



INFORMATION REPORT

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: September 21, 2011	
SUBJECT/REPORT NO: Cemetery Accounts Investment Performance Report - June 30, 2011 (FCS11076) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department	PREPARED BY: Gerald T. Boychuk 905-546-4321 Rosaria Morelli 905-546-2424 Ext. 1390
SIGNATURE:	

Council Direction:

Not Applicable.

Information:

Over the 12 month period ending June 30, 2011, the earnings rates are **4.66%** for the Cemetery Care & Maintenance Trust; **4.46%** for the Cemetery Monument Care Trust and **4.49%** for the Cemetery Pre-Need Assurance Trust. The earnings rate includes interest and lending revenue, but excludes realized and unrealized capital gains/losses.

Over the same period, the overall returns (which include interest, lending revenue, and realized and unrealized capital gains/losses) are **4.81%** for the Cemetery Care & Maintenance; **6.42%** for the Cemetery Monument Care and **5.86%** for the Cemetery Pre-Need Assurance. The overall return for the benchmark (or Policy) is **4.67%**. As a result, the Cemetery Care and Maintenance outperformed the benchmark by **14** basis points, the Cemetery Monument Care by **175** basis points and the Cemetery Pre-Need Assurance by **119** basis points.

As of June 30, 2011, the total portfolio values are **\$9,381,818** (with \$425,581 of net unrealized capital gains) for the Cemetery Care & Maintenance; **\$877,751** (with \$58,720

SUBJECT: Cemetery Accounts Investment Performance Report - June 30, 2011
FCS11076 (City Wide) – Page 2 of 3

of net unrealized capital gains) for the Cemetery Monument Care and **\$1,951,214** (with \$111,733 of net unrealized capital gains) for the Cemetery Pre-Need Assurance. Income earned in the year ending June 30, 2011 includes **\$143,698** of net realized capital gains for the Cemetery Care & Maintenance, **\$18,544** of net realized capital gains for the Cemetery Monument Care, and **\$36,128** of net realized capital gains for the Cemetery Pre-Need Assurance.

The following Table shows the investment return indicators.

Investment Return Indicators (for information purposes only)			
	12 months ended June 30, 2011	12 months ended Dec. 31, 2010	12 months ended Dec. 31, 2009
Earnings Rate (Excluding Unrealized Capital Gains or Loss)			
Cemetery Care & Maintenance	4.66%	4.81%	4.91%
Cemetery Monument Care	4.46%	4.69%	4.94%
Cemetery Pre-Need Assurance	4.49%	4.70%	4.87%
Total Return			
Cemetery Care & Maintenance	4.81%	5.35%	4.99%
Cemetery Monument Care	6.42%	7.51%	5.31%
Cemetery Pre-Need Assurance	5.86%	6.85%	4.82%
Policy Target (DEX Universe Index)	4.67%	6.74%	5.41%
Securities Lending Revenue			
Cemetery Care & Maintenance	\$ 349.61	\$ 258.77	\$ 164.35
Cemetery Monument Care	\$ 31.49	\$ 37.26	\$ 56.59
Cemetery Pre-Need Assurance	\$ 48.40	\$ 63.79	\$ 94.14
Income Earned			
Cemetery Care & Maintenance	\$ 564,149	\$ 570,457	\$ 429,513
Cemetery Monument Care	\$ 56,743	\$ 58,248	\$ 39,457
Cemetery Pre-Need Assurance	\$ 120,930	\$ 122,810	\$ 87,137
Ending Portfolio Market Value			
Cemetery Care & Maintenance	\$ 9,381,818	\$ 9,397,872	\$ 9,087,580
Cemetery Monument Care	\$ 877,751	\$ 874,833	\$ 859,125
Cemetery Pre-Need Assurance	\$ 1,951,214	\$ 1,947,580	\$ 1,863,249

The Cemetery Care and Maintenance, the Cemetery Monument Care and the Cemetery Pre-Need Assurance Trust portfolios outperformed relative to the Policy because they were overweight in holdings of Canadian Schedule I Bank deposit notes, municipal and provincial bonds with some longer maturities, all of which performed well relative to Canadian federal government bonds and shorter maturity bonds.

The current strategy is to continue to hold high quality credits, including Canadian Schedule I bank deposit Notes, Provincial and Municipal bonds. We do not anticipate a sharp increase in interest rates for the remainder of 2011 given the current outlook for slower growth in the U.S. and Canada and given the ongoing sovereign debt crisis in Europe.