



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	April 10, 2017
SUBJECT/REPORT NO:	Cemetery Trust Accounts Investment Performance Report - December 31, 2016 (FCS17043) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gerald T. Boychuk 905-546-2424 Ext. 4321 Brandon A. Teglas 905-546-2424 Ext. 4363
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

Council Direction:

Not Applicable.

Information:

Over the 12 month period ending December 31, 2016, the earnings rates are: 3.11% for the Cemetery Care and Maintenance Trust; 3.42% for the Cemetery Monument Care Trust; and 3.30% 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: 1.86% for the Cemetery Care and Maintenance; 2.20% for the Cemetery Monument Care; and 1.94% for the Cemetery Pre-Need Assurance. The overall return for the benchmark (or Policy return) is 1.66%. As a result, the Cemetery Care and Maintenance, Cemetery Monument Care and Cemetery Pre-Need Assurance outperformed the benchmark by 20 basis points, 54 basis points and 28 basis points, respectively.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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As of December 31, 2016, the total portfolio market values are: \$11,678,834 (with \$749,693 of net unrealized capital gains) for the Cemetery Care and Maintenance Trust; \$1,174,613 (with \$115,423 of net unrealized capital gains) for the Cemetery Monument Care Trust; and \$2,976,545 (with \$212,200 of net unrealized capital gains) for the Cemetery Pre-Need Assurance Trust.

The Table below shows the investment return indicators.

Investment Return Indicators (for information purposes only)			
	12 Months Ended 12/31/2016	12 Months Ended 12/31/2015	12 Months Ended 12/31/2014
Earnings Rate (Excluding Unrealized Capital Gains Or Loss)			
Cemetery Care and Maintenance	3.11%	3.09%	3.20%
Cemetery Monument Care	3.42%	3.44%	3.58%
Cemetery Pre-Need Assurance	3.30%	3.33%	3.47%
Total Return			
Cemetery Care and Maintenance	1.86%	3.97%	8.71%
Cemetery Monument Care	2.20%	4.14%	9.51%
Cemetery Pre-Need Assurance	1.94%	4.01%	9.23%
Policy Target (FTSE TMX Canada Universe Bond)	1.66%	3.52%	8.79%
Bond Lending Revenue			
Cemetery Care and Maintenance	\$801.90	\$135.95	\$11.49
Cemetery Monument Care	\$26.12	\$9.54	\$0.83
Cemetery Pre-Need Assurance	\$38.99	\$25.43	\$1.46
Income Earned*			
Cemetery Care and Maintenance	\$354,012	\$341,137	\$325,893
Cemetery Monument Care	\$39,113	\$37,846	\$35,823
Cemetery Pre-Need Assurance	\$93,330	\$87,297	\$81,843
Ending Portfolio Market Value			
Cemetery Care and Maintenance	\$11,678,834	\$11,199,814	\$10,991,814
Cemetery Monument Care	\$1,174,613	\$1,135,389	\$1,096,126
Cemetery Pre-Need Assurance	\$2,976,545	\$2,700,462	\$2,553,550

* Does not include interest earned in the bank account on balances.

The Cemetery Care and Maintenance, Cemetery Monument Care and the Cemetery Pre-Need Assurance Trust portfolios outperformed relative to the Policy because they held some long-term bonds that outperformed relative to shorter-term bonds over the one-year period ending December 31, 2016 due to their higher coupon rate.

The current strategy is to hold high quality credits, including Canadian Schedule I bank Deposit Notes, Provincial and Municipal bonds and to watch for opportunities to switch into new issues of similar credit should interest rates rise significantly.

APPENDICES AND SCHEDULES ATTACHED

None.

BT/dt