



PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

Item No. 7
Halifax Regional Council
September 22, 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: September 11, 2009

SUBJECT: **Investment Policy Advisory Committee Report - Quarter Ending June 30, 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 June 30, 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 exception noted below.

The Royal Bank Sector Weight was exceeded for one business day due to the amount of cash received during the day on June 30. Investments were made on the next business day to return the Sector Weights back into full compliance with the Investment Policy.

As indicated in previous reports, the Committee recognizes that from time to time there may be short term variances from the Sector Weights as set out in the Policy. Management discretion is recognized in dealing with varying market conditions and cash flows. The Committee believes that staff acted appropriately.

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.

ATTACHMENTS

Sector Weight Schedules @ June 30, 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 Prepared by: Derek Tynski, Co-Chair, Investment Policy Advisory Committee

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

**Total Investments
Sector Weights
@ June 30, 2009**

	Catagory Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	111,257,060	34%	327,812,999	100%	216,555,939	66%
Federal Government	Open	111,257,060	34%				
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	118,767,191	36%	327,812,999	100%	209,045,808	64%
Total Alberta (R-1 High)	Open	28,602,001	9%	81,953,250	25%	53,351,249	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	28,602,001					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	23,799,576	7%	81,953,250	25%	58,153,674	18%
Manitoba (R-1 Mid)	Open	0	0%	81,953,250	25%	81,953,250	25%
New Brunswick (R-1 Mid)	Open	14,958,400	5%	81,953,250	25%	66,994,850	20%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0		81,953,250	25%	81,953,250	25%
Ontario (R-1 High)	Open	30,258,688	9%	81,953,250	25%	51,694,562	16%
Quebec (R-1 Mid)	Open	14,590,862	4%	81,953,250	25%	67,362,388	21%
Saskatchewan (R-1 Mid)	Open	6,557,664	2%	81,953,250	25%	75,395,586	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		81,953,250	25%	81,953,250	25%
Calgary (R-1 High)	Open	0		32,781,300	10%	32,781,300	10%
Edmonton (R-1 High)	Open	0		32,781,300	10%	32,781,300	10%
Financial Institutions & their Guarantees /Corporations		97,788,748	30%	163,906,500	50%	66,117,752	20%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	90,790,288	28%	163,906,500	50%	73,116,212	22%
Bank of Montreal (R-1 High)	Open	5,998,260	2%	32,781,300	10%	26,783,040	8%
Bank of Nova Scotia (R-1 High)	Open	16,994,960	5%	32,781,300	10%	15,786,340	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	14,996,230	5%	32,781,300	10%	17,785,070	5%
Royal Bank (R-1 High)	Open	0	13%	32,781,300	10%	-8,726,532	-3%
Royal Bank - Effective Cash		41,507,832					
Toronto Dominion (R-1 High)	Open	11,293,006	3%	32,781,300	10%	21,488,294	7%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	6,998,460	2%	81,953,250	25%	74,954,790	23%
National Bank of Canada (R-1 Mid)	Open	6,998,460	2%	16,390,650	5%	9,392,190	3%
OMERS Realty Corporation (R-1 High)	Open	0	0%	16,390,650	5%	16,390,650	5%
CDP Financial Inc (R-1 High)	Open	0	0%	16,390,650	5%	16,390,650	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	16,390,650	5%	16,390,650	5%
Desjardins Total		0	0%	16,390,650	5%	16,390,650	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		327,812,999	100%				
FIXED (Bonds, etc. over one year)		6,986,957	2%				
Federal Government		6,986,957					
Total Fixed		6,986,957					
Equities		6,410					
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		334,806,366					
Interest Bearing Bank Accounts - O/S Cheque Coverage		6,856,168	*				
Total Investments and O/S Cheques Coverage		341,662,534					

SCHEDULE B

Operating Funds
Sector Weights
@ June 30, 2009

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	54,121,305	34%	159,465,542	100%	105,344,237	66%
Federal Government	Open	54,121,305	34%				
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	57,774,629	36%	159,465,542	100%	101,690,913	64%
Total Alberta (R-1 High)	Open	13,913,523	9%	39,866,385	25%	25,952,863	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	13,913,523					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	11,577,370	7%	39,866,385	25%	28,289,016	18%
Manitoba (R-1 Mid)	Open	0	0%	39,866,385	25%	39,866,385	25%
New Brunswick (R-1 Mid)	Open	7,276,555	5%	39,866,385	25%	32,589,830	20%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0		39,866,385	25%	39,866,385	25%
Ontario (R-1 High)	Open	14,719,423	9%	39,866,385	25%	25,146,963	16%
Quebec (R-1 Mid)	Open	7,097,765	4%	39,866,385	25%	32,768,620	21%
Saskatchewan (R-1 Mid)	Open	3,189,994	2%	39,866,385	25%	36,676,392	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		39,866,385	25%	39,866,385	25%
Calgary (R-1 High)	Open	0		15,946,554	10%	15,946,554	10%
Edmonton (R-1 High)	Open	0		15,946,554	10%	15,946,554	10%
Financial Institutions & their Guarantees /Corporations		47,569,607	30%	79,732,771	50%	32,163,163	20%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	44,165,187	28%	79,732,771	50%	35,567,584	22%
Bank of Montreal (R-1 High)	Open	2,917,870	2%	15,946,554	10%	13,028,684	8%
Bank of Nova Scotia (R-1 High)	Open	8,267,245	5%	15,946,554	10%	7,679,309	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	7,294,958	5%	15,946,554	10%	8,651,597	5%
Royal Bank (R-1 High)	Open	0	13%	15,946,554	10%	-4,245,046	-3%
Royal Bank - Effective Cash		20,191,600					
Toronto Dominion (R-1 High)	Open	5,493,514	3%	15,946,554	10%	10,453,040	7%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	3,404,420	2%	39,866,385	25%	36,461,965	23%
National Bank of Canada (R-1 Mid)	Open	3,404,420	2%	7,973,277	5%	4,568,857	3%
OMERS Realty Corporation (R-1 High)	Open	0	0%	7,973,277	5%	7,973,277	5%
CDP Financial Inc (R-1 High)	Open	0	0%	7,973,277	5%	7,973,277	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	7,973,277	5%	7,973,277	5%
Desjardins Total		0	0%	7,973,277	5%	7,973,277	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		159,465,542	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		6,856,168	*				
Total Investments and O/S Cheques Coverage		166,321,710					

SCHEDULE C

**Capital Funds
Sector Weights
@ June 30, 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	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%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	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%	0	25%	0	0%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		0	25%	0	0%
Calgary (R-1 High)	Open	0		0	10%	0	0%
Edmonton (R-1 High)	Open	0		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		<u>0</u>	<u>0%</u>				

Reserve Funds
Sector Weights
@ June 30, 2009

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	56,005,439	34%	165,017,043	100%	109,011,603	66%
Federal Government	Open	56,005,439	34%				
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	59,785,947	36%	165,017,043	100%	105,231,096	64%
Total Alberta (R-1 High)	Open	14,397,896	9%	41,254,261	25%	26,856,364	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	14,397,896					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	11,980,415	7%	41,254,261	25%	29,273,846	18%
Manitoba (R-1 Mid)	Open	0	0%	41,254,261	25%	41,254,261	25%
New Brunswick (R-1 Mid)	Open	7,529,875	5%	41,254,261	25%	33,724,386	20%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			41,254,261	25%	41,254,261	25%
Ontario (R-1 High)	Open	15,231,852	9%	41,254,261	25%	26,022,408	16%
Quebec (R-1 Mid)	Open	7,344,861	4%	41,254,261	25%	33,909,400	21%
Saskatchewan (R-1 Mid)	Open	3,301,048	2%	41,254,261	25%	37,953,213	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		41,254,261	25%	41,254,261	25%
Calgary (R-1 High)	Open			16,501,704	10%	16,501,704	10%
Edmonton (R-1 High)	Open			16,501,704	10%	16,501,704	10%
Financial Institutions & their Guarantees /Corporations		49,225,656	30%	82,508,521	50%	33,282,865	20%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	45,702,717	28%	82,508,521	50%	36,805,804	22%
Bank of Montreal (R-1 High)	Open	3,019,451	2%	16,501,704	10%	13,482,254	8%
Bank of Nova Scotia (R-1 High)	Open	8,555,054	5%	16,501,704	10%	7,946,650	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	7,548,918	5%	16,501,704	10%	8,952,786	5%
Royal Bank (R-1 High)	Open	0	13%	16,501,704	10%	-4,392,829	-3%
Royal Bank - Effective Cash		20,894,533					
Toronto Dominion (R-1 High)	Open	5,684,761	3%	16,501,704	10%	10,816,944	7%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	3,522,939	2%	41,254,261	25%	37,731,322	23%
National Bank of Canada (R-1 Mid)	Open	3,522,939	2%	8,250,852	5%	4,727,913	3%
OMERS Realty Corporation (R-1 High)	Open	0	0%	8,250,852	5%	8,250,852	5%
CDP Financial Inc (R-1 High)	Open	0	0%	8,250,852	5%	8,250,852	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	8,250,852	5%	8,250,852	5%
Desjardins Total		0	0%	8,250,852	5%	8,250,852	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		165,017,043	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		6,986,957	4%				
Total Fixed		6,986,957					
Total Investments		172,004,000					

SCHEDULE E

**Trust Funds
Sector Weights
@ June 30, 2009**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	1,130,316	34%	3,330,415	100%	2,200,099	66%
Federal Government	Open	1,130,316	34%				
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	1,206,615	36%	3,330,415	100%	2,123,800	64%
Total Alberta (R-1 High)	Open	290,582	9%	832,604	25%	542,022	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	290,582					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	241,792	7%	832,604	25%	590,812	18%
Manitoba (R-1 Mid)	Open	0	0%	832,604	25%	832,604	25%
New Brunswick (R-1 Mid)	Open	151,970	5%	832,604	25%	680,634	20%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			832,604	25%	832,604	25%
Ontario (R-1 High)	Open	307,413	9%	832,604	25%	525,191	16%
Quebec (R-1 Mid)	Open	148,236	4%	832,604	25%	684,368	21%
Saskatchewan (R-1 Mid)	Open	66,623	2%	832,604	25%	765,981	23%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		832,604	25%	832,604	25%
Calgary (R-1 High)	Open			333,041	10%	333,041	10%
Edmonton (R-1 High)	Open			333,041	10%	333,041	10%
Financial Institutions & their Guarantees /Corporations		993,484	30%	1,665,207	50%	671,723	20%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	922,383	28%	1,665,207	50%	742,824	22%
Bank of Montreal (R-1 High)	Open	60,939	2%	333,041	10%	272,102	8%
Bank of Nova Scotia (R-1 High)	Open	172,660	5%	333,041	10%	160,381	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	152,354	5%	333,041	10%	180,687	5%
Royal Bank (R-1 High)	Open	0	13%	333,041	10%	-88,657	-3%
Royal Bank - Effective Cash		421,699					
Toronto Dominion (R-1 High)	Open	114,731	3%	333,041	10%	218,310	7%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	71,101	2%	832,604	25%	761,503	23%
National Bank of Canada (R-1 Mid)	Open	71,101	2%	166,521	5%	95,420	3%
OMERS Realty Corporation (R-1 High)	Open	0	0%	166,521	5%	166,521	5%
CDP Financial Inc (R-1 High)	Open	0	0%	166,521	5%	166,521	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	166,521	5%	166,521	5%
Desjardins Total		0	0%	166,521	5%	166,521	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,330,415	100%				
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,336,825					