



PO Box 1749
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Item. No. 2

**Halifax Regional Council
September 25, 2007**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, reading "Cathie O'Toole".

Cathie O'Toole, CGA, A/ Director of Finance

DATE: September 14, 2007

SUBJECT: Investment Activities - Quarter Ending June 30, 2007

INFORMATION REPORT

ORIGIN

Quarterly report of investment performance and adherence to approved Investment Policy

BACKGROUND

The Investment Policy calls for quarterly reporting by the Treasurer to Council and the Investment Policy Advisory Committee (the Committee). The report for the Quarter ending June 30, 2007 has been reviewed by the Committee.

DISCUSSION

HRM Investment Performance and Activities

HRM Short Term (Money Market Pool)

HRM Money Market investment performance is summarized below in comparison with the Mercer Investment Consulting Survey of Canadian Institutional Pooled Funds for periods ending June 30, 2007:

Money Market Funds	3 Months (to June 30, 2007)	6 Months (to June 30, 2007)	1 Year (to June 30, 2007)
5 th Percentile	1.1%	2.2%	4.5%
1 st Quartile	1.1%	2.1%	4.4%
Mercer Median	1.1%	2.1%	4.3%
3 rd Quartile	1.0%	2.1%	4.2%
95 th Percentile	1.0%	1.9%	4.0%
SC 91 Day T-Bills	1.0%	2.1%	4.3%
HRM	1.1%	2.1%	4.2%

Relative performance continued at the Median level for the Quarter and six month periods with full year performance at the 3rd Quartile level. The very high quality of the HRM Portfolio was maintained.

During the Quarter there were 108 investments made at a cost of approximately \$401,000,000. The average term to maturity of investments purchased was 96 days. By contrast in the same Quarter last year there were 70 investments made at a cost of \$259,000,000 and an average term to maturity of 167 days. The greater level of activity in the reporting Quarter reflects a strategy of making some longer term investments to help protect the budget objective while keeping the majority of investments under the 90 day term to cover cash needs and to rollover in the more lucrative Financial Institutions Sector. The potential for higher interest rates in the future as signaled by the Bank of Canada at its May 29 meeting also impacted investment selection.

Operating Fund Investment Income is roughly on target with budget with \$820,000 earned versus a budget for the Quarter of \$807,000. The actual rate of return for the Quarter was 1.06% versus a budgeted rate of

Investment Activities - Quarter

Ending June 30, 2007

Council Report

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September 25, 2007

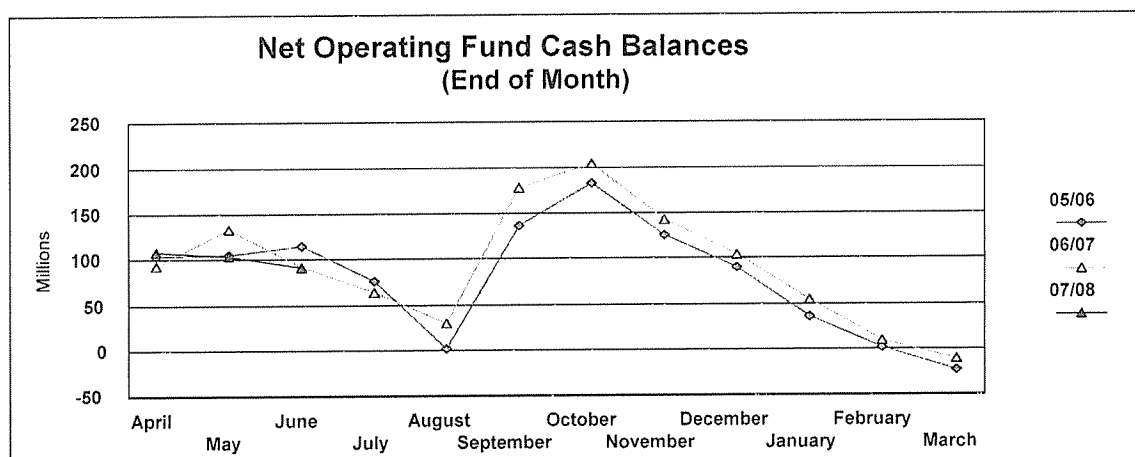
1.06%. Staff will be in a better position to project full year income after receipt of the final Property Tax billing at the end of September.

HRM Short Term Bond Pool and Targeted Reserve Fund Investments

Bond yields moved higher during the Quarter closing much of the gap that had existed with the 1 Year T-Bill. However staff did not make any purchases of bonds waiting instead for a clear term premium to emerge.

Cash Flows

Net Operating Fund cash levels ended the Quarter in line with levels from the previous year.



Royal Bank Effective Cash averaged \$3,144,000 versus a target of \$5,000,000. It should be noted that the minus in the Royal Bank Effective Cash in the Sector Weight schedules reflects committed funds and not an overdraft.

Subsequent to End of Reporting Quarter

The Bank of Canada followed up on its May statement by raising rates in July by 25 bps and indicating that there may be more rate increases in the future to bring inflation back on target. However developments in the credit markets overshadowed economic forecasts. The combination of lax lending standards in the US subprime mortgage market and financial engineering have created a global liquidity crisis centered around Asset Backed Securities. Impacts were felt in Short Term Money Markets as well as German Banks, French and Australian Hedge Funds, Canadian Asset Backed Security originators and the US mortgage market. Central Banks have responded by adding liquidity and other measures to re-assure nervous bankers and markets.

The HRM Short Term portfolio has never held any Asset Backed Securities as staff believe these instruments to be inappropriate in light of the Objectives of the Investment Policy due to their lack of transparency and complexity. The general re-pricing of risk the current crisis has brought on has had a positive impact on HRM investment returns. While yields on Government issued instruments have fallen, yields on all other short term instruments have risen including the very high quality Non-Government Sector names in which the HRM invests. A list of eligible investments is attached to this report.

Staff have continued to accumulate instruments of the Tier 1 names (the Big 5 Canadian Banks) at attractive yields using the greater flexibility offered by the recent amendments to the Investment Policy. Staff also continued to purchase National Bank of Canada instruments but have temporarily suspended new purchases of other Tier 2 names. With the current crisis being one of confidence and liquidity staff thought it prudent to limit purchases to those institutions that could obtain liquidity directly from the Bank of Canada for a time. In addition, the Big 5 Canadian Banks plus National Bank of Canada all reported their earnings in the final week of August with a profit for the Quarter of \$5.26 billion for the group with several raising their dividends. Their accompanying statements also provided reassurance that their exposure to the US subprime mortgages and related instruments was limited. A recent speech by the Governor of the Bank of Canada also pointed to the financial strength of Canada's major banks. Earlier purchases of Tier 2 name CDP Financial instruments matured September 4. It is interesting to note that CDP Financial's parent, with some \$144 billion of assets, had the market presence to lead the efforts to stabilize the non-Bank Asset Backed Security market in Canada.

Outlook & Strategy

The Outlook is uncertain to say the least. While the Canadian and Global economies are presently strong with inflation remaining a threat, the impacts of financial market events on the real economy are unknown. These will include a further deterioration in the US housing market that will impact demand for everything from furniture to pickup trucks as well as tighter lending standards to corporations and individuals.

Strategically staff will emphasis shorter term investments and seek to maximize the expanded allocation to Non-Government investments. Prior to the recent change in the Investment Policy staff had purchased approximately \$100,000,000 of Government Instruments with a maturity range from early October to July 2008 which offer very attractive yields relative to current market conditions. As a result staff do not need to aggressively move to protect against potential interest rate reductions by the Bank of Canada to ensure that the budgeted rate of return will be met but rather are well positioned should the Bank of Canada raise rates to combat inflation. As the initial market shock of the crisis begins to subside, staff anticipate resuming purchases of Tier 2 names shortly. In keeping with usual practice investments in Non-Government names will be limited to terms of approximately 3 months or less.

Staff will continue to monitor events very closely and will alter strategy if events warrant.

Policy Compliance

Adherence to Legal Requirements - There were no legal issues identified during the Quarter with respect to investments.

Preservation of Capital - There was no loss of capital during the Quarter and all investments were held to maturity.

Liquidity - No overdraft charges were incurred and sufficient cash was available to meet all requirements. The funded ratio of the Reserves at Quarter end was 100%.

Diversification of Investment Portfolio - Staff believe that the Diversification Objective of managing risk and return has been achieved.

Competitive Return on Investments - Although the rate of return was below median for the year ending June 30 on a before fee basis on an after estimated fee basis the rate of return would have exceeded the median level. As a result staff maintain that this Objective has been met.

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

BUDGET IMPLICATIONS

From information currently available staff anticipate that the Operating Fund Investment Income budget will be achieved for the year.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

Appendix A - Economic Statistics and Central Bank Actions
Sector Weight Schedules @ June 30, 2007 (Schedules A, B, C, D & E)
List of Eligible Investments

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by : Derek Tynski, BA, CMA, Deputy Treasurer 490-6471



Report Approved by: Cathie O'Toole, CGA A/ Director of Finance 490-6308

Appendix A

Economic Statistics

	Canada	US
Unemployment Rate	April 6.1%, May 6.1%, June 6.1%	April 4.5%, May 4.5%, June 4.5%
Jobs Created / (Lost) ('000's)	April (5.2), May 9.3 , June 34.8	April 88, May 157, June 132
CPI (year over year)	April 2.2% , May 2.2% , June 2.2%	April 2.6% , May 2.7% , June 2.7%
CPI-X (Core) (year over year)	April 2.5%, May 2.2%, June 2.5%	April 2.3% , May 2.2% , June 2.2%
GDP Q2	3.4%	3.4%

Central Bank Activities April 1 to June 30, 2007

- April 24 Bank of Canada Hold at 4.25%, Bias Neutral
- May 9 US Federal Open Market Committee Hold at 5.25%, Bias Neutral
- May 29 Bank of Canada Hold at 4.25%, Bias Tighten
- June 28 US Federal Open Market Committee Hold at 5.25%, Bias Neutral

Total Investments
Sector Weights @
June 30, 2007

Schedule A

	Catagory Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$120,636,978	45%	\$269,418,599	100%	\$148,781,621	55%
Federal Government	Open	\$86,795,320	32%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$10,195,882	4%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$23,645,776	9%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$92,641,252	34%	\$269,418,599	100%	\$176,777,347	66%
Total Alberta (R-1 High)	Open	\$9,918,360	4%	\$67,354,650	25%	\$57,436,290	21%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$9,918,360					
British Columbia (R-1 High)	Open	\$38,578,507	14%	\$67,354,650	25%	\$28,776,143	11%
Manitoba (R-1 Mid)	Open	\$3,979,600	1%	\$67,354,650	25%	\$63,375,050	
New Brunswick (R-1 Mid)	Open	\$0	0%	\$67,354,650	25%	\$67,354,650	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$67,354,650	25%	\$67,354,650	
Nova Scotia (R-1 Low)	Closed			\$67,354,650	25%	\$67,354,650	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$67,354,650	25%	\$67,354,650	
Ontario (R-1 High)	Open	\$25,403,574	9%	\$67,354,650	25%	\$41,951,075	16%
Prince Edward Island (R-1 Low)	Closed			\$67,354,650	25%	\$67,354,650	
Quebec (R-1 Mid)	Open	\$14,761,210	5%	\$67,354,650	25%	\$52,593,440	
Saskatchewan (R-1 Mid)	Open		0%	\$67,354,650	25%	\$67,354,650	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$67,354,650	25%	\$67,354,650	25%
Calgary (R-1 High)	Open			\$26,941,860	10%	\$26,941,860	10%
Edmonton (R-1 High)	Open			\$26,941,860	10%	\$26,941,860	10%
BA's Schedule A							
Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	\$56,140,369	21%	\$67,354,650	25%	\$11,214,280	4%
Bank of Montreal (R-1 High)	Open	\$10,960,860	4%	\$26,941,860	10%	\$15,981,000	6%
Bank of Nova Scotia (R-1 High)	Open	\$12,940,520	5%	\$26,941,860	10%	\$14,001,340	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	\$23,349,720	9%	\$26,941,860	10%	\$3,592,140	1%
National Bank of Canada (R-1 Mid)	Closed			\$26,941,860	10%	\$26,941,860	
Royal Bank (R-1 High)	Open	\$7,975,140	1%	\$26,941,860	10%	\$24,019,711	9%
Royal Bank - Effective Cash		-\$5,052,991					
Toronto Dominion (R-1 High)	Open	\$5,967,120	2%	\$26,941,860	10%	\$20,974,740	8%
Corporations & their Guarantees	Closed						
Total Cash and Equivalents		\$269,418,599	100%				
FIXED (Bonds, etc. over one year)							
Province of Nova Scotia (A-Low)	Open (Special)	\$11,400,000					
Federal Government		\$17,161,700	6%				
Total Fixed		\$28,561,700					
EQUITIES							
Bank of Montreal		\$6,410					
TOTAL EQUITIES		\$6,410					
TOTAL INVESTMENTS		\$297,986,709					
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$16,083,187					
TOTAL INVESTMENTS & O/S Cheques Coverage		\$314,069,896					

Operating Fund
Sector Weights
@ June 30, 2007

Schedule B

	Catagory Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$40,864,184	45%	\$91,261,994	100%	\$50,397,810	55%
Federal Government	Open	\$29,400,769	32%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp	Open	\$0	0%				
Canadian Wheat Board	Open	\$3,453,720	4%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$8,009,695	9%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$31,381,001	34%	\$91,261,994	100%	\$59,880,993	66%
Total Alberta (R-1 High)	Open	\$3,359,714	4%	\$22,815,499	25%	\$19,455,785	21%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$3,359,714					
British Columbia (R-1 High)	Open	\$13,067,960	14%	\$22,815,499	25%	\$9,747,538	11%
Manitoba (R-1 Mid)	Open	\$1,348,037	1%	\$22,815,499	25%	\$21,467,462	
New Brunswick (R-1 Mid)	Open	\$0	0%	\$22,815,499	25%	\$22,815,499	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$22,815,499	25%	\$22,815,499	
Nova Scotia (R-1 Low)	Closed			\$22,815,499	25%	\$22,815,499	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$22,815,499	25%	\$22,815,499	
Ontario (R-1 High)	Open	\$8,605,126	9%	\$22,815,499	25%	\$14,210,373	16%
Prince Edward Island (R-1 Low)	Closed			\$22,815,499	25%	\$22,815,499	
Quebec (R-1 Mid)	Open	\$5,000,165	5%	\$22,815,499	25%	\$17,815,334	
Saskatchewan (R-1 Mid)	Open		0%	\$22,815,499	25%	\$22,815,499	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$22,815,499	25%	\$22,815,499	25%
Calgary (R-1 High)	Open			\$9,126,199	10%	\$9,126,199	10%
Edmonton (R-1 High)	Open			\$9,126,199	10%	\$9,126,199	10%
BA's Schedule A							
Canadian Banks							
Financial Institutions & their Guarantees	R-1 Mid	\$19,016,809	21%	\$22,815,499	25%	\$3,798,689	4%
Bank of Montreal (R-1 High)	Open	\$3,712,847	4%	\$9,126,199	10%	\$5,413,353	6%
Bank of Nova Scotia (R-1 High)	Open	\$4,383,430	5%	\$9,126,199	10%	\$4,742,769	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	\$7,909,409	9%	\$9,126,199	10%	\$1,216,790	1%
National Bank of Canada (R-1 Mid)	Closed		0%	\$9,126,199	10%	\$9,126,199	
Royal Bank (R-1 High)	Open	\$2,701,473 }	3%	\$9,126,199	10%	\$8,136,360	9%
Royal Bank - Effective Cash		-\$1,711,634 }	-2%				
Toronto Dominion (R-1 High)	Open	\$2,021,283	2%	\$9,126,199	10%	\$7,104,916	8%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc over one year)	Closed						
TOTAL INVESTMENTS		\$91,261,994	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$16,083,187					
TOTAL INVESTMENTS & O/S Cheques Coverage		\$107,345,181					

Capital Funds
Sector Weights
@ June 30, 2007

Schedule C

	Catagory 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	0%				
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	\$0	0%	\$0	25%	\$0	0%
Manitoba (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	
New Brunswick (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$0	25%	\$0	
Nova Scotia (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Ontario (R-1 High)	Open	\$0	0%	\$0	25%	\$0	0%
Prince Edward Island (R-1 Low)	Closed			\$0	25%	\$0	
Quebec (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	
Saskatchewan (R-1 Mid)	Open		0%	\$0	25%	\$0	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$0	25%	\$0	0%
Calgary (R-1 High)	Open			\$0	10%	\$0	0%
Edmonton (R-1 High)	Open			\$0	10%	\$0	0%
BA's Schedule A							
Canadian Banks							
Financial Institutions & their Guarantees	R-1 Mid	\$0	0%	\$0	25%	\$0	0%
Bank of Montreal (R-1 High)	Open	\$0	0%	\$0	10%	\$0	0%
Bank of Nova Scotia (R-1 High)	Open	\$0	0%	\$0	10%	\$0	0%
Canadian Imperial Bank of Commerce (R-1 High)	Open	\$0	0%	\$0	10%	\$0	0%
National Bank of Canada (R-1 Mid)	Closed		0	\$0	10%	\$0	
Royal Bank (R-1 High)	Open	\$0	0%	\$0	10%	\$0	0%
Royal Bank - Effective Cash		\$0	0%				
Toronto Dominion (R-1 High)	Open	\$0	0%	\$0	10%	\$0	0%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Cash and Equivalents		<u>\$0</u>	<u>0%</u>				

Reserve Funds
Sector Weights
@ June 30, 2007

Schedule D

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$78,520,102	21%	\$175,358,967	100%	\$96,838,865	55%
Federal Government	Open	\$56,493,270	15%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp	Open	\$0	0%				
Canadian Wheat Board	Open	\$6,636,288	2%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$15,390,544	4%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$60,298,265	16%	\$175,358,967	100%	\$115,060,701	66%
Total Alberta (R-1 High)	Open	\$6,455,654	2%	\$43,839,742	25%	\$37,384,087	21%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$6,455,654					
British Columbia (R-1 High)	Open	\$25,109,949	7%	\$43,839,742	25%	\$18,729,793	11%
Manitoba (R-1 Mid)	Open	\$2,590,239	1%	\$43,839,742	25%	\$41,249,503	
New Brunswick (R-1 Mid)	Open	\$0	0%	\$43,839,742	25%	\$43,839,742	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$43,839,742	25%	\$43,839,742	
Nova Scotia (R-1 Low)	Closed			\$43,839,742	25%	\$43,839,742	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$43,839,742	25%	\$43,839,742	
Ontario (R-1 High)	Open	\$16,534,659	4%	\$43,839,742	25%	\$27,305,083	16%
Prince Edward Island (R-1 Low)	Closed			\$43,839,742	25%	\$43,839,742	
Quebec (R-1 Mid)	Open	\$9,607,765	3%	\$43,839,742	25%	\$34,231,977	
Saskatchewan (R-1 Mid)	Open		0%	\$43,839,742	25%	\$43,839,742	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$43,839,742	25%	\$43,839,742	25%
Calgary (R-1 High)	Open			\$17,535,897	10%	\$17,535,897	10%
Edmonton (R-1 High)	Open			\$17,535,897	10%	\$17,535,897	10%
BA's Schedule A							
Canadian Banks R.							
Financial Institutions & their Guarantees	1 Mid	\$36,540,600	10%	\$43,839,742	25%	\$7,299,142	4%
Bank of Montreal (R-1 High)	Open	\$7,134,196	2%	\$17,535,897	10%	\$10,401,701	6%
Bank of Nova Scotia (R-1 High)	Open	\$8,422,716	2%	\$17,535,897	10%	\$9,113,181	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	\$15,197,847	4%	\$17,535,897	10%	\$2,338,049	1%
National Bank of Canada (R-1 Mid)	Closed			\$17,535,897	10%	\$17,535,897	
Royal Bank (R-1 High)	Open	\$5,190,853	1%	\$17,535,897	10%	\$15,633,930	9%
Royal Bank - Effective Cash		-\$3,288,887	-1%				
Toronto Dominion (R-1 High)	Open	\$3,883,874	1%	\$17,535,897	10%	\$13,652,022	8%
Corporations & their Guarantees	Closed						
Total Cash and Equivalents		<u>\$175,358,967</u>	<u>87%</u>				
FIXED (Bonds, etc. over one year)							
Province of Nova Scotia (A-Low)	Open (Special)	\$11,400,000					
Federal Government		\$17,107,525					
Total Investments		<u>\$203,866,491</u>	<u>13%</u>				

**Trust Funds
Sector Weights
@ June 30, 2007**

Schedule E

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$1,252,692	44%	\$2,797,638	100%	\$1,544,946	55%
Federal Government	Open	\$901,281	32%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp	Open	\$0	0%				
Canadian Wheat Board	Open	\$105,874	4%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$245,537	9%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$961,985	34%	\$2,797,638	100%	\$1,835,653	66%
Total Alberta (R-1 High)	Open	\$102,992	4%	\$699,409	25%	\$596,417	21%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$102,992					
British Columbia (R-1 High)	Open	\$400,599	14%	\$699,409	25%	\$298,811	11%
Manitoba (R-1 Mid)	Open	\$41,324	1%	\$699,409	25%	\$658,085	
New Brunswick (R-1 Mid)	Open	\$0	0%	\$699,409	25%	\$699,409	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$699,409	25%	\$699,409	
Nova Scotia (R-1 Low)	Closed			\$699,409	25%	\$699,409	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$699,409	25%	\$699,409	
Ontario (R-1 High)	Open	\$263,790	9%	\$699,409	25%	\$435,619	16%
Prince Edward Island (R-1 Low)	Closed			\$699,409	25%	\$699,409	
Quebec (R-1 Mid)	Open	\$153,280	5%	\$699,409	25%	\$546,129	
Saskatchewan (R-1 Mid)	Open		0%	\$699,409	25%	\$699,409	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$699,409	25%	\$699,409	25%
Calgary (R-1 High)	Open			\$279,764	10%	\$279,764	10%
Edmonton (R-1 High)	Open			\$279,764	10%	\$279,764	10%
BA's Schedule A							
Canadian Banks R							
Financial Institutions & their Guarantees	1 Mid	\$582,961	20%	\$699,409	25%	\$116,449	4%
Bank of Montreal (R-1 High)	Open	\$113,817	4%	\$279,764	10%	\$165,946	6%
Bank of Nova Scotia (R-1 High)	Open	\$134,374	5%	\$279,764	10%	\$145,390	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	\$242,463	8%	\$279,764	10%	\$37,301	1%
National Bank of Canada (R-1 Mid)	Closed			\$279,764	10%	\$279,764	
Royal Bank (R-1 High)	Open	\$82,814 }	3%	\$279,764	10%	\$249,420	9%
Royal Bank - Effective Cash		-\$52,470 }	-2%				
Toronto Dominion (R-1 High)	Open	\$61,962	2%	\$279,764	10%	\$217,801	8%
Corporations & their Guarantees	Closed						
Total Cash and Equivalents		\$2,797,638	98%				
FIXED (Bonds, etc. over one year)							
Federal Government		\$54,175	2%				
Total Fixed		\$54,175					
EQUITIES							
Bank of Montreal		\$6,410					
TOTAL EQUITIES		\$6,410	0%				
TOTAL INVESTMENTS		\$2,858,223	100%				

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

Municipal Governments & Their Guarantees:

The Municipality of Calgary & Its Guarantees
The Municipality of Edmonton & 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
Ontario Infrastructure Projects Corporation
OMERS Realty Corporation