



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 4

**Halifax Regional Council
March 10, 2009**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to be "Tim Outhit", written over a horizontal line.

Councillor Tim Outhit, Co-Chair, Investment Policy Advisory Committee

A handwritten signature in black ink, appearing to be "Derek Tynski", written over a horizontal line.

Derek Tynski, Co-Chair, Investment Policy Advisory Committee

DATE: February 20, 2009

SUBJECT: **Investment Policy Advisory Committee Report - Quarter Ending
December 31, 2008**

INFORMATION REPORT

ORIGIN

The Halifax Regional Municipality Investment Policy requires that the Investment Policy Advisory Committee report to Council on compliance by staff with the Investment Objectives of the Investment Policy not less frequently than quarterly.

BACKGROUND

The Halifax Regional Municipality Investment Policy (the Policy) was adopted by Council April 23, 2002 and was approved by the Minister of Service Nova Scotia and Municipal Relations (the Minister) on May 14, 2002. Amendments to the Policy, as recommended by the Investment Policy Advisory Committee (the Committee), were approved by Council and the Minister in 2005, 2007 and 2008. Policy approvals are in accordance with Section 121 of the *Halifax Regional Municipality Charter*.

The mandate of the Committee is to recommend an investment policy to Council as well as provide ongoing monitoring of investment activities. Following adoption and approval of the Policy, the activities of the Committee have shifted to the monitoring role as well as annual reviews of the Policy.

DISCUSSION

The Investment Policy Advisory Committee is pleased to provide this report to Council under the provisions of the Policy. The primary focus of this report will be to report on compliance with the objectives of the Policy.

The six objectives of the Policy, stated in order of priority of importance, are as follows:

1. Adherence to Legal Requirements
2. Preservation of Capital
3. Liquidity
4. Diversification of Investment Portfolio
5. Competitive Return on Investments
6. Regular Review of Performance

Copies of the Sector Weight schedules recommended under the Policy are attached.

The Committee has reviewed the information provided by staff in the Treasurer's report to the Committee for the Quarter ending December 31, 2008 and accepts the report and the findings contained in the report that the investment activities reported for that Quarter are in compliance with the Policy.

BUDGET IMPLICATIONS

N/A

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

The Committee has been advised by staff that 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.

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ December 31, 2008 (Schedules A, B, C, D & E)

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Approved by: Councillor Tim Outhit, Co-Chair, Investment Policy Advisory Committee
Derek Tynski, Co-Chair, Investment Policy Advisory Committee *DT*

Report Prepared by: Derek Tynski, Co-Chair, Investment Policy Advisory Committee

**Total Investments
Sector Weights
@ December 31, 2008**

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	61,717,110	26%	238,690,548	100%	176,973,438	74%
Federal Government	Open	61,717,110	26%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	114,112,378	48%	238,690,548	100%	124,578,170	52%
Total Alberta (R-1 High)	Open	16,685,750	7%	59,672,637	25%	42,986,887	18%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	16,685,750					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	38,793,737	16%	59,672,637	25%	20,878,900	9%
Manitoba (R-1 Mid)	Open	0	0%	59,672,637	25%	59,672,637	25%
New Brunswick (R-1 Mid)	Open	0	0%	59,672,637	25%	59,672,637	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			59,672,637	25%	59,672,637	25%
Ontario (R-1 High)	Open	32,938,341	14%	59,672,637	25%	26,734,296	11%
Quebec (R-1 Mid)	Open	25,694,550	11%	59,672,637	25%	33,978,087	14%
Saskatchewan (R-1 Mid)	Open		0%	59,672,637	25%	59,672,637	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		59,672,637	25%	59,672,637	25%
Calgary (R-1 High)	Open			23,869,055	10%	23,869,055	10%
Edmonton (R-1 High)	Open			23,869,055	10%	23,869,055	10%
Financial Institutions & their Guarantees /Corporations		62,861,060	26%	119,345,274	50%	56,484,214	24%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	51,869,910	22%	119,345,274	50%	67,475,364	28%
Bank of Montreal (R-1 High)	Open	10,988,390	5%	23,869,055	10%	12,880,665	5%
Bank of Nova Scotia (R-1 High)	Open	18,962,852	8%	23,869,055	10%	4,906,203	2%
Canadian Imperial Bank of Commerce (R-1 High)	Open	14,287,045	6%	23,869,055	10%	9,582,010	4%
Royal Bank (R-1 High)	Open	4,992,450	3%	23,869,055	10%	16,237,432	7%
Royal Bank - Effective Cash		2,639,173					
Toronto Dominion (R-1 High)	Open	0	0%	23,869,055	10%	23,869,055	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	10,991,150	5%	59,672,637	25%	48,681,487	20%
National Bank of Canada (R-1 Mid)	Open	6,995,950	3%	11,934,527	5%	4,938,577	2%
OMERS Realty Corporation (R-1 High)	Open	0	0%	11,934,527	5%	11,934,527	5%
CDP Financial Inc (R-1 High)	Open	0	0%	11,934,527	5%	11,934,527	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	11,934,527	5%	11,934,527	5%
Desjardins Total		3,995,200	2%	11,934,527	5%	7,939,327	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	3,995,200					
Total Cash and Equivalents		238,690,548	100%				
FIXED (Bonds, etc. over one year)		7,042,745	3%				
Federal Government							
Total Fixed		7,042,745					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		245,739,703					
Interest Bearing Bank Accounts - O/S Cheque Coverage		20,187,828	*				
Total Investments and O/S Cheques Coverage		265,927,531					

**Operating Funds
Sector Weights
@ December 31, 2008**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	30,373,717	26%	117,470,167	100%	87,096,450	74%
Federal Government	Open	30,373,717	26%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	56,159,744	48%	117,470,167	100%	61,310,423	52%
Total Alberta (R-1 High)	Open	8,211,795	7%	29,367,542	25%	21,155,747	18%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	8,211,795					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	19,092,112	16%	29,367,542	25%	10,275,429	9%
Manitoba (R-1 Mid)	Open	0	0%	29,367,542	25%	29,367,542	25%
New Brunswick (R-1 Mid)	Open	0	0%	29,367,542	25%	29,367,542	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			29,367,542	25%	29,367,542	25%
Ontario (R-1 High)	Open	16,210,413	14%	29,367,542	25%	13,157,129	11%
Quebec (R-1 Mid)	Open	12,645,424	11%	29,367,542	25%	16,722,118	14%
Saskatchewan (R-1 Mid)	Open		0%	29,367,542	25%	29,367,542	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		29,367,542	25%	29,367,542	25%
Calgary (R-1 High)	Open			11,747,017	10%	11,747,017	10%
Edmonton (R-1 High)	Open			11,747,017	10%	11,747,017	10%
Financial Institutions & their Guarantees /Corporations		30,936,706	26%	58,735,084	50%	27,798,378	24%
	BA's Schedule A Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	25,527,475	22%	58,735,084	50%	33,207,609	28%
Bank of Montreal (R-1 High)	Open	5,407,872	5%	11,747,017	10%	6,339,144	5%
Bank of Nova Scotia (R-1 High)	Open	9,332,457	8%	11,747,017	10%	2,414,559	2%
Canadian Imperial Bank of Commerce (R-1 High)	Open	7,031,286	6%	11,747,017	10%	4,715,730	4%
Royal Bank (R-1 High)	Open	2,457,005 }	3%	11,747,017	10%	7,991,158	7%
Royal Bank - Effective Cash		1,298,854 }					
Toronto Dominion (R-1 High)	Open	0	0%	11,747,017	10%	11,747,017	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	5,409,231	5%	29,367,542	25%	23,958,311	20%
National Bank of Canada (R-1 Mid)	Open	3,443,016	3%	5,873,508	5%	2,430,492	2%
OMERS Realty Corporation (R-1 High)	Open	0	0%	5,873,508	5%	5,873,508	5%
CDP Financial Inc (R-1 High)	Open	0	0%	5,873,508	5%	5,873,508	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	5,873,508	5%	5,873,508	5%
Desjardins Total		1,966,214	2%	5,873,508	5%	3,907,294	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	1,966,214					
Total Investments		117,470,167	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		20,187,828	*				
Total Investments and O/S Cheques Coverage		137,657,995					

SCHEDULE C

**Capital Funds
Sector Weights
@ December 31, 2008**

	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						
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%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			0	25%	0	0%
Ontario (R-1 High)	Open	0	0%	0	25%	0	0%
Quebec (R-1 Mid)	Open	0	0%	0	25%	0	0%
Saskatchewan (R-1 Mid)	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%
Edmonton (R-1 High)	Open			0	10%	0	0%
Financial Institutions & their Guarantees /Corporations		0	0%	0	50%	0	0%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	0	0%	0	50%	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%
Royal Bank (R-1 High)	Open	0	0%	0	10%	0	0%
Royal Bank - Effective Cash		0					
Toronto Dominion (R-1 High)	Open	0	0%	0	10%	0	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%
Ontario Infrastructure Projects Corporation (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 Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		0	0%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		0	*				
Total Investments and O/S Cheques Coverage		0					

SCHEDULE D

**Reserve Funds
Sector Weights
@ December 31, 2008**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	30,492,496	26%	117,929,545	100%	87,437,048	74%
Federal Government	Open	30,492,496	26%				
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	56,379,362	48%	117,929,545	100%	61,550,183	52%
Total Alberta (R-1 High)	Open	8,243,908	7%	29,482,386	25%	21,238,478	18%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	8,243,908					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	19,166,774	16%	29,482,386	25%	10,315,612	9%
Manitoba (R-1 Mid)	Open	0	0%	29,482,386	25%	29,482,386	25%
New Brunswick (R-1 Mid)	Open	0	0%	29,482,386	25%	29,482,386	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	29,482,386	25%	29,482,386	25%
Ontario (R-1 High)	Open	16,273,805	14%	29,482,386	25%	13,208,581	11%
Quebec (R-1 Mid)	Open	12,694,875	11%	29,482,386	25%	16,787,512	14%
Saskatchewan (R-1 Mid)	Open	0	0%	29,482,386	25%	29,482,386	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		29,482,386	25%	29,482,386	25%
Calgary (R-1 High)	Open	0		11,792,954	10%	11,792,954	10%
Edmonton (R-1 High)	Open	0		11,792,954	10%	11,792,954	10%
Financial Institutions & their Guarantees /Corporations		31,057,686	26%	58,964,772	50%	27,907,086	24%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	25,627,302	22%	58,964,772	50%	33,337,470	28%
Bank of Montreal (R-1 High)	Open	5,429,020	5%	11,792,954	10%	6,363,934	5%
Bank of Nova Scotia (R-1 High)	Open	9,368,953	8%	11,792,954	10%	2,424,002	2%
Canadian Imperial Bank of Commerce (R-1 High)	Open	7,058,783	6%	11,792,954	10%	4,734,172	4%
Royal Bank (R-1 High)	Open	2,466,614	3%	11,792,954	10%	8,022,408	7%
Royal Bank - Effective Cash		1,303,933					
Toronto Dominion (R-1 High)	Open	0	0%	11,792,954	10%	11,792,954	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	5,430,384	5%	29,482,386	25%	24,052,002	20%
National Bank of Canada (R-1 Mid)	Open	3,456,480	3%	5,896,477	5%	2,439,997	2%
OMERS Realty Corporation (R-1 High)	Open	0	0%	5,896,477	5%	5,896,477	5%
CDP Financial Inc (R-1 High)	Open	0	0%	5,896,477	5%	5,896,477	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	5,896,477	5%	5,896,477	5%
Desjardins Total		1,973,904	2%	5,896,477	5%	3,922,574	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	1,973,904					
Total Cash and Equivalents		117,929,545	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		6,988,570	6%				
Total Fixed		6,988,570					
Total Investments		124,918,115					

**Trust Funds
Sector Weights
@ December 31, 2008**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	850,896	26%	3,290,836	100%	2,439,940	74%
Federal Government	Open	850,896	26%				
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	1,573,272	48%	3,290,836	100%	1,717,564	52%
Total Alberta (R-1 High)	Open	230,047	7%	822,709	25%	592,662	18%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	230,047					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	534,851	16%	822,709	25%	287,858	9%
Manitoba (R-1 Mid)	Open	0	0%	822,709	25%	822,709	25%
New Brunswick (R-1 Mid)	Open	0	0%	822,709	25%	822,709	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	822,709	25%	822,709	25%
Ontario (R-1 High)	Open	454,122	14%	822,709	25%	368,587	11%
Quebec (R-1 Mid)	Open	354,252	11%	822,709	25%	468,457	14%
Saskatchewan (R-1 Mid)	Open	0	0%	822,709	25%	822,709	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		822,709	25%	822,709	25%
Calgary (R-1 High)	Open	0		329,084	10%	329,084	10%
Edmonton (R-1 High)	Open	0		329,084	10%	329,084	10%
Financial Institutions & their Guarantees /Corporations		866,668	26%	1,645,418	50%	778,750	24%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	715,133	22%	1,645,418	50%	930,286	28%
Bank of Montreal (R-1 High)	Open	151,497	5%	329,084	10%	177,586	5%
Bank of Nova Scotia (R-1 High)	Open	261,442	8%	329,084	10%	67,642	2%
Canadian Imperial Bank of Commerce (R-1 High)	Open	196,976	6%	329,084	10%	132,108	4%
Royal Bank (R-1 High)	Open	68,831	3%	329,084	10%	223,866	7%
Royal Bank - Effective Cash		36,386					
Toronto Dominion (R-1 High)	Open	0	0%	329,084	10%	329,084	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	151,535	5%	822,709	25%	671,174	20%
National Bank of Canada (R-1 Mid)	Open	96,453	3%	164,542	5%	68,088	2%
OMERS Realty Corporation (R-1 High)	Open	0	0%	164,542	5%	164,542	5%
CDP Financial Inc (R-1 High)	Open	0	0%	164,542	5%	164,542	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	164,542	5%	164,542	5%
Desjardins Total		55,082	2%	164,542	5%	109,460	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	55,082					
Total Cash and Equivalents		3,290,836	100%				
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					
Total Investments		3,351,421					