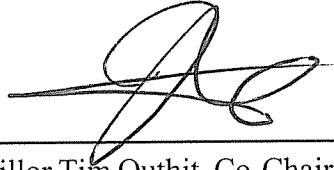
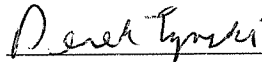


TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



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



Derek Tynski, Co-Chair, Investment Policy Advisory Committee

DATE: June 18, 2009

SUBJECT: Investment Policy Advisory Committee Report - Quarter Ending
March 31, 2009

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 March 31, 2009 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 with the exceptions noted below.

During the Quarter the Sector Weight guidelines for the Province of British Columbia and the Royal Bank were exceeded for brief periods. The Committee reviewed these instances and concur with staff that these temporary variances did not pose any material additional risk.

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 @ March 31, 2009 (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

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

**Total Investments
Sector Weights
@ March 31, 2009**

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	25,566,550	14%	180,819,001	100%	155,252,451	86%
Federal Government	Open	25,566,550	14%				
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	109,254,639	60%	180,819,001	100%	71,564,362	40%
Total Alberta (R-1 High)	Open	28,654,370	16%	45,204,750	25%	16,550,380	9%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	24,658,290					
Alberta Treasury Branches (R-1 High)	Open	3,996,080					
British Columbia (R-1 High)	Open	25,157,829	14%	45,204,750	25%	20,046,921	11%
Manitoba (R-1 Mid)	Open	0	0%	45,204,750	25%	45,204,750	25%
New Brunswick (R-1 Mid)	Open	0	0%	45,204,750	25%	45,204,750	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open						
Ontario (R-1 High)	Open	33,030,548	18%	45,204,750	25%	12,174,202	7%
Quebec (R-1 Mid)	Open	22,411,892	12%	45,204,750	25%	22,792,858	13%
Saskatchewan (R-1 Mid)	Open		0%	45,204,750	25%	45,204,750	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		45,204,750	25%	45,204,750	25%
Calgary (R-1 High)	Open			18,081,900	10%	18,081,900	10%
Edmonton (R-1 High)	Open			18,081,900	10%	18,081,900	10%
Financial Institutions & their Guarantees /Corporations		45,997,812	25%	90,409,500	50%	44,411,689	25%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	43,999,112	24%	90,409,500	50%	46,410,389	26%
Bank of Montreal (R-1 High)	Open	0	0%	18,081,900	10%	18,081,900	10%
Bank of Nova Scotia (R-1 High)	Open	0	0%	18,081,900	10%	18,081,900	10%
Canadian Imperial Bank of Commerce (R-1 High)	Open	3,792,621	2%	18,081,900	10%	14,289,279	8%
Royal Bank (R-1 High)	Open	0	22%	18,081,900	10%	-22,124,591	-12%
Royal Bank - Effective Cash		40,206,491					
Toronto Dominion (R-1 High)	Open	0	0%	18,081,900	10%	18,081,900	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	1,998,700	1%	45,204,750	25%	43,206,050	24%
National Bank of Canada (R-1 Mid)	Open	0	0%	9,040,950	5%	9,040,950	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	9,040,950	5%	9,040,950	5%
CDP Financial Inc (R-1 High)	Open	0	0%	9,040,950	5%	9,040,950	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	9,040,950	5%	9,040,950	5%
Desjardins Total		1,998,700	1%	9,040,950	5%	7,042,250	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	1,998,700					
Total Cash and Equivalents		180,819,001	100%				
FIXED (Bonds, etc. over one year)		7,039,560	4%				
Federal Government		7,039,560					
Total Fixed		7,039,560					
Equities		6,410					
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		187,864,971					
Interest Bearing Bank Accounts - O/S Cheque Coverage		10,741,725	*				
Total Investments and O/S Cheques Coverage		198,606,696					

**Operating Funds
Sector Weights
@ March 31, 2009**

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	4,196,848	14%	29,682,139	100%	25,485,291	86%
Federal Government	Open	4,196,848	14%				
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	17,934,572	60%	29,682,139	100%	11,747,567	40%
Total Alberta (R-1 High)	Open	4,703,726	16%	7,420,535	25%	2,716,809	9%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	4,047,754					
Alberta Treasury Branches (R-1 High)	Open	655,972					
British Columbia (R-1 High)	Open	4,129,755	14%	7,420,535	25%	3,290,780	11%
Manitoba (R-1 Mid)	Open	0	0%	7,420,535	25%	7,420,535	25%
New Brunswick (R-1 Mid)	Open	0	0%	7,420,535	25%	7,420,535	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	7,420,535	25%	7,420,535	25%
Ontario (R-1 High)	Open	5,422,092	18%	7,420,535	25%	1,998,442	7%
Quebec (R-1 Mid)	Open	3,678,999	12%	7,420,535	25%	3,741,536	13%
Saskatchewan (R-1 Mid)	Open	0	0%	7,420,535	25%	7,420,535	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		7,420,535	25%	7,420,535	25%
Calgary (R-1 High)	Open	0		2,968,214	10%	2,968,214	10%
Edmonton (R-1 High)	Open	0		2,968,214	10%	2,968,214	10%
Financial Institutions & their Guarantees /Corporations		7,550,719	25%	14,841,069	50%	7,290,351	25%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	7,222,624	24%	14,841,069	50%	7,618,445	26%
Bank of Montreal (R-1 High)	Open	0	0%	2,968,214	10%	2,968,214	10%
Bank of Nova Scotia (R-1 High)	Open	0	0%	2,968,214	10%	2,968,214	10%
Canadian Imperial Bank of Commerce (R-1 High)	Open	622,573	2%	2,968,214	10%	2,345,640	8%
Royal Bank (R-1 High)	Open	0	22%	2,968,214	10%	-3,631,837	-12%
Royal Bank - Effective Cash		6,600,051					
Toronto Dominion (R-1 High)	Open	0	0%	2,968,214	10%	2,968,214	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	328,094	1%	7,420,535	25%	7,092,440	24%
National Bank of Canada (R-1 Mid)	Open	0	0%	1,484,107	5%	1,484,107	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	1,484,107	5%	1,484,107	5%
CDP Financial Inc (R-1 High)	Open	0	0%	1,484,107	5%	1,484,107	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	1,484,107	5%	1,484,107	5%
Desjardins Total		328,094	1%	1,484,107	5%	1,156,013	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	328,094					
Total Investments		29,682,139	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		10,741,725	*				
Total Investments and O/S Cheques Coverage		40,423,864					

SCHEDULE C

**Capital Funds
Sector Weights
@ March 31, 2009**

	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	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%				

**Reserve Funds
Sector Weights
@ March 31, 2009**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	20,901,367	14%	147,824,574	100%	126,923,207	86%
Federal Government	Open	20,901,367	14%				
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	89,318,713	60%	147,824,574	100%	58,505,861	40%
Total Alberta (R-1 High)	Open	23,425,746	16%	36,956,143	25%	13,530,397	9%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	20,158,839					
Alberta Treasury Branches (R-1 High)	Open	3,266,907					
British Columbia (R-1 High)	Open	20,567,227	14%	36,956,143	25%	16,388,917	11%
Manitoba (R-1 Mid)	Open	0	0%	36,956,143	25%	36,956,143	25%
New Brunswick (R-1 Mid)	Open	0	0%	36,956,143	25%	36,956,143	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open						
Ontario (R-1 High)	Open	27,003,394	18%	36,956,143	25%	9,952,750	7%
Quebec (R-1 Mid)	Open	18,322,346	12%	36,956,143	25%	18,633,797	13%
Saskatchewan (R-1 Mid)	Open		0%	36,956,143	25%	36,956,143	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		36,956,143	25%	36,956,143	25%
Calgary (R-1 High)	Open			14,782,457	10%	14,782,457	10%
Edmonton (R-1 High)	Open			14,782,457	10%	14,782,457	10%
Financial Institutions & their Guarantees /Corporations		37,604,494	25%	73,912,287	50%	36,307,793	25%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	35,970,501	24%	73,912,287	50%	37,941,786	26%
Bank of Montreal (R-1 High)	Open	0	0%	14,782,457	10%	14,782,457	10%
Bank of Nova Scotia (R-1 High)	Open	0	0%	14,782,457	10%	14,782,457	10%
Canadian Imperial Bank of Commerce (R-1 High)	Open	3,100,573	2%	14,782,457	10%	11,681,884	8%
Royal Bank (R-1 High)	Open	0	22%	14,782,457	10%	-18,087,470	-12%
Royal Bank - Effective Cash		32,869,927					
Toronto Dominion (R-1 High)	Open	0	0%	14,782,457	10%	14,782,457	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	1,633,993	1%	36,956,143	25%	35,322,151	24%
National Bank of Canada (R-1 Mid)	Open	0	0%	7,391,229	5%	7,391,229	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	7,391,229	5%	7,391,229	5%
CDP Financial Inc (R-1 High)	Open	0	0%	7,391,229	5%	7,391,229	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	7,391,229	5%	7,391,229	5%
Desjardins Total		1,633,993	1%	7,391,229	5%	5,757,236	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	1,633,993					
Total Cash and Equivalents		147,824,574	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		6,985,385	5%				
Total Fixed		6,985,385					
Total Investments		154,809,959					

**Trust Funds
Sector Weights
@ March 31, 2009**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	468,335	14%	3,312,288	100%	2,843,954	86%
Federal Government	Open	468,335	14%				
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	2,001,354	60%	3,312,288	100%	1,310,934	40%
Total Alberta (R-1 High)	Open	524,898	16%	828,072	25%	303,174	9%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	451,697					
Alberta Treasury Branches (R-1 High)	Open	73,201					
British Columbia (R-1 High)	Open	460,847	14%	828,072	25%	367,225	11%
Manitoba (R-1 Mid)	Open	0	0%	828,072	25%	828,072	25%
New Brunswick (R-1 Mid)	Open	0	0%	828,072	25%	828,072	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			828,072	25%	828,072	25%
Ontario (R-1 High)	Open	605,062	18%	828,072	25%	223,010	7%
Quebec (R-1 Mid)	Open	410,547	12%	828,072	25%	417,525	13%
Saskatchewan (R-1 Mid)	Open		0%	828,072	25%	828,072	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		828,072	25%	828,072	25%
Calgary (R-1 High)	Open			331,229	10%	331,229	10%
Edmonton (R-1 High)	Open			331,229	10%	331,229	10%
Financial Institutions & their Guarantees /Corporations		842,600	25%	1,656,144	50%	813,545	25%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	805,987	24%	1,656,144	50%	850,157	26%
Bank of Montreal (R-1 High)	Open	0	0%	331,229	10%	331,229	10%
Bank of Nova Scotia (R-1 High)	Open	0	0%	331,229	10%	331,229	10%
Canadian Imperial Bank of Commerce (R-1 High)	Open	69,474	2%	331,229	10%	261,755	8%
Royal Bank (R-1 High)	Open	0	22%	331,229	10%	-405,284	-12%
Royal Bank - Effective Cash		736,513					
Toronto Dominion (R-1 High)	Open	0	0%	331,229	10%	331,229	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	36,613	1%	828,072	25%	791,459	24%
National Bank of Canada (R-1 Mid)	Open	0	0%	165,614	5%	165,614	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	165,614	5%	165,614	5%
CDP Financial Inc (R-1 High)	Open	0	0%	165,614	5%	165,614	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	165,614	5%	165,614	5%
Desjardins Total		36,613	1%	165,614	5%	129,002	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	36,613					
Total Cash and Equivalents		3,312,288	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		3,372,873					