



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 9.1.4
Audit and Finance Standing Committee
October 21, 2015

TO: Councillor Bill Karsten, Chair and Members of the Audit and Finance Standing Committee

SUBMITTED BY: Original Signed
Amanda Whitewood, Director of Finance and Information Technology / CFO

DATE: October 05, 2015

SUBJECT: Investment Activities – Quarter Ending June 30, 2015

ORIGIN

Quarterly report of investment performance and adherence to approved Investment Policy.

LEGISLATIVE AUTHORITY

Section 121(1) of the HRM Charter requires that funds be invested pursuant to an Investment Policy adopted by Council and approved by the Minister of Service Nova Scotia and Municipal Relations or invested pursuant to the Trustee Act. Where HRM has chosen to adopt an Investment Policy and the Minister has approved the Policy investment activities are governed by this Policy.

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee forward this report to Halifax Regional Council as an information item.

BACKGROUND

The HRM Investment Policy calls for quarterly reporting by the Treasurer to Council and the Investment Policy Advisory Committee (the Investment Committee). The report for the Quarter ending June 30, 2015 has been reviewed by the Investment Committee. A report from the Investment Committee on compliance with the HRM Investment Policy has also been sent to the Audit and Finance Standing Committee meeting of October 21, 2015.

DISCUSSION

Overall Results

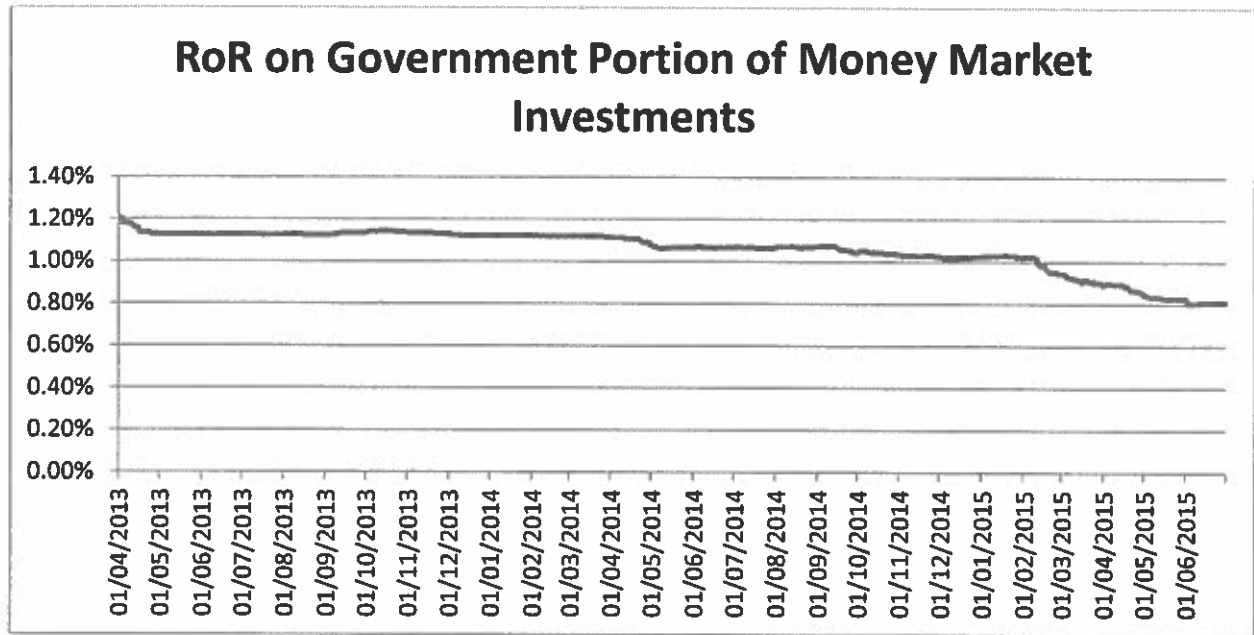
Operating Fund Investment Income for the quarter ending June 30, 2015 was \$528,000 versus a budget of \$400,000 for a surplus of \$128,000. This surplus was primarily due to a higher rate of return than budgeted as cash flows were slightly less than previous years. The rate of return for the quarter was .26% versus a budgeted rate of .24%. While our rate of return is greater than budget at this time, the impacts of the Bank of Canada rate cut in July will have a negative influence on Investment Income for the balance of the fiscal year.

HRM Investment Activities

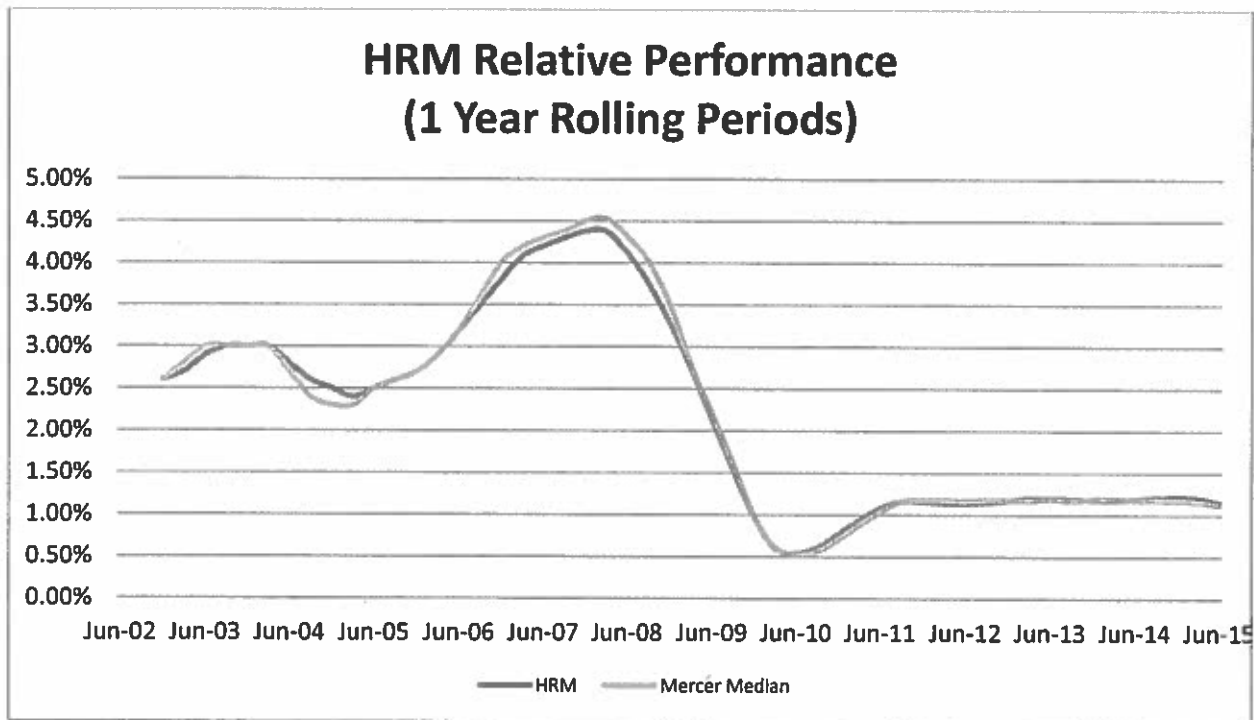
HRM Money Market Pool investment performance is summarized below in comparison with the Mercer Investment Consulting Survey of Canadian Institutional Pooled Funds for periods ending March 31, 2015:

Money Market Funds	3 Months (to June 30, 2015)	6 Months (to June 30, 2015)	1 Year (to June 30, 2015)
5 th Percentile	.29%	.61%	1.28%
1 st Quartile	.25%	.54%	1.15%
Mercer Median	.24%	.52%	1.12%
3 rd Quartile	.20%	.44%	.96%
95 th Percentile	.18%	.41%	.90%
Dec 91 Day T-Bills	.15%	.40%	.87%
HRM	.26%	.53%	1.15%

Relative performance was again quite positive, the 3 month rate was above the 1st Quartile, the 6 months rate was just above median and the one year return was at the 1st quartile mark. These returns are before any allowance for fees that could be paid for external management. The investment bank accounts continue to be largely responsible for this relative performance. The rate of return from the Government half of the portfolio continues to deteriorate as maturities are re-invested in the lower interest rate environment.



As shown in the graph below, over the longer term HRM investment performance closely matches the Mercer Median with fee savings also accruing to HRM.



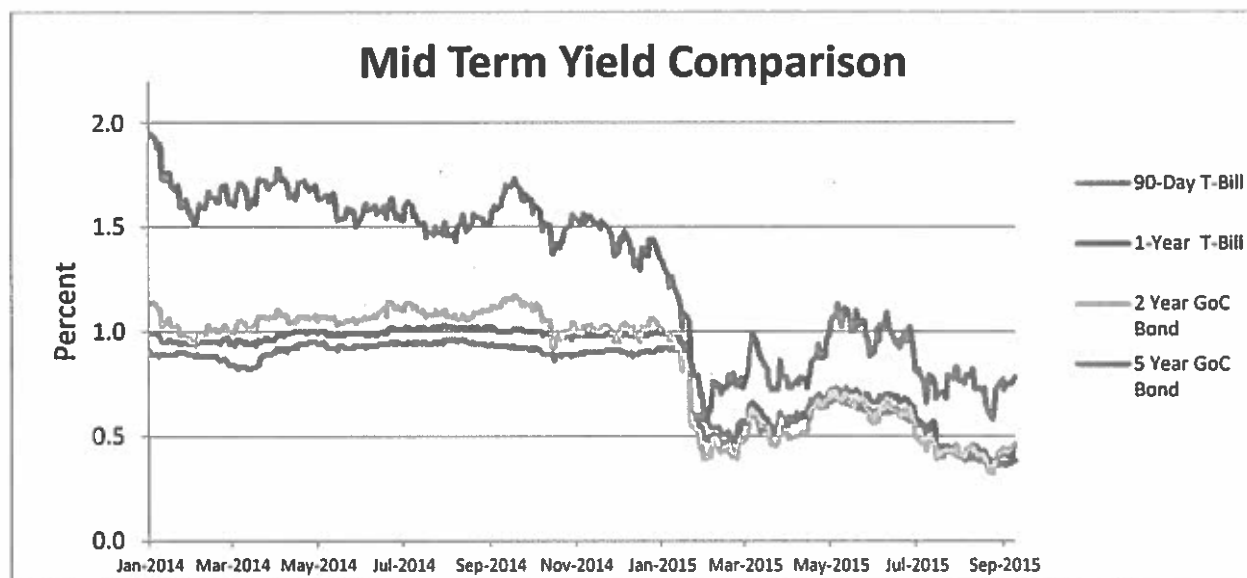
During the quarter, HRM made 55 money market investments made at a cost of \$166,711,000 with an average term to maturity of 128 days. This compares to last year when 44 investments were made at a cost of \$142,986,000 with an average term of 91 days. Similar to last year our predominant strategy was to allocate funds to the investment bank accounts and when necessary use Government instruments to manage sector weights and cover cash needs.

Funds held in the investment bank accounts, including Term Deposits, totaled \$172,925,000 by the end of the Quarter. Incremental income over BA's and BDN's, using a rate of .84% as a proxy for the BA and BDN rates, was \$116,667 for the Quarter.

The cumulative incremental gross investment income from the 2007 Policy change that expanded the Non-Government Sector Weight was \$1,400,000 or a \$121,000 increase during the Quarter.

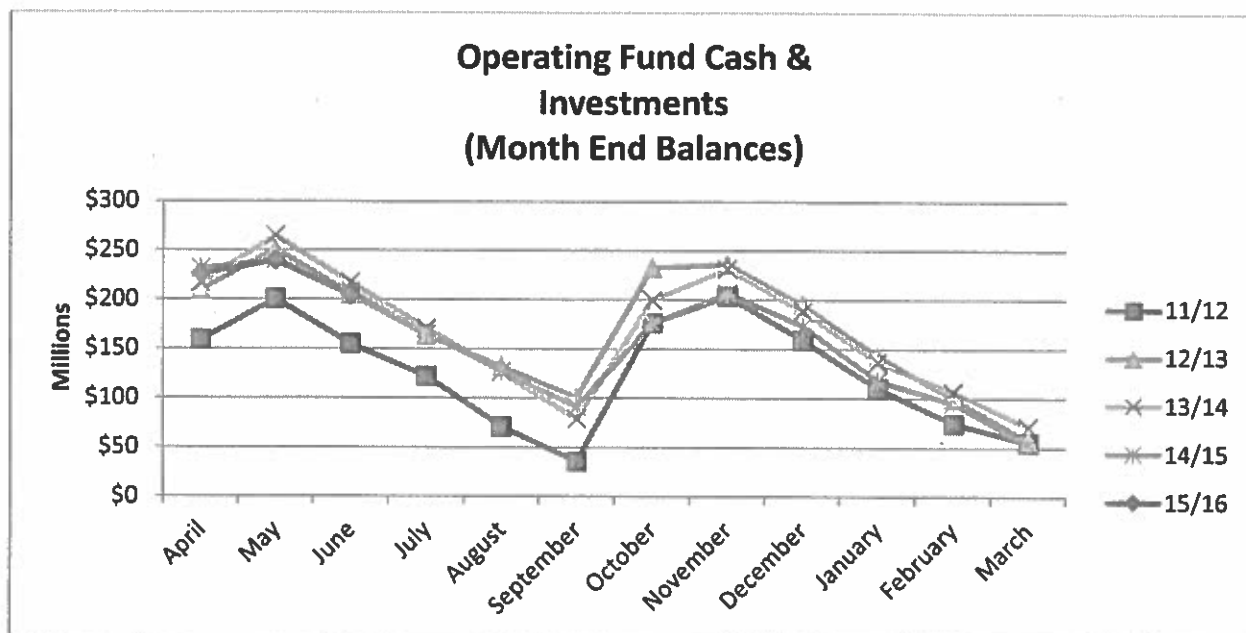
HRM Short Term Bond Pool

There were no additions or maturities in the Bond Pool during the Quarter. At the end of the Quarter the Bond Pool consisted of \$15,000,000 of bonds with yields ranging from 1.59% to 2.78% with a simple average yield of 2.26%. The term to maturity ranges from June 2015 to December 2018.



Cash Flows

Operating Fund Cash and Investment balances are running somewhat below the levels of the previous year. At the end of the Quarter these balances were some \$4,000,000 below the previous year's level. This appears to be as a result of some timing differences in some payments.



There were a number of days when amounts exceeded the Sector Weight guidelines for one business day. Each of these instances was discussed with the Investment Committee and they agreed with staff that these minor temporary variances did not create any material increase in risk to the portfolio.

Subsequent to End of Reporting Quarter

On September 9th The Bank of Canada maintained interest rates as it sees risks to financial stability evolving as expected. Meanwhile on September 17th in the United States the Federal Reserve elected to keep rates unchanged. They state that recent global economic and financial developments might restrain economic stability somewhat and put some downward pressure on inflation. The investment bank accounts, which are for the most part linked to the commercial bank prime rates, are continuing to provide significantly better returns than are available from BA's and Government's.

Outlook & Strategy

There is still a great deal of risk in the economy. There is uncertainty in the growth prospects of China and other emerging markets which has caused financial market volatility. Lower commodity prices are still being felt by the Canadian resource sector. Meanwhile, the United States is showing more positive signs of a recovery. The dominant strategy will again be to maximize the returns from the investment bank accounts, keeping in mind that their liquidity adds a safety factor, while looking for opportunities in the Government half of the portfolio.

Policy Compliance

Objectives:

Preservation of Capital - There was no loss of capital during the Quarter.

Liquidity – Overdraft charges were not incurred and sufficient cash was available to meet all requirements. The funded ratio of the Reserves at Quarter end was 100%.

Competitive Return on Investments - The rate of return was above median for the year ending June 30, 2015 before allowing for fees that could have been paid to an external management firm. Staff has confirmed that the Policy benchmark was met.

Strategies:

Diversification of Investment Portfolio - Staff believe that diversification has been adequately maintained under the constraints of the Policy.

Regular Review of Performance - Performance data continues to be reported to the Investment Policy Advisory Committee.

Risk Management Approach – In implementing investment decisions staff seek a balance between the Objectives of the Investment Policy and the risks inherent in markets to look to achieve an optimal rate of return.

FINANCIAL IMPLICATIONS

Actual Operating Fund investment income for the Quarter was \$528,000 versus a budget of \$400,000. The actual rate of return was .26% versus a budgeted rate of .24%. The positive income variance is due to the slightly higher rate of return, as actual Operating Fund cash flows have been somewhat below expectations. It is too early to make reasonable projections for Operating Fund Investment Income for the Fiscal year however information currently available to staff suggests that Operating Fund Investment Income may come in under budget by \$50,000 (\$1,550,000 versus a budget of \$1,600,000).

COMMUNITY ENGAGEMENT

Investment activities are reported quarterly to the Investment Policy Advisory Committee. The majority of members of this Committee (4 of 6) are volunteers from the general public. The Committee reports to Audit and Finance Committee of Council quarterly on compliance with the Investment Policy. In addition, the Committee conducts an annual review of the Investment Policy and makes recommendations for any changes considered appropriate.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ June 30, 2015 (Schedules A,B,C,D & E)

Appendix A - Economic Statistics and Central Bank Actions

Appendix B - List of Eligible Investments

Appendix C - DBRS Rating Scale

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by : Shawn Williams, Deputy Treasurer, 490-2023

Original Signed

Report Approved by: Jerry Blackwood, CGA, Manager of Revenue, Treasurer 490-6470

Original Signed

Financial Approval by:

Amanda Whitewood, Director of Finance & ICT/CFO, 490-6308

Appendix A

Economic Statistics

	Canada	US
Unemployment Rate	Apr 6.8%, May 6.8%, Jun 6.8%	Apr 5.4%, May 5.5%, Jun 5.3%
Jobs Created / (Lost) ('000's)	Apr -6.4, May 59, Jun -20	Apr 187, May 260, Jun 245
CPI (year over year)	Apr 0.8%, May 0.9%, Jun 1.0%	Apr -.2%, May 0%, Jun .1%
CPI-X (Core) (year over year)	Apr 2.3%, May 2.2%, Jun 2.3%	Apr 1.8%, May 1.7%, Jun 1.8%
GDP	Q2: N/A	Q2 (P) 3.7%

Central Bank Activities

- April 15th Bank of Canada Maintains overnight rate at .75%
- April 29th U.S. Federal Open Market Committee maintains Target Range of 0% to .25%
- May 27th Bank of Canada Maintains overnight rate at .75%
- June 17th U.S. Federal Open Market Committee maintains Target Range of 0% to .25%

Appendix B

List of Eligible Investments

The Government of Canada & Its Guarantees:

Federal Government

Business Development Bank

Canada Mortgage & Housing Corporation

Canadian Wheat Board

Export Development Canada

Farm Credit Corporation

Provincial Governments & Their Guarantees:

The Province of Alberta & Its Guarantees

The Province of British Columbia & Its Guarantees

The Province of Manitoba & Its Guarantees

The Province of New Brunswick & Its Guarantees

The Province of Ontario & Its Guarantees

The Province of Quebec & Its Guarantees

The Province of Saskatchewan & Its Guarantees

The Province of Nova Scotia

Municipal Governments & Their Guarantees:

The Municipality of Calgary & Its Guarantees

Financial Institutions & Their Guarantees (Tier 1):

The Bank of Montreal & Its Guarantees

The Bank of Nova Scotia & Its Guarantees

Canadian Imperial Bank of Commerce & Its Guarantees

Royal Bank of Canada & Its Guarantees

Toronto Dominion Bank & Its Guarantees

Financial Institutions & Corporations (Tier 2):

Desjardins Group

Caisse Centrale Desjardins

CDP Financial Inc.

National Bank of Canada

OMERS Finance Trust

Appendix C

Dominion Bond Rating Service (DBRS) Rating Scale

R-1 (high)

Short-term debt rated R-1 (high) is of the highest credit quality, and indicates an entity possessing unquestioned ability to repay current liabilities as they fall due. Entities rated in this category normally maintain strong liquidity positions, conservative debt levels, and profitability that is both stable and above average. Companies achieving an R-1 (high) rating are normally leaders in structurally sound industry segments with proven track records, sustainable positive future results, and no substantial qualifying negative factors. Given the extremely tough definition DBRS has established for an R-1 (high), few entities are strong enough to achieve this rating.

R-1 (middle)

Short-term debt rated R-1 (middle) is of superior credit quality and, in most cases, ratings in this category differ from R-1 (high) credits by only a small degree. Given the extremely tough definition DBRS has established for the R-1 (high) category, entities rated R-1 (middle) are also considered strong credits, and typically exemplify above average strength in key areas of consideration for the timely repayment of short-term liabilities.

R-1 (low)

Short-term debt rated R-1 (low) is of satisfactory credit quality. The overall strength and outlook for key liquidity, debt, and profitability ratios is not normally as favourable as with higher rating categories, but these considerations are still respectable. Any qualifying negative factors that exist are considered manageable, and the entity is normally of sufficient size to have some influence in its industry.

**Total Portfolio
Sector Weights @ March 31, 2015**

SCHEDULE A

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	290,686,264	100%	267,687,372	99%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	130,391,915	45%	290,686,264	100%	160,294,349	55%
Total Alberta (R-1 High)	Open	7,728,420	3%	72,671,566	25%	53,039,565	16%
Alberta (R-1 High)	Open	7,728,420					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	10,181,195	3%	72,671,566	25%	60,350,366	21%
Manitoba (R-1 Mid)	Open	11,082,042	4%	72,671,566	25%	61,589,524	21%
New Brunswick (R-1 Mid)	Open	1,997,547	1%	72,671,566	25%	70,674,019	24%
Nova Scotia (R-1 Mid)	Open	1,498,005	1%	72,671,566	25%	71,173,561	24%
Ontario (R-1 Mid)	Open	55,646,628	10%	72,671,566	25%	17,024,638	6%
Quebec (R-1 Mid)	Open	37,287,868	13%	72,671,566	25%	35,363,668	12%
Quebec		26,240,716					
Financement Quebec		994,890					
Hydro Quebec		7,052,263					
Saskatchewan (R-1 High)	Open	4,990,210	2%	72,671,566	25%	67,681,356	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%	72,671,566	25%	72,671,566	25%
Calgary (R-1 High)	Open	0		29,068,626	10%	29,068,626	10%
Financial Institutions & their Guarantees /Corporations		143,230,460	49%	145,343,132	50%	2,112,652	1%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	142,231,180	49%	145,343,132	50%	3,111,952	1%
Bank of Montreal (R-1 High)	Open	29,732,317	10%	29,068,626	10%	-663,691	0%
BMO - Instruments		0					
BMO - Account		29,732,317					
Bank of Nova Scotia (R-1 High)	Open	22,540,139	6%	29,068,626	10%	6,428,489	2%
Bank of Nova Scotia - Effective Cash		-2,359,862					
Bank of Nova Scotia - Notice Account		25,000,000					
Canadian Imperial Bank of Commerce (R-1 High)	Open	29,730,990	10%	29,068,626	10%	-662,334	0%
CIBC - Instruments		0					
CIBC - Account		29,730,990					
Royal Bank (R-1 High)	Open	29,727,785	10%	29,068,626	10%	-659,139	0%
RBC - Instruments		0					
RBC - Account		29,727,785					
Toronto Dominion (R-1 High)	Open	30,400,000	10%	29,068,626	10%	-1,331,374	0%
TD - Instruments		0					
TD - Account		30,400,000					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	999,300	0%	72,671,566	25%	71,672,266	25%
National Bank of Canada (R-1 Mid)	Open	990,300	0%	14,534,313	5%	13,535,013	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	14,534,313	5%	14,534,313	5%
CDP Financial Inc (R-1 High)	Open	0	0%	14,534,313	5%	14,534,313	5%
Desjardins Total	0	0	0%	14,534,313	5%	14,534,313	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		273,622,398	94%				
Federal Government & its Guarantees							
Money Market		0	0%	24,673,595	20%	24,673,595	20%
Reserves - Bond Pool		2,998,692	1%	163,944,195	100%	160,945,303	96%
Canada Mortgage & Housing Corp.		2,998,692	1%	163,944,195	100%	160,945,303	96%
Provincial Government & their Guarantees		14,658,567	5%	24,673,595	20%	10,615,028	9%
Money Market		1,996,655	5%	24,673,595	20%	3,946,666	3%
Alberta		1,996,655	4%	12,336,798	10%	432,217	0%
Alberta		1,996,655					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	1%	12,336,798	10%	10,182,813	6%
Manitoba		0	0%	12,336,798	10%	12,336,798	10%
New Brunswick		0	0%	12,336,798	10%	12,336,798	10%
Nova Scotia		0	0%	12,336,798	10%	12,336,798	10%
Ontario		0	0%	12,336,798	10%	12,336,798	10%
Quebec		0	0%	12,336,798	10%	12,336,798	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	12,336,798	10%	12,336,798	10%
Bond Pool		12,061,912	5%	32,788,839	20%	18,730,272	11%
Alberta		9,907,626	4%	16,394,420	10%	4,489,839	3%
Alberta		7,843,064					
Alberta Capital Finance Authority		2,064,662					
Alberta Treasury Branches		0					
British Columbia		2,153,985	1%	16,394,420	10%	14,240,435	6%
Manitoba		0	0%	16,394,420	10%	16,394,420	10%
New Brunswick		0	0%	16,394,420	10%	16,394,420	10%
Nova Scotia		0					
Ontario		0	0%	16,394,420	10%	16,394,420	10%
Quebec		0	0%	16,394,420	10%	16,394,420	10%
Quebec		0	0%	16,394,420	10%	16,394,420	10%
Financement Quebec		0	0%	16,394,420	10%	16,394,420	10%
Hydro Quebec		0	0%	16,394,420	10%	16,394,420	10%
Saskatchewan		0	0%	16,394,420	10%	16,394,420	10%
Total Fixed		17,057,459	6%	32,788,839	20%	15,731,380	10%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		290,686,264					
Interest Bearing Bank Accounts - O/S Cheque Coverage		14,673,907					
Total Investments and O/S Cheques Coverage		305,360,171					

Operating Funds
Sector Weights @ March 31, 2015

SCHEDULE B

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	94,754,133	100%	94,754,133	100%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	44,626,992	47%	94,754,133	100%	49,927,141	53%
Total Alberta (R-1 High)	Open	2,656,927	3%	23,688,533	25%	20,345,183	21%
Alberta (R-1 High)	Open	2,656,927					
Alberta Capital Finance Authority (R-1 High)	Open	0	0%				
Alberta Treasury Branches (R-1 High)	Open	0	0%				
British Columbia (R-1 High)	Open	3,493,283	4%	23,688,533	25%	20,195,251	21%
Manitoba (R-1 Mid)	Open	3,809,857	4%	23,688,533	25%	19,878,676	21%
New Brunswick (R-1 Mid)	Open	686,730	1%	23,688,533	25%	23,001,803	24%
Nova Scotia (R-1 Mid)	Open	514,994	1%	23,688,533	25%	23,173,539	24%
Ontario (R-1 Mid)	Open	19,130,564	20%	23,688,533	25%	4,557,969	5%
Quebec (R-1 Mid)	Open	12,619,069	14%	23,688,533	25%	10,889,464	11%
Quebec		10,052,566					
Financement Quebec		342,030					
Hydro Quebec		2,424,473					
Saskatchewan (R-1 High)	Open	1,715,567	2%	23,688,533	25%	21,972,966	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		23,688,533	25%	23,688,533	25%
Calgary (R-1 High)	Open	0		9,475,413	10%	9,475,413	10%
Financial Institutions & their Guarantees /Corporations		49,240,718	52%	47,377,067	50%	-1,863,652	-2%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	46,697,172	52%	47,377,067	50%	-1,520,106	-2%
Bank of Montreal (R-1 High)	Open	10,221,572	11%	9,475,413	10%	-740,159	-1%
BMO - Instruments		0					
BMO - Account		10,221,572					
Bank of Nova Scotia (R-1 High)	Open	7,783,376	6%	9,475,413	10%	1,692,038	2%
Bank of Nova Scotia Effective Cash		-811,269					
Bank of Nova Scotia - Notice Account		8,594,665					
Canadian Imperial Bank of Commerce (R-1 High)	Open	10,221,105	11%	9,475,413	10%	-745,692	-1%
CIBC - Instruments		0					
CIBC - Account		10,221,105					
Royal Bank (R-1 High)	Open	10,220,007	11%	9,475,413	10%	-744,594	-1%
RBC - Instruments		0					
RBC - Account		10,220,007					
Toronto Dominion (R-1 High)	Open	10,451,112	11%	9,475,413	10%	-975,699	-1%
TD - Instruments		0					
TD - Account		10,451,112					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	343,546	0%	23,688,533	25%	23,344,987	25%
National Bank of Canada (R-1 Mid)	Open	343,546	0%	4,737,707	5%	4,394,161	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	4,737,707	5%	4,737,707	5%
CDP Financial Inc (R-1 High)	Open	0	0%	4,737,707	5%	4,737,707	5%
Desjardins Total		0	0%	4,737,707	5%	4,737,707	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	0					
Total Investments		94,087,710	99%				
Federal Government & its Guarantees							
Money Market		0	0%	18,950,827	20%	18,950,827	20%
Reserves - Bond Pool		0	0%	18,950,827	100%	18,950,827	20%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		686,423	1%	18,950,827	20%	18,264,403	19%
Money Market		686,423	1%	18,950,827	20%	18,264,403	19%
Alberta		686,423	1%	9,475,413	10%	8,788,990	9%
Alberta		686,423					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	9,475,413	10%	9,475,413	10%
Manitoba		0	0%	9,475,413	10%	9,475,413	10%
New Brunswick		0	0%	9,475,413	10%	9,475,413	10%
Nova Scotia		0	0%	9,475,413	10%	9,475,413	10%
Ontario		0	0%	9,475,413	10%	9,475,413	10%
Quebec		0	0%	9,475,413	10%	9,475,413	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	9,475,413	10%	9,475,413	10%
Bond Pool		0	1%	18,950,827	20%	18,264,403	19%
Alberta		0	1%	9,475,413	10%	8,788,990	9%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	9,475,413	10%	9,475,413	10%
Manitoba		0	0%	9,475,413	10%	9,475,413	10%
New Brunswick		0	0%	9,475,413	10%	9,475,413	10%
Nova Scotia		0	0%	9,475,413	10%	9,475,413	10%
Ontario		0	0%	9,475,413	10%	9,475,413	10%
Quebec		0	0%	9,475,413	10%	9,475,413	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	9,475,413	10%	9,475,413	10%
Total Fixed		686,423	1%	18,950,827	20%	18,264,403	19%
Total Investments		94,754,133					
Interest Bearing Bank Accounts - O/S Cheque Coverage		14,873,907					
Total Investments and O/S Cheques Coverage		109,628,040					

Capital Funds
Sector Weights @ March 31, 2015

SCHEDULE C

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	0	100%	0	0%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	0	0%	0	100%	0	0%
Total Alberta (R-1 High)	Open	0	0%	0	25%	0	0%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	0	0%	0	25%	0	0%
Manitoba (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick (R-1 Mid)	Open	0	0%	0	25%	0	0%
Nova Scotia (R-1 Mid)	Open	0	0%	0	25%	0	0%
Ontario (R-1 Mid)	Open	0	0%	0	25%	0	0%
Quebec (R-1 Mid)	Open	0	0%	0	25%	0	0%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open		0%	0	25%	0	0%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		0	25%	0	0%
Calgary (R-1 High)	Open			0	10%	0	0%
Financial Institutions & their Guarantees /Corporations		0	0%	0	50%	0	0%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	0	0%	0	50%	0	0%
Bank of Montreal (R-1 High)	Open	0	0%	0	10%	0	0%
BMO - Instruments		0					
BMO - Account		0					
Bank of Nova Scotia (R-1 High)	Open	0	0%	0	10%	0	0%
Bank of Nova Scotia - Effective Cash		0					
Bank of Nova Scotia - Notice Account		0					
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	0%	0	10%	0	0%
CIBC - Instruments		0					
CIBC - Account		0					
Royal Bank (R-1 High)	Open	0	0%	0	10%	0	0%
RBC - Instruments		0					
RBC - Account		0					
Toronto Dominion (R-1 High)	Open	0	0%	0	10%	0	0%
TD - Instruments		0					
TD - Account		0					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	0	0%	0	25%	0	0%
National Bank of Canada (R-1 Mid)	Open	0	0%	0	5%	0	0%
OMERS Realty Corporation (R-1 High)	Open	0	0%	0	5%	0	0%
CDP Financial Inc (R-1 High)	Open	0	0%	0	5%	0	0%
Desjardins Total		0	0%	0	5%	0	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	0					
Total Investments		0	0%				
Federal Government & its Guarantees							
Money Market		0	0		20%	0	20%
Reserves - Bond Pool		0	0%	0	100%	0	0%
Canada Mortgage & Housing Corp.		0			100%		
Provincial Government & their Guarantees		0	0%	0	20%	0	0%
Money Market		0	0%	0	20%	0	0%
Alberta		0	0%	0	10%	0	0%
Alberta							
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	0	10%	0	0%
Manitoba		0	0%	0	10%	0	0%
New Brunswick		0	0%	0	10%	0	0%
Nova Scotia		0					
Ontario		0	0%	0	10%	0	0%
Quebec		0	0%	0	10%	0	0%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Bond Pool		0	0%	0	20%	0	0%
Alberta		0	0%	0	10%	0	0%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	0	10%	0	0%
Manitoba		0	0%	0	10%	0	0%
New Brunswick		0	0%	0	10%	0	0%
Nova Scotia		0					
Ontario		0	0%	0	10%	0	0%
Quebec		0	0%	0	10%	0	0%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Total Fixed		0	0%	0	20%	0	0%
Total Investments		0					
Interest Bearing Bank Accounts - O/S Cheque Coverage		0					
Total Investments and O/S Cheques Coverage		0					

Reserve Funds
Sector Weights @ March 31, 2015

SCHEDULE D

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	192,542,063	100%	189,543,171	98%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	83,964,158	44%	192,542,063	100%	108,577,905	56%
Total Alberta (R-1 High)	Open	4,976,614	3%	48,135,516	25%	31,965,256	17%
Alberta (R-1 High)	Open	4,976,614					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	6,543,168	3%	48,135,516	25%	39,438,363	20%
Manitoba (R-1 Mid)	Open	7,136,135	4%	48,135,516	25%	40,999,381	21%
New Brunswick (R-1 Mid)	Open	1,286,294	1%	48,135,516	25%	46,849,222	24%
Nova Scotia (R-1 Mid)	Open	964,621		48,135,516	25%	47,170,895	24%
Ontario (R-1 Mid)	Open	35,832,914	19%	48,135,516	25%	12,302,602	6%
Quebec (R-1 Mid)	Open	24,011,032	12%	48,135,516	25%	24,124,484	13%
Quebec		18,629,174					
Financement Quebec		640,646					
Hydro Quebec		4,541,212					
Saskatchewan (R-1 High)	Open	3,213,380	2%	48,135,516	25%	44,922,136	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		48,135,516	25%	48,135,516	25%
Calgary (R-1 High)	Open			19,254,206	10%	19,254,206	10%
Financial Institutions & their Guarantees /Corporations		92,231,382	48%	96,271,031	50%	4,039,649	2%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	91,597,896	48%	96,271,031	50%	4,683,135	2%
Bank of Montreal (R-1 High)	Open	19,145,734	10%	19,254,206	10%	108,472	0%
BMO - Instruments		0					
BMO - Account		19,145,734					
Bank of Nova Scotia (R-1 High)	Open	14,578,819	8%	19,254,206	10%	4,675,388	2%
Bank of Nova Scotia - Effective Cash		-1,519,602					
Bank of Nova Scotia - Notice Account		16,098,421					
Canadian Imperial Bank of Commerce (R-1 High)	Open	19,144,860	10%	19,254,206	10%	109,346	0%
CIBC - Instruments		0					
CIBC - Account		19,144,860					
Royal Bank (R-1 High)	Open	19,142,803	10%	19,254,206	10%	111,403	0%
RBC - Instruments		0					
RBC - Account		19,142,803					
Toronto Dominion (R-1 High)	Open	19,575,680	10%	19,254,206	10%	-321,474	0%
TD - Instruments		0					
TD - Account		19,575,680					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	643,486	0%	48,135,516	25%	47,492,030	25%
National Bank of Canada (R-1 Mid)	Open	643,486	0%	9,627,103	5%	8,983,617	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	9,627,103	5%	9,627,103	5%
CDP Financial Inc (R-1 High)	Open	0	0%	9,627,103	5%	9,627,103	5%
Desjardins Total		0	0%	9,627,103	5%	9,627,103	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		176,195,540	92%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		2,998,892	2%	192,542,063	100%	188,543,171	98%
Canada Mortgage & Housing Corp.		2,998,892					
Provincial Government & their Guarantees		13,347,631	7%	96,271,031	50%	82,923,401	43%
Money Market		1,285,720	7%	96,271,031	50%	82,923,401	43%
Alberta		1,285,720	6%	19,254,206	10%	8,060,561	4%
Alberta		1,285,720					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	1%	19,254,206	10%	17,100,221	9%
Manitoba		0	0%	19,254,206	10%	19,254,206	10%
New Brunswick		0	0%	19,254,206	10%	19,254,206	10%
Nova Scotia		0	0%	19,254,206	10%	19,254,206	10%
Ontario		0	0%	19,254,206	10%	19,254,206	10%
Quebec		0	0%	19,254,206	10%	19,254,206	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	19,254,206	10%	19,254,206	10%
Bond Pool		12,061,911	7%	96,271,031	50%	82,923,401	43%
Alberta		9,907,926	6%	19,254,206	10%	8,060,561	4%
Alberta		7,843,064					
Alberta Capital Finance Authority		2,064,862					
Alberta Treasury Branches		0					
British Columbia		2,153,985	1%	19,254,206	10%	17,100,221	9%
Manitoba		0	0%	19,254,206	10%	19,254,206	10%
New Brunswick		0	0%	19,254,206	10%	19,254,206	10%
Nova Scotia		0	0%	19,254,206	10%	19,254,206	10%
Ontario		0	0%	19,254,206	10%	19,254,206	10%
Quebec		0	0%	19,254,206	10%	19,254,206	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	19,254,206	10%	19,254,206	10%
Total Fixed		16,346,523	8%	192,542,063	100%	176,195,540	92%
Total Investments		192,542,063					

Truist Funds
Sector Weights @ March 31, 2015

SCHEDULE E

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	3,390,067	100%	3,390,067	100%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	1,600,765	47%	3,390,067	100%	1,789,301	53%
Total Alberta (R-1 High)	Open	94,878	3%	847,517	25%	726,128	21%
Alberta (R-1 High)	Open	94,878					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0	0%				
British Columbia (R-1 High)	Open	124,745	4%	847,517	25%	722,772	21%
Manitoba (R-1 Mid)	Open	136,049	4%	847,517	25%	711,467	21%
New Brunswick (R-1 Mid)	Open	24,523	1%	847,517	25%	822,994	24%
Nova Scotia (R-1 Mid)	Open	18,390	1%	847,517	25%	829,128	24%
Ontario (R-1 Mid)	Open	683,150	20%	847,517	25%	164,367	5%
Quebec (R-1 Mid)	Open	457,767	14%	847,517	25%	389,750	11%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open	61,263	2%	847,517	25%	786,254	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		847,517	25%	847,517	25%
Calgary (R-1 High)	Open	0		339,007	10%	339,007	10%
Financial Institutions & their Guarantees /Corporations		1,758,379	52%	1,685,033	50%	-83,346	-2%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	1,748,111	52%	1,695,033	50%	-51,078	-2%
Bank of Montreal (R-1 High)	Open	365,011	11%	339,007	10%	-26,004	-1%
BMO - Instruments		0					
BMO - Account		365,011					
Bank of Nova Scotia (R-1 High)	Open	277,943	8%	339,007	10%	61,063	2%
Bank of Nova Scotia Effective Cash		-28,971					
Bank of Nova Scotia - Notice Account		306,914					
Canadian Imperial Bank of Commerce (R-1 High)	Open	364,994	11%	339,007	10%	-25,988	-1%
CIBC - Instruments		0					
CIBC - Account		364,994					
Royal Bank (R-1 High)	Open	364,955	11%	339,007	10%	-25,948	-1%
RBC - Instruments		0					
RBC - Account		364,955					
Toronto Dominion (R-1 High)	Open	373,208	11%	339,007	10%	-34,201	-1%
TD - Instruments		0					
TD - Account		373,208					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	12,268	0%	847,517	25%	835,249	25%
National Bank of Canada (R-1 Mid)	Open	12,268	0%	189,503	5%	157,235	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	189,503	5%	189,503	5%
CDP Financial Inc (R-1 High)	Open	0	0%	189,503	5%	189,503	5%
Desjardins Total		0	0%	189,503	5%	189,503	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,389,144	99%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	3,390,067	100%	3,390,067	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		24,512	1%	3,390,067	100%	3,365,554	99%
Money Market		24,512	100%	3,390,067	100%	3,365,554	99%
Alberta		24,512	1%	339,007	10%	314,495	9%
Alberta							
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	339,007	10%	339,007	10%
Manitoba		0	0%	339,007	10%	339,007	10%
New Brunswick		0	0%	339,007	10%	339,007	10%
Nova Scotia		0	0%	339,007	10%	339,007	10%
Ontario		0	0%	339,007	10%	339,007	10%
Quebec		0	0%	339,007	10%	339,007	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	339,007	10%	339,007	10%
Bond Pool		0	1%	3,390,067	100%	3,365,554	99%
Alberta		0	1%	339,007	10%	314,495	9%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	339,007	10%	339,007	10%
Manitoba		0	0%	339,007	10%	339,007	10%
New Brunswick		0	0%	339,007	10%	339,007	10%
Nova Scotia		0	0%	339,007	10%	339,007	10%
Ontario		0	0%	339,007	10%	339,007	10%
Quebec		0	0%	339,007	10%	339,007	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	339,007	10%	339,007	10%
Total Fixed		24,512					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,390,067					

