (this is an "in-and-out")	\$11,020
Total Drawdown of Investment Fund for Operating/Capital Purposes	(\$91,344)

PART 3

Timing and Breakdown of Total Drawdown for Operating/Capital Purposes:

	<u>Type of Expense</u>
\$10,100 (Feb)	Non-Operating
\$20,000 (March)	Operating
\$13,800 (May)	Non-Operating
\$24,444 (June)	Non-Operating \$10,874/Operating \$13,570
\$23,000 (Sept)	Non-Operating \$16,900/Operating \$6,100
\$91,344 (Total)	Total Drawdown from Investment Fund

Totals

Total Drawdown Used for Operating Expenses:	\$39,670
Total Drawdown Used for Non-Operating Expenses:	\$51,674
Total 2025 Drawdown of Investment Fund	\$91,344

St. Olave's Investment Fund						
For Full Year 2025						
	2025		2025		2025	
	Jan 1 - June 30		July 1 - Dec 31		Jan 1 - Dec 31	
	BMO NB		CTF		Total	
Opening Balance Jan 1 2025	\$611,015					
Closing Balance Dec 31, 2025	\$566,052					
Decrease in Balance	-\$44,963					
Starting Balance	\$611,015.00		\$550,000.00		\$611,015.00	
<i>Decrease in Balance Comprised of:</i>						
Amounts Deposited	\$24,577	+	\$0	=	\$24,577	
Amounts Withdrawn	-\$79,364	+	-\$23,000	=	-\$102,364	
Net Withdrawn	-\$54,787	+	-\$23,000	=	-\$77,787	
Change in Market Value	-\$5,147	+	\$39,052	=	\$33,905	
Total Change (Decrease/Increase)	-\$59,934	+	\$16,052	=	-\$43,882	
End Balance	\$551,081		\$566,052		\$567,133	
BMO Commissions Plus Amount Left Post June 30	-\$1,081		\$0		-\$1,081	
End Balance	\$550,000		\$566,052		\$566,052	
Approximate Annualized Return for the Period	-1.80%		14.16%		6.20%	

Commentary for 2025

The Capital Investment Fund started the 2025 year with a valuation of \$611,105 and ended the year with a valuation of \$566,052, after NET withdrawals of \$77,787, NET market value increase of \$33,905 and broker commissions/post June 30 balance of \$1,081 (wind up of BMO portfolio and transfer of funds to the Consolidated Trust Fund of the Diocese of Toronto – or CTF).

The Funds were managed by BMO Nesbitt Burns for the first six months of the year and by Consolidated Trust Fund for the last six months.

Total return was approximately -1.8% (on an annualized basis) during the first six months and 14.16% (on an annualized basis) for the last six months, which approximates 6.2% for the whole period. Please note this is only an approximation as we have not yet received the final return results from the Diocese for the CTF's performance for 2025.

Since its inception decades ago, this Fund has been administered through members of St. Olave's Capital Investment Fund Committee, providing guidance on its activities and working with investment advisors at Nesbitt Burns, as part of the Bank of Montreal. Committee members worked with the challenges of how best to structure the Fund,

what stocks to invest in and what stocks to sell. In 2025, coupled with market volatility and uncertain outcomes, these challenges increased, prompting an examination of this Fund and if there were other alternatives to maximize its investments. At the same time, Nesbitt Burns was suggesting a different financial management platform for us.

After an extensive review of best alternatives, the Capital Investment Fund Committee decided in June 2025 to place the value of the investments held at Nesbitt Burns into a new account with the Consolidated Trust Fund. All equities were sold and after commissions, transferred from Nesbitt Burns into St. Olave's operating account at the Bank of Montreal. \$550,000 was subsequently forwarded by cheque, along with a letter of direction from the wardens to the Diocese.

In serving as interim chair of the Capital Investment Fund, I wanted to acknowledge and thank members of the Committee for their expertise and dedication in the actions taken with this Fund, helping to ensure its success and growth.

Background on Decision to Move Capital Investment Fund to the Consolidated Trust Fund

- The decision to look for new Capital Investment and Second Century Fund managers:
 - BMO and TD (who managed the Second Century Fund) are advisors to us, not really professional money managers
 - Both give us their advice, and if/once we agree, they execute
 - We were not considered large clients, so investment advice was reactive not proactive
 - Returns were middling at best and inconsistent
 - Other issues with this type of set-up include:
 - Both managers are owned by big banks (selective selling own products)
 - Required proactive approach from us (difficult with a committee of varying voices and levels of market knowledge)
 - We are not professional investors (professional investors typically cannot be on the committee due to their employment regulations)
 - Managers don't take full responsibility for the investment returns the way a professional manager would who has full discretion on stock picking

- Consolidated Trust Fund
 - Overseen by the Investment Committee of the Synod of Diocese of Toronto
 - As at Dec 31 2024, the total size is \$203.5 Million (roughly 50/50 Diocese/parishes)
 - Use professional money managers:

- can do so, because of size of fund (\$200 million ++)
 - professional money managers typically have full discretion once basic investment thesis is set (reputation is based on their returns)
 - CTF is for parishes to invest any excess money they have so that it earns a return
 - Dividend: we get a 4.5% dividend (2025&2024) quarterly
 - Capital: can access up to 80% at once; 20% must wait until quarter end
- St. Olave's history with the CTF
 - We first invested in the CTF back in 2016 when the old rectory was sold and new one purchased; the excess funds at the time were put into a Rectory Fund at CTF
 - Because these funds were from the proceeds of a rectory, there are slightly stricter rules around accessing funds, but ONLY because its Rectory money
 - We have been able to easily access funds for renovations /repairs
 - Shouldn't be confused with unfettered access an unrestricted fund would have
- Four different managers at CTF: Manager and % of Fund as at Dec 31, 2024
 - Letko Brosseau - Balanced fund (27.54%)
 - Burgundy Asset Mgt - Equity Fund (35.49%)
 - Manulife IM - F/Income (13.55%)
 - Northleaf - Infrastructure (23.42%)
- The CTF is managed by the Investment Committee of the Anglican Diocese of Toronto:
 - 4 members of the laity appointed by the Bishop; and
 - 2 lay members and 2 clerical members of the Synod
 - Dave MacNicol is the Chair of the Investment Committee
 - Committee meets at least four times per year
 - Overseen by the Finance Committee
- Policies and Procedures Manual:
 - Fund's objective is to preserve capital and maintain liquidity and generate returns to cover the anticipated disbursements of the Fund; Socially responsible investing wherever possible; has Checks/Balances on types of investments and max (i.e. 25% max infra)

- Policy Allocation:

Asset Class	Policy	Min	Max
Cash and ST	0%	0	10%
F/Income Bonds	29.5%	20%	70%
Equities	55.5%	20%	70%
Alternative	7.5%	0%	25%
Specialized Global F/Income	7.5%	0%	15%
TOTAL	100%		

- Performance Expectation for the Fund:

- Must perform 50% percentile or higher in 3 of 5 years.

- CTF vs BMO NB Returns (CTF returns include a 4.25% dividend each year except 2024 when it was 4.50%)

- 2020 + 6.58% (BMO -2.78%)
- 2021 +18.92% (BMO +24.71%)
- 2022 -4.96% (BMO -9.92%)
- 2023 +14.26% (BMO +4.14%)
- 2024 +12.66% (BMO +10.19%)

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Account: TCVOLTO

Desc: St. Olave, Swansea - Investment Unrestricted Fund

St. Olave, Swansea
 The Churchwardens
 360 Windermere Avenue
 Toronto, ON M6S 3L4

PARISH FUNDS STATEMENT

Period Ending: Dec 31, 2025

DATE	DETAILS	UNITS	\$
Dec 31, 24	Opening Balance Unit Value = \$ 301.9241	-	-
Jun 30, 25	Revaluation to market value		(0.93)
Sep 30, 25	Revaluation to market value		22,945.92
Dec 31, 25	Revaluation to market value		5,640.13
			<u>28,585.12</u>
	TRANSACTIONS FOR PERIOD		
Jun 30, 25	Purchased 1748.46 units @ 314.562	1,748.46	550,000.00
Sep 30, 25	Purchased 16.22 units @ 327.6858	16.22	5,315.32
Dec 31, 25	Purchased 15.56 units @ 331.0147	15.56	5,151.25
			<u>560,466.57</u>
Sep 30, 25	Sold 70.19 units @ 327.6858	70.19	23,000.00
			<u>23,000.00</u>
Dec 31, 25	Closing Balance Unit Value = \$331.0147	<u>1,710.05</u>	<u>566,051.69</u>

NOTES: The 2025 distribution rate is \$12.16 per unit