



ISSUE SHEET

INVESTMENT PORTFOLIO REBALANCE

November 2018
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Issue:

Attached is the PH&N Investments Services completed *Asset Mix Calculator*. This information, previously provided to the board, was utilized in the formulation of the recommendation along with consultation with Laurie Lindberg, CMO, Treasurer of the Town of Fort Frances. Her conclusion, based on the review of this information, is that the asset mix calculator results are reasonable based on the performance of the investments.

The following information was used in completing the attached form:

Projected Capital Expenditures:

Based on the latest Building Condition Assessment prepared in 2017, the following are the projected total capital costs for the years 2018 to 2024:

2018 – \$200
2019 - \$4,200
2020 - \$36,900
2021 - \$30,200
2022 - \$39,200
2023 - \$29,200
2024 - \$25,200

2018 - 2022 expenditures total \$110,700 and 2018 - 2024 expenditures total \$165,100. 5 year and 7 year totals are provided for calculation purposes.

Projected Reserve Contributions:

2018 contributions to reserves are \$8,317. Assuming no increases in annual contributions, in the next five years \$41,585 will be contributed to reserves and \$58,219 will be contributed in the next seven years.

Current Reserve Balance:

As of December 31, 2017 the capital reserve balance is \$212,407.

Reserve Asset Mix is comprised of:

15.3% SH Canadian Short-Term Bond Fund
23.2% SH Canadian Bond Fund
61.5 % SH Canadian Equity Fund

Asset Mix Calculator Results:

Results of applying the information provided above into the asset mix calculator, page 6 of the package is:

32.5% SH Canadian Short-Term Bond Fund
17.8% SH Canadian Bond Fund
49.7% SH Canadian Equity Fund

Please note that gains/losses and inflation have not been included in these figures as they are difficult to predict.

RECOMMENDATION:

The Fort Frances Municipal Non Profit Housing Corporation rebalance their investment asset mix as follows:

32.5% SH Canadian Short-Term Bond Fund
17.8% SH Canadian Bond Fund
49.7% SH Canadian Equity Fund