



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

Item No. 4
Halifax Regional Council
June 26, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed _____
6n Councillor Russell Walker, Chair, Audit and Finance Standing Committee

DATE: June 20, 2012

SUBJECT: Investment Activities - Quarter Ending March 31, 2012

INFORMATION REPORT

ORIGIN

June 7, 2012 Investment Policy Advisory Committee report and June 12, 2012 staff report on Quarter Ending March 31, 2012 Investment Activities, and; the June 20, 2012 Audit and Finance Standing Committee meeting.

BACKGROUND

As per the attached Investment Policy Advisory Committee and staff reports of June 7th and June 12th, 2012, included as Attachments 1 and 2 to this report.

DISCUSSION

The Audit and Finance Standing Committee reviewed the Quarter Ending March 31, 2012 Investment Activity reports at their June 20, 2012 meeting. The Committee agreed to forward the reports to Regional Council as an Information Item.

BUDGET IMPLICATIONS

As per the June 7th and June 12, 2012 reports attached as Attachments 1 and 2 to this report.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

The Audit and Finance Standing Committee meetings are open to the public.

ENVIRONMENTAL IMPLICATIONS

None Indicated.

ALTERNATIVES

None.

ATTACHMENTS

1. June 7, 2012 Investment Policy Advisory Committee report.
2. June 12, 2012 Investment Activities Quarter Ending March 31, 2012 staff report.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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: Chris Newson, Legislative Assistant, 490-6732.



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

Audit and Finance Standing Committee
June 20, 2012

TO: Councillor Russell Walker, Chair, and Members of the Audit and Finance Standing Committee

SUBMITTED BY: Original Signed
Councillor Tim Outhit, Co-Chair, Investment Policy Advisory Committee

Original Signed
Derek Tynski, Co-Chair, Investment Policy Advisory Committee

DATE: June 7, 2012

SUBJECT: Investment Policy Advisory Committee Report – Quarter Ending March 31, 2012

RECOMMENDATION 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.

RECOMMENDATION

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

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, 2008, 2010 and early 2012

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 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 three objectives and three strategies of the Policy, stated in order of priority of importance, are as follows:

Objective:

1. Preservation of Capital
2. Liquidity
3. Competitive Return on Investments

Strategies:

1. Diversification of Investment Portfolio
2. Regular Review of Performance
3. Risk Management Approach

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, 2012 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 of a number of occurrences where the HRM bank account

temporarily exceeded the Policy limits. The Committee reviewed each of these instances and concurred with staff that they did not constitute a material increase in risk to the portfolio.

BUDGET IMPLICATIONS

N/A

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

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 staff's 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.

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ March 31, 2012 (Schedules A,B,C,D & E)

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> 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: Derek Tynski, Co-Chair, Investment Policy Advisory Committee, 490-6471



Sector Weights @ March 31, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	17,809,510	9%	200,767,038	100%	178,979,734	89%
Federal Government	Open	17,809,510	9%				
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	95,319,080	47%	200,767,038	100%	105,447,958	53%
Total Alberta (R-1 High)	Open	0	5%	50,191,760	25%	41,142,450	20%
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	29,220,021	15%	50,191,760	25%	20,971,739	10%
Manitoba (R-1 Mid)	Open	2,822,869	1%	50,191,760	25%	47,368,891	24%
New Brunswick (R-1 Mid)	Open	0	0%	50,191,760	25%	50,191,760	25%
Ontario (R-1 Mid)	Open	30,494,610	15%	50,191,760	25%	19,697,150	10%
Quebec (R-1 Mid)	Open	32,781,580	16%	50,191,760	25%	17,410,180	9%
Quebec		0					
Financement Quebec		23,857,120					
Hydro Quebec		8,924,460					
Saskatchewan (R-1 High)	Open	0	-0%	50,191,760	25%	50,191,760	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		50,191,760	25%	50,191,760	25%
Calgary (R-1 High)	Open	0		20,076,704	10%	20,076,704	10%
Edmonton (R-1 High)	Open	0		20,076,704	10%	20,076,704	10%
Financial Institutions & their Guarantees /Corporations	BA's Schedule A	74,604,934	37%	100,383,519	50%	25,778,585	13%
Canadian Banks R-1	Mid	55,142,694	27%	100,383,519	50%	45,240,825	23%
Tier 1 - Financial Institutions & their Guarantees	Open	8,237,540	4%	20,076,704	10%	11,839,164	6%
Bank of Montreal (R-1 High)	Open	0	3%	20,076,704	10%	14,736,833	7%
Bank of Nova Scotia (R-1 High)	Open	5,339,871					
Bank of Nova Scotia Effective Cash	Open	18,455,850	9%	20,076,704	10%	1,620,854	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	8%	20,076,704	10%	4,333,678	2%
Royal Bank (R-1 High)	Open	15,743,026					
Royal Bank - Effective Cash	Open	7,366,407	4%	20,076,704	10%	12,710,297	6%
Toronto Dominion (R-1 High)	Open	19,462,240	10%	60,191,760	25%	30,729,520	15%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	8,988,100	4%	10,038,352	5%	1,050,252	1%
National Bank of Canada (R-1 Mid)	Open	6,983,100	3%	10,038,352	5%	3,055,252	2%
OMERS Realty Corporation (R-1 High)	Open	0	0%	10,038,352	5%	10,038,352	5%
CDP Financial Inc (R-1 High)	Open	0	0%	10,038,352	5%	10,038,352	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	10,038,352	5%	10,038,352	5%
Desjardins Total	Open	3,491,040	2%	10,038,352	5%	6,547,312	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	3,491,040					
Total Cash and Equivalents		187,733,524	94%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,977,794	2%	40,153,408	20%	36,175,614	18%
Money Market							
Bond Pool		3,977,794					
Provincial Government & their Guarantees		9,049,310	5%	40,153,408	20%	31,104,098	15%
Money Market		8,009,726	5%	40,153,408	20%	31,104,098	15%
Alberta		8,009,726	5%	20,076,704	10%	11,027,394	5%
Alberta		1,988,104					
Alberta Capital Finance Authority		6,021,622					
Alberta Treasury Branches							
British Columbia	0	0%	20,076,704	10%	20,076,704	10%	
Manitoba	0	0%	20,076,704	10%	20,076,704	10%	
New Brunswick	0	0%	20,076,704	10%	20,076,704	10%	
Ontario	0	0%	20,076,704	10%	20,076,704	10%	
Quebec	0	0%	20,076,704	10%	20,076,704	10%	
Quebec		0					
Financement Quebec		0					
Saskatchewan	0	0%	20,076,704	10%	20,076,704	10%	
Bond Pool		1,039,584	5%	40,153,408	20%	31,104,098	15%
Alberta		1,039,584	5%	20,076,704	10%	11,027,394	5%
Alberta							
Alberta Capital Finance Authority		1,039,584					
Alberta Treasury Branches							
British Columbia	0	0%	20,076,704	10%	20,076,704	10%	
Manitoba	0	0%	20,076,704	10%	20,076,704	10%	
New Brunswick	0	0%	20,076,704	10%	20,076,704	10%	
Ontario	0	0%	20,076,704	10%	20,076,704	10%	
Quebec	0	0%	20,076,704	10%	20,076,704	10%	
Quebec		0					
Financement Quebec		0					
Saskatchewan	0	0%	20,076,704	10%	20,076,704	10%	
Total Fixed		13,027,104	6%	40,153,408	20%	27,126,304	14%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		200,767,038					
Interest Bearing Bank Accounts - O/S Cheque Coverage		10,318,132					
Total Investments and O/S Cheques Coverage		211,085,170					

SCHEDULE E

Trust Funds
Sector Weights
Sector Weights @ March 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	305,074	9%	3,359,458	100%	3,054,384	91%
Federal Government	Open	305,074	9%				
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	1,632,799	49%	3,359,458	100%	1,724,659	51%
Total Alberta (R-1 High)	Open	0	3%	839,864	25%	702,659	21%
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	500,534	16%	839,864	25%	339,331	10%
Manitoba (R-1 Mid)	Open	48,355	1%	839,864	25%	791,509	24%
New Brunswick (R-1 Mid)	Open	0	0%	839,864	25%	839,864	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	839,864	25%	839,864	25%
Ontario (R-1 Mid)	Open	522,367	20%	839,864	25%	317,497	9%
Quebec (R-1 Mid)	Open	561,543	17%	839,864	25%	278,322	8%
Saskatchewan (R-1 High)	Open	0	0%	839,864	25%	839,864	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		839,864	25%	839,864	25%
Calgary (R-1 High)	Open	0		335,946	10%	335,946	10%
Edmonton (R-1 High)	Open	0		335,946	10%	335,946	10%
Financial Institutions & their Guarantees /Corporations	BA's Schedule A	1,277,970	38%	1,679,729	50%	401,759	12%
Canadian Banks R-1	Mid	944,585	28%	1,679,729	50%	735,144	22%
Tier 1 - Financial Institutions & their Guarantees	Open	141,108	4%	335,946	10%	194,838	6%
Bank of Montreal (R-1 High)	Open	0	3%	335,946	10%	244,475	7%
Bank of Nova Scotia (R-1 High)	Open	91,471					
Bank of Nova Scotia Effective Cash	Open	318,140	9%	335,946	10%	19,800	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	8%	335,946	10%	66,270	2%
Royal Bank (R-1 High)	Open	269,675					
Royal Bank - Effective Cash	Open	120,185	4%	335,946	10%	209,761	6%
Toronto Dominion (R-1 High)	Open	0					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	333,385	10%	839,864	25%	506,480	15%
National Bank of Canada (R-1 Mid)	Open	153,965	5%	167,973	5%	14,008	0%
OMERS Realty Corporation (R-1 High)	Open	119,619	4%	167,973	5%	48,354	1%
CDP Financial Inc (R-1 High)	Open	0	0%	167,973	5%	167,973	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	167,973	5%	167,973	5%
Desjardins Total	Open	59,801	2%	167,973	5%	108,172	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	59,801					
Total Cash and Equivalents		3,216,843	96%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	3,359,458	100%	3,359,458	100%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		137,205	4%	3,359,458	100%	3,222,253	96%
Money Market		137,205	100%	3,359,458	100%	3,222,253	96%
Alberta		137,205	4%	335,946	10%	198,741	6%
Alberta		34,056					
Alberta Capital Finance Authority		103,149					
Alberta Treasury Branches		0					
British Columbia		0	0%	335,946	10%	335,946	10%
Manitoba		0	0%	335,946	10%	335,946	10%
New Brunswick		0	0%	335,946	10%	335,946	10%
Ontario		0	0%	335,946	10%	335,946	10%
Quebec		0	0%	335,946	10%	335,946	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	335,946	10%	335,946	10%
Bond Pool		0	4%	3,359,458	100%	3,222,253	96%
Alberta		0	4%	335,946	10%	198,741	6%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	335,946	10%	335,946	10%
Manitoba		0	0%	335,946	10%	335,946	10%
New Brunswick		0	0%	335,946	10%	335,946	10%
Ontario		0	0%	335,946	10%	335,946	10%
Quebec		0	0%	335,946	10%	335,946	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	335,946	10%	335,946	10%
Total Fixed		137,205					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,359,458					

SCHEDULE D

Reserve Funds
Sector Weights
Sector Weights @ March 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	10,626,261	9%	121,809,969	100%	107,205,914	88%
Federal Government	Open	10,626,261	9%				
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	56,873,288	47%	121,809,969	100%	64,936,680	53%
Total Alberta (R-1 High)	Open	0	3%	30,452,492	25%	24,633,808	20%
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	17,434,481	15%	30,452,492	25%	13,018,011	11%
Manitoba (R-1 Mid)	Open	1,684,299	1%	30,452,492	25%	28,768,193	24%
New Brunswick (R-1 Mid)	Open	0	0%	30,452,492	25%	30,452,492	25%
New Brunswick Municipal Financa Corp (R-1 Mid)	Open	0		30,452,492	25%	30,452,492	25%
Ontario (R-1 Mid)	Open	18,194,980	19%	30,452,492	25%	12,257,512	10%
Quebec (R-1 Mid)	Open	19,559,528	16%	30,452,492	25%	10,892,964	9%
Saskatchewan (R-1 High)	Open	0	0%	30,452,492	25%	30,452,492	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		30,452,492	25%	30,452,492	25%
Calgary (R-1 High)	Open	0		12,180,997	10%	12,180,997	10%
Edmonton (R-1 High)	Open	0		12,180,997	10%	12,180,997	10%
Financial Institutions & their Guarantees /Corporations		44,513,941	37%	60,904,984	50%	16,391,043	13%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	32,901,559	27%	60,904,984	50%	28,003,425	23%
Bank of Montreal (R-1 High)	Open	4,915,028	4%	12,180,997	10%	7,265,968	6%
Bank of Nova Scotia (R-1 High)	Open	0	3%	12,180,997	10%	8,994,898	7%
Bank of Nova Scotia - Effective Cash		3,186,089					
Canadian Imperial Bank of Commerce (R-1 High)	Open	11,011,907	9%	12,180,997	10%	1,169,090	1%
Royal Bank (R-1 High)	Open	0	8%	12,180,997	10%	2,787,729	2%
Royal Bank - Effective Cash		9,393,268					
Toronto Dominion (R-1 High)	Open	4,395,258	4%	12,180,997	10%	7,785,741	6%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	11,612,382	10%	30,452,492	25%	18,840,110	15%
National Bank of Canada (R-1 Mid)	Open	5,362,859	4%	6,090,498	5%	7,27,639	1%
OMERS Realty Corporation (R-1 High)	Open	4,166,552	3%	6,090,498	5%	1,923,947	2%
CDP Financial Inc (R-1 High)	Open	0	0%	6,090,498	5%	6,090,498	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	6,090,498	5%	6,090,498	5%
Desjardins Total		2,082,971	2%	6,090,498	5%	4,007,527	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	2,082,971					
Total Cash and Equivalents		112,013,490	92%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,977,794	3%	121,809,969	100%	117,832,175	97%
Money Market		0					
Bond Pool		3,977,794					
Provincial Government & their Guarantees		5,818,684	5%	60,904,984	50%	55,086,300	45%
Money Market		4,779,100	5%	60,904,984	50%	55,086,300	45%
Alberta		4,779,100	5%	12,180,997	10%	6,362,312	5%
Alberta		1,186,226					
Alberta Capital Finance Authority		3,592,874					
Alberta Treasury Branches		0					
British Columbia		0	0%	12,180,997	10%	12,180,997	10%
Manitoba		0	0%	12,180,997	10%	12,180,997	10%
New Brunswick		0	0%	12,180,997	10%	12,180,997	10%
Ontario		0	0%	12,180,997	10%	12,180,997	10%
Quebec		0	0%	12,180,997	10%	12,180,997	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	12,180,997	10%	12,180,997	10%
Bond Pool		1,039,584	5%	60,904,984	50%	55,086,300	45%
Alberta		1,039,584	5%	12,180,997	10%	6,362,312	5%
Alberta		0					
Alberta Capital Finance Authority		1,039,584					
Alberta Treasury Branches		0					
British Columbia		0	0%	12,180,997	10%	12,180,997	10%
Manitoba		0	0%	12,180,997	10%	12,180,997	10%
New Brunswick		0	0%	12,180,997	10%	12,180,997	10%
Ontario		0	0%	12,180,997	10%	12,180,997	10%
Quebec		0	0%	12,180,997	10%	12,180,997	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	12,180,997	10%	12,180,997	10%
Total Fixed		9,796,478	8%	121,809,969	100%	112,013,490	92%
Total Investments		121,809,969					

SCHEDULE C

Capital Funds
Sector Weights
Sector Weights @ March 31, 2012

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	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%
Saskatchewan (R-1 High)	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						
	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%
Bank of Nova Scotia (R-1 High)	Open	0	0%	0	10%	0	0%
Bank of Nova Scotia - Effective Cash		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 Centrale Desjardins (R-1 High)	Open	0					
Total Investments		<u>0</u>	<u>0%</u>				

SCHEDULE B

Operating Funds
Sector Weights
Sector Weights @ March 31, 2012

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	6,878,175	9%	75,597,611	100%	68,719,436	91%
Federal Government	Open	6,878,175	9%				
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	36,812,992	49%	75,597,611	100%	38,784,619	51%
Total Alberta (R-1 High)	Open	0	0%	18,899,403	25%	18,573,804	22%
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	11,285,008	15%	18,899,403	25%	7,614,397	10%
Manitoba (R-1 Mid)	Open	1,090,215	1%	18,899,403	25%	17,809,188	24%
New Brunswick (R-1 Mid)	Open	0	0%	18,899,403	25%	18,899,403	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	18,899,403	25%	18,899,403	25%
Ontario (R-1 Mid)	Open	11,777,283	19%	18,899,403	25%	7,122,140	9%
Quebec (R-1 Mid)	Open	12,660,509	17%	18,899,403	25%	6,238,894	8%
Saskatchewan (R-1 High)	Open	0	0%	18,899,403	25%	18,899,403	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		18,899,403	25%	18,899,403	25%
Calgary (R-1 High)	Open	0		7,559,761	10%	7,559,761	10%
Edmonton (R-1 High)	Open	0		7,559,761	10%	7,559,761	10%
Financial Institutions & their Guarantees /Corporations		28,613,023	38%	37,798,806	50%	8,985,782	12%
	SA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	21,296,550	28%	37,798,806	50%	16,502,255	22%
Bank of Montreal (R-1 High)	Open	3,181,404	4%	7,559,761	10%	4,378,357	6%
Bank of Nova Scotia (R-1 High)	Open	0	3%	7,559,761	10%	5,497,460	7%
Bank of Nova Scotia - Effective Cash		2,082,301					
Canadian Imperial Bank of Commerce (R-1 High)	Open	7,127,797	8%	7,559,761	10%	431,964	1%
Royal Bank (R-1 High)	Open	0	8%	7,559,761	10%	1,479,678	2%
Royal Bank - Effective Cash		6,080,083					
Toronto Dominion (R-1 High)	Open	2,844,965	4%	7,559,761	10%	4,714,798	6%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	7,516,473	10%	18,899,403	25%	11,382,930	15%
National Bank of Canada (R-1 Mid)	Open	3,471,278	5%	3,779,881	5%	308,604	0%
OMERS Realty Corporation (R-1 High)	Open	2,699,929	4%	3,779,881	5%	1,082,951	1%
CDP Financial Inc (R-1 High)	Open	0	0%	3,779,881	5%	3,779,881	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	3,779,881	5%	3,779,881	5%
Desjardins Total		1,348,268	2%	3,779,881	5%	2,431,613	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,348,268					
Total Investments		72,504,191	96%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	15,119,522	20%	15,119,522	20%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		3,093,420	4%	15,119,522	20%	12,026,102	16%
Money Market		3,093,420	4%	15,119,522	20%	12,026,102	16%
Alberta		2,325,589	3%	7,559,761	10%	5,234,162	7%
Alberta							
Alberta Capital Finance Authority		2,325,589					
Alberta Treasury Branches							
British Columbia		0	0%	7,559,761	10%	7,559,761	10%
Manitoba		0	0%	7,559,761	10%	7,559,761	10%
New Brunswick		0	0%	7,559,761	10%	7,559,761	10%
Ontario		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	7,559,761	10%	7,559,761	10%
Bond Pool		0	4%	15,119,522	20%	12,026,102	16%
Alberta		0	3%	7,559,761	10%	5,234,162	7%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	7,559,761	10%	7,559,761	10%
Manitoba		0	0%	7,559,761	10%	7,559,761	10%
New Brunswick		0	0%	7,559,761	10%	7,559,761	10%
Ontario		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	7,559,761	10%	7,559,761	10%
Total Fixed		3,093,420	4%	15,119,522	20%	12,026,102	16%
Total Investments		75,597,611					
Interest Bearing Bank Accounts - O/S Cheque Coverage		10,318,132					
Total Investments and O/S Cheques Coverage		85,915,743					



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

Audit and Finance Standing Committee
June 20, 2012

TO: Councillor Russell Walker, Chair, and Members of the Audit and Finance Standing Committee

Original Signed

SUBMITTED BY: _____
Greg Keefe, Acting Director of Finance and Treasurer / CFO

DATE: June 12, 2012

SUBJECT: Investment Activities – Quarter Ending March 31, 2012

RECOMMENDATION REPORT

ORIGIN

Quarterly report of investment performance and adherence to approved Investment 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 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 March 31, 2012 has been reviewed by the Committee. A report from the Committee on staff's compliance with the objectives of the HRM Investment Policy has also been sent to the Audit and Finance Committee for the June 20 meeting.

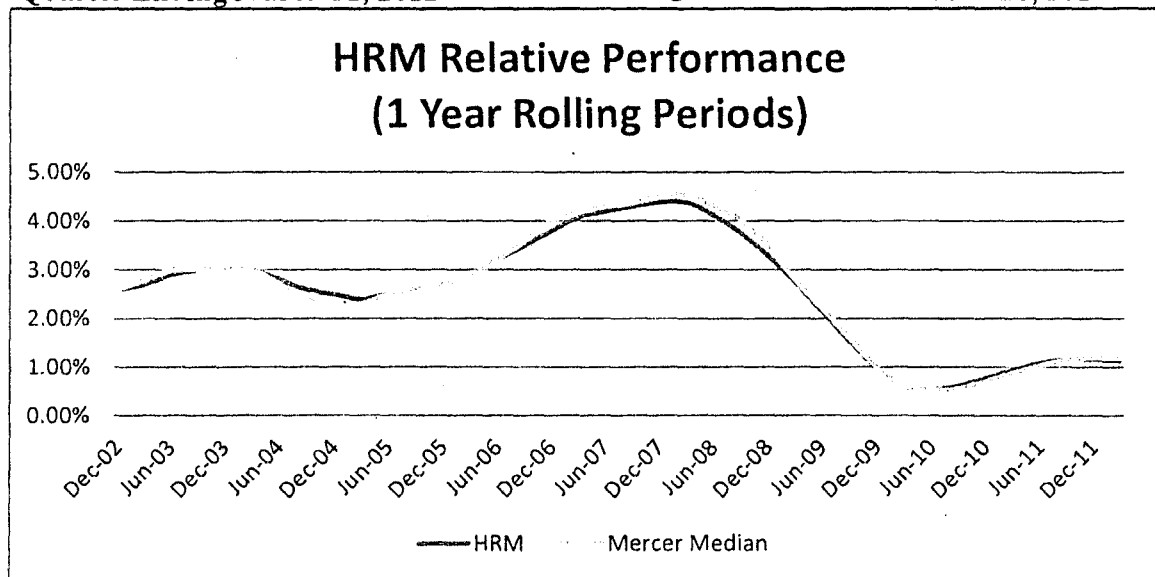
DISCUSSION

HRM Investment Activities

HRM Money Market investment performance is summarized below in comparison with the Mercer Investment Consulting Survey of Canadian Institutional Pooled Funds for periods ending March 31, 2012:

Money Market Funds	3 Months (to March 31, 2012)	1 Year (to March 31, 2012)
5 th Percentile	.35%	1.46%
1 st Quartile	.29%	1.21%
Mercer Median	.28%	1.18%
3 rd Quartile	.24%	1.04%
95 th Percentile	.21%	.97%
Dec 91 Day T-Bills	.22%	.94%
HRM	.27%	1.14%

HRM relative performance was below Median in both the 3 month and 1 year time frames before allowing for fees that would have been paid to an external management firm. After an allowance for fees, relative performance would meet the Investment Policy target. Staff believes that the relative performance differential may have been a result of the consistently flat Money Market yield curve that was in place for most of the year which would support relative outperformance of portfolios with greater credit risk over those that are more credit risk constrained as is the HRM portfolio. The graph below provides a longer term perspective on relative performance.

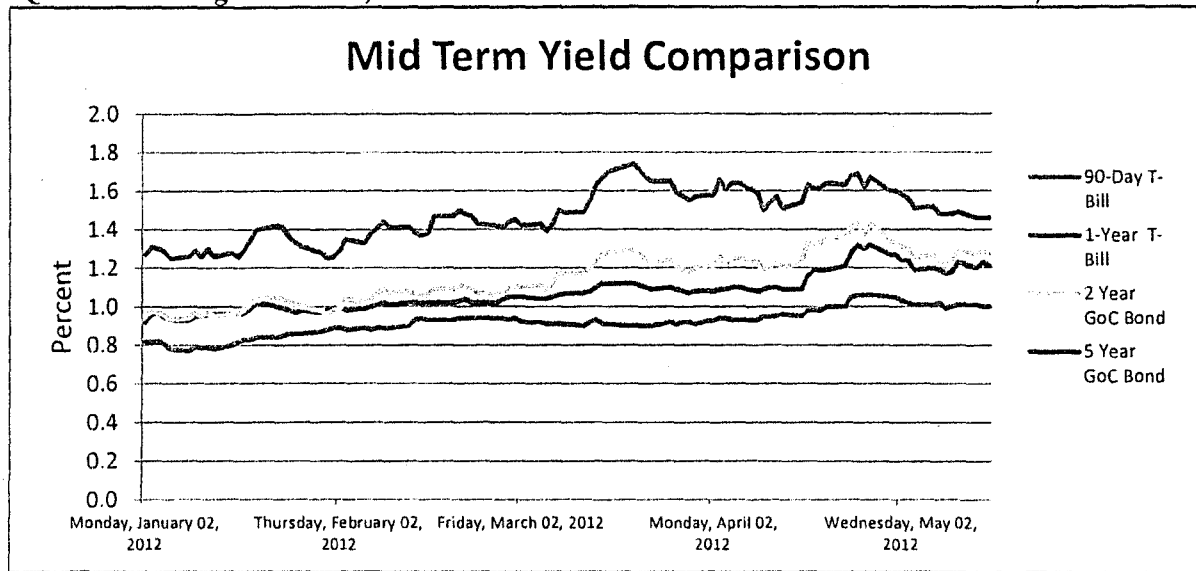


The 4th Quarter saw 38 money market investments made at a cost of \$138,167,000 with an average term to maturity of 126 days. This compares to last year's 4th Quarter of 6 investments made at a cost of \$14,000,000 with an average term of 143 days. That Quarter had a particularly low level of activity as attractive rates in the previous Quarter led staff to lock in longer terms reducing the rollover of investments. In the 4th Quarter, better than expected cash flows as well as an emphasis on covering cash flow needs in the two to three month area resulted in somewhat above average investment activity levels. When rates were attractive some longer term Provincial investments were made. The bank account continued to provide an attractive rate of interest relative to other short term Financial Institution instruments and was used extensively. It should be noted that HRM transitioned from Royal Bank to Scotiabank during the 4th Quarter as a result of an RFP in 2011. The Scotiabank accounts became active in late March / early April. The interest rate offered on the HRM bank account is going up as a result of the RFP.

Operating Fund Investment Income for the fiscal year was \$1,490,602 (subject to yearend adjustments) verses a budget of \$1,435,000. This modest positive variance was solely due to much better than anticipated cash flows as the rate of return was 1.14% versus a budgeted rate of 1.75%.

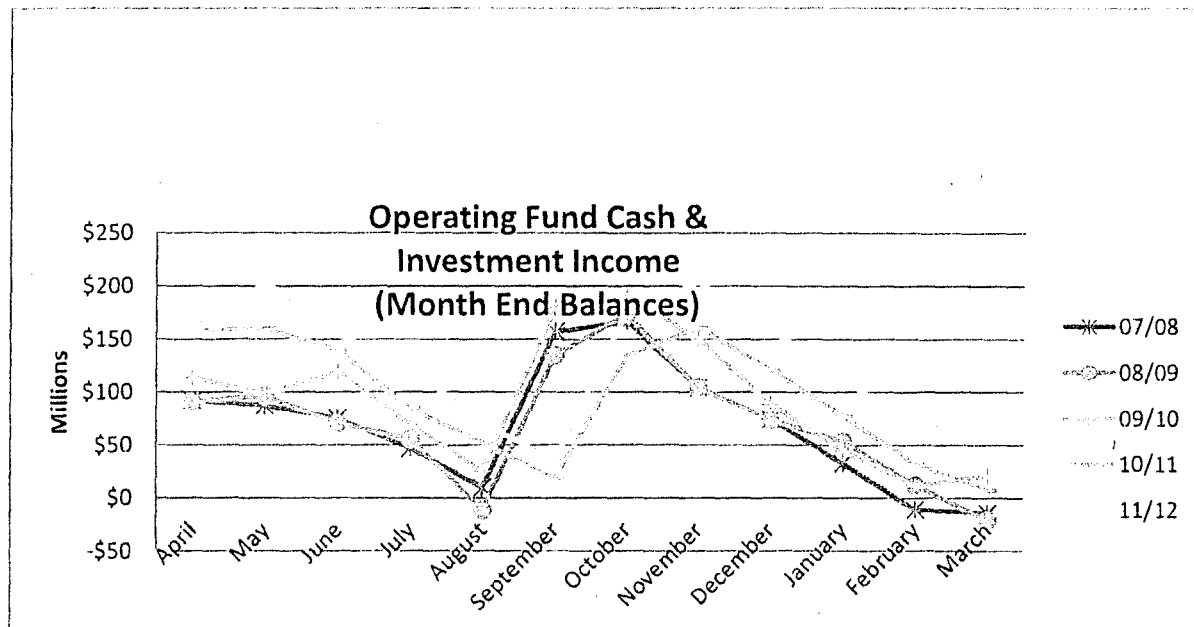
HRM Short Term Bond Pool

The Short Term Bond Pool holds bonds to a maximum term to maturity of approximately five years. The \$5,000,000 of bonds currently held have yields ranging from 2.21% to 3.07%. These bonds are guaranteed by either the Government of Canada or highly rated Provinces. There were no additions to the Bond Pool during the 4th Quarter. Staff continues to look for opportunities to add to the Bond Pool with the ever changing outlook for future interest rates over a potential five year holding period a key consideration.



Cash Flows

As alluded to above and as shown in the graph below, Operating Fund cash flows have been consistently above the levels of the previous year and dramatically so at yearend. Staff continues to believe that the principal reason for this is less bridge financing being provided by the Operating Fund to the Capital Fund as a result of lower capital expenditures.



The average level for the bank account for the Quarter was 94.3% of the maximum allowed under the Investment Policy.

The HRM bank account balance exceeded the Investment Policy limits for nine days during the Quarter. The amounts ranged from \$126,000 to \$8,000,000 and generally investments were made the next day after each occurrence to bring the bank balance back to within the Investment Policy limits. While there were other contributing factors, the unusually high number of instances this Quarter were as a result of the dedication of staff resources to the bank transition project. Each of these occurrences was discussed with the Investment Policy Advisory Committee and they concurred with staff that these temporary variances from Policy did not create any material increase in risk to the portfolio.

Subsequent to End of Reporting Quarter

An excess supply of Government product in the short end of the Money Market yield curve in late April resulted in an unusual market condition where Government instruments were trading at very close to the same levels as Financial Institution instruments versus the typical 10 basis point discount. Staff took advantage of this temporary phenomena to use Government instruments to cover some shorter cash needs that would normally be covered using Non-Government instruments. This also allowed for preservation of the more limited Non-Government Sector Weight allocations under the Investment Policy for more normal times. This also coincided with a run up in interest rates that occurred after the Bank of Canada suggested at their April 17 meeting that rates may be rising sooner than the market had been expecting. Staff took advantage of this by allocating roughly 40% of cash inflows from the April property tax billing to Government instruments near the one year term. As a result of implementing these strategies the portfolio was skewed more than usual towards the Government sector.

While the Organization for Economic Cooperation and Development recommended in late May that Canada raise rates by 1.25% beginning in the Fall, the market began to lose its enthusiasm for rate increases as concerns over Europe again came to dominate market sentiment. The disclosure of a potential \$2 to \$5 billion portfolio loss at JPMorgan related to poor risk controls again brought to the forefront the complexity of large financial institutions. They had been a vocal opponent of many proposed changes to financial regulations in the U.S. so this misstep may figure prominently in the upcoming political season. It should also serve as a cautionary tale for Canadian banks and their investors as JPMorgan had been regarded as one of the best run financial institutions in the world.

Outlook & Strategy

The dominant issue affecting markets continues to be the European situation which seems to change constantly but also remain the same. New governments, or in the case of Greece no government, face the same problems of too much debt. The political will for austerity seems to be waning in many countries. The financial contagion risks of a run on banks in a number of countries seems to be growing.

The U.S. election campaign will soon vie for headlines. Another debt ceiling anticipated to be reached in the summer will provide a fresh opportunity for fragile market confidence to be undermined. While a flight to relative quality continues to support the U.S. dollar and their bond market there may yet be a day of reckoning for the U.S. fiscal situation. In these uncertain times staff will continue to lock in longer term with Government investments when rates are relatively attractive and cover shorter term cash flow needs when these rates are less appealing.

BUDGET IMPLICATIONS

As previously discussed in this report, Operating Fund Investment Income for the fiscal year was \$1,490,602 versus a budget of \$1,435,000 with all of this positive variance due to better than anticipated cash flows.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

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 staff's 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.

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules at March 31, 2012 (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/cc.html> 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 : Derek Tynski, BA CMA, Deputy Treasurer, 490-6471

Economic Statistics

	Canada	US
Unemployment Rate	Jan 7.6% Feb 7.4%, Mar 7.2%	Jan 8.3% Feb 8.3%, Mar 8.2%
Jobs Created / (Lost) ('000's)	Jan 2.3, Feb -2.8, Mar 82.3	Jan 284, Feb 259, Mar 154
CPI (year over year)	Jan 2.5% Feb 2.6% Mar 1.9%	Jan 2.9% Feb 2.9% Mar 2.7%
CPI-X (Core) (year over year)	Jan 1.6% Feb 2.3%, Mar 1.9%	Jan 2.3% Feb 2.2% Mar 2.3%
Q1 GDP	N/A	2.2%

Central Bank Activities

- January 17 Bank of Canada Maintains overnight rate at 1.0%
- January 25 U.S. Federal Open Market Committee maintains Target Range of 0% to .25%
- March 8 Bank of Canada Maintains overnight rate at 1.0%
- March 13 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

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 and Lands Corporation

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.

Sector Weights @ March 31, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	17,809,510	9%	200,767,038	100%	178,879,734	89%
Federal Government	Open	17,809,510	9%				
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	95,318,080	47%	200,767,038	100%	105,447,958	53%
Total Alberta (R-1 High)	Open	0	5%	50,191,760	25%	41,142,450	20%
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	29,220,021	15%	50,191,760	25%	20,971,739	10%
Manitoba (R-1 Mid)	Open	2,822,859	1%	50,191,760	25%	47,368,991	24%
New Brunswick (R-1 Mid)	Open	0	0%	50,191,760	25%	50,191,760	25%
Ontario (R-1 Mid)	Open	30,494,610	15%	50,191,760	25%	19,897,150	10%
Quebec (R-1 Mid)	Open	32,781,580	16%	50,191,760	25%	17,410,180	9%
Quebec		0					
Financement Quebec		23,857,120					
Hydro Quebec		8,924,460					
Saskatchewan (R-1 High)	Open	0	0%	50,191,760	25%	50,191,760	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		50,191,760	25%	50,191,760	25%
Calgary (R-1 High)	Open			20,076,704	10%	20,076,704	10%
Edmonton (R-1 High)	Open			20,076,704	10%	20,076,704	10%
Financial Institutions & their Guarantees /Corporations		74,604,934	37%	100,383,518	50%	25,778,585	13%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	55,142,894	27%	100,383,518	50%	45,240,825	23%
Bank of Montreal (R-1 High)	Open	8,237,540	4%	20,076,704	10%	11,839,161	6%
Bank of Nova Scotia (R-1 High)	Open	0	3%	20,076,704	10%	14,736,833	7%
Bank of Nova Scotia - Effective Cash		5,339,871					
Canadian Imperial Bank of Commerce (R-1 High)	Open	18,455,850	9%	20,076,704	10%	1,620,854	1%
Royal Bank (R-1 High)	Open	0	8%	20,076,704	10%	4,333,678	2%
Royal Bank - Effective Cash		15,743,026					
Toronto Dominion (R-1 High)	Open	7,366,407	4%	20,076,704	10%	12,710,297	6%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	19,462,240	10%	50,191,760	25%	30,729,520	15%
National Bank of Canada (R-1 Mid)	Open	8,988,100	4%	10,038,352	5%	1,050,252	1%
QMERS Realty Corporation (R-1 High)	Open	6,983,100	3%	10,038,352	5%	3,055,252	2%
CDP Financial Inc (R-1 High)	Open	0	0%	10,038,352	5%	10,038,352	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	10,038,352	5%	10,038,352	5%
Desjardins Total		3,491,040	2%	10,038,352	5%	6,547,312	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	3,491,040					
Total Cash and Equivalents		187,733,524	94%				
FIXED (Bonds, etc. over one year)							
Federal Government*		3,977,794	2%	40,153,408	20%	36,175,614	18%
Money Market							
Bond Pool		3,977,794					
Provincial Government & their Guarantees		9,049,310	5%	40,153,408	20%	31,104,098	15%
Money Market		8,009,726	5%	40,153,408	20%	31,104,098	15%
Alberta		8,009,726	5%	20,076,704	10%	11,027,394	5%
Alberta		1,988,104					
Alberta Capital Finance Authority		8,021,622					
Alberta Treasury Branches							
British Columbia		0	0%	20,076,704	10%	20,076,704	10%
Manitoba		0	0%	20,076,704	10%	20,076,704	10%
New Brunswick		0	0%	20,076,704	10%	20,076,704	10%
Ontario		0	0%	20,076,704	10%	20,076,704	10%
Quebec		0	0%	20,076,704	10%	20,076,704	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	20,076,704	10%	20,076,704	10%
Bond Pool		1,039,584	5%	40,153,408	20%	31,104,098	15%
Alberta		1,039,584	5%	20,076,704	10%	11,027,394	5%
Alberta							
Alberta Capital Finance Authority		1,039,584					
Alberta Treasury Branches							
British Columbia		0	0%	20,076,704	10%	20,076,704	10%
Manitoba		0	0%	20,076,704	10%	20,076,704	10%
New Brunswick		0	0%	20,076,704	10%	20,076,704	10%
Ontario		0	0%	20,076,704	10%	20,076,704	10%
Quebec		0	0%	20,076,704	10%	20,076,704	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	20,076,704	10%	20,076,704	10%
Total Fixed		13,027,104	6%	40,153,408	20%	27,126,304	14%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		200,767,038					
Interest Bearing Bank Accounts - O/S Cheque Coverage		10,318,132					
Total Investments and O/S Cheques Coverage		211,085,170					

Operating Funds
Sector Weights
Sector Weights @ March 31, 2012

SCHEDULE B

Category	Status	Cumulative Annual Invested Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	6,878,175	9%	75,597,611	100%	68,719,436	91%
Federal Government	Open	6,878,175	9%				
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	36,812,992	49%	75,597,611	100%	38,784,619	51%
Total Alberta (R-1 High)	Open	0	0%	18,899,403	25%	16,573,804	22%
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	11,285,006	15%	18,899,403	25%	7,614,307	10%
Manitoba (R-1 Mid)	Open	1,090,215	1%	18,899,403	25%	17,809,188	24%
New Brunswick (R-1 Mid)	Open	0	0%	18,899,403	25%	18,899,403	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0					
Ontario (R-1 Mid)	Open	11,777,263	16%	18,899,403	25%	7,122,140	9%
Quebec (R-1 Mid)	Open	12,660,509	17%	18,899,403	25%	6,278,894	8%
Saskatchewan (R-1 High)	Open	0	0%	18,899,403	25%	18,899,403	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		18,899,403	25%	18,899,403	25%
Calgary (R-1 High)	Open	0		7,559,761	10%	7,559,761	10%
Edmonton (R-1 High)	Open	0		7,559,761	10%	7,559,761	10%
Financial Institutions & their Guarantees /Corporations		28,813,023	38%	37,798,806	50%	8,085,782	12%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	21,296,550	28%	37,798,806	50%	16,802,266	22%
Bank of Montreal (R-1 High)	Open	3,181,404	4%	7,559,761	10%	4,378,357	6%
Bank of Nova Scotia (R-1 High)	Open	0	3%	7,559,761	10%	5,497,480	7%
Bank of Nova Scotia - Effective Cash		2,002,301					
Canadian Imperial Bank of Commerce (R-1 High)	Open	7,127,787	9%	7,559,761	10%	431,984	1%
Royal Bank (R-1 High)	Open	0	8%	7,559,761	10%	1,470,878	2%
Royal Bank - Effective Cash		6,080,083					
Toronto Dominion (R-1 High)	Open	2,844,685	4%	7,559,761	10%	4,714,708	6%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	7,516,473	10%	18,899,403	25%	11,382,930	15%
National Bank of Canada (R-1 Mid)	Open	3,471,276	5%	3,779,881	5%	308,604	0%
OMERS Realty Corporation (R-1 High)	Open	2,696,029	4%	3,779,881	5%	1,082,051	1%
COP Financial Inc (R-1 High)	Open	0	0%	3,779,881	5%	3,779,881	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	3,779,881	5%	3,779,881	5%
Desjardins Total		1,348,268	2%	3,779,881	5%	2,431,613	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,348,268					
Total Investments		72,804,191	96%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	15,119,522	20%	15,119,522	20%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		3,093,420	4%	15,119,522	20%	12,026,102	16%
Money Market		3,093,420	4%	15,119,522	20%	12,026,102	16%
Alberta		2,325,509	3%	7,559,761	10%	5,234,162	7%
Alberta							
Alberta Capital Finance Authority		2,325,509					
Alberta Treasury Branches		0					
British Columbia		0	0%	7,559,761	10%	7,559,761	10%
Manitoba		0	0%	7,559,761	10%	7,559,761	10%
New Brunswick		0	0%	7,559,761	10%	7,559,761	10%
Ontario		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	7,559,761	10%	7,559,761	10%
Bond Pool		0	4%	15,119,522	20%	12,026,102	16%
Alberta		0	3%	7,559,761	10%	5,234,162	7%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	7,559,761	10%	7,559,761	10%
Manitoba		0	0%	7,559,761	10%	7,559,761	10%
New Brunswick		0	0%	7,559,761	10%	7,559,761	10%
Ontario		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0	0%	7,559,761	10%	7,559,761	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	7,559,761	10%	7,559,761	10%
Total Fixed		3,093,420	4%	15,119,522	20%	12,026,102	16%
Total Investments		75,597,611					
Interest Bearing Bank Accounts - O/S Cheque Coverage		10,318,132					
Total Investments and O/S Cheques Coverage		85,915,743					

SCHEDULE C

Capital Funds
Sector Weights
Sector Weights @ March 31, 2012

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	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%
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%
Edmonton (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%
Bank of Nova Scotia (R-1 High)	Open	0	0%	0	10%	0	0%
Bank of Nova Scotia Effective Cash		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 Investments		0	0%				

SCHEDULE D

Reserve Funds
Sector Weights
Sector Weights @ March 31, 2012

Category	Status	Cumulative Amount Invested @ Risk Value	%	Guideline Limit %	Limit Available %
CASH & EQUIVALENTS					
Federal Government & its Guarantees	Open	10,626,261	3%	121,809,969	100%
Federal Government	Open	10,626,261	3%		
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	56,873,288	47%	121,809,969	100%
Total Alberta (R-1 High)	Open	0	3%	30,452,492	25%
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	17,434,481	15%	30,452,492	25%
Manitoba (R-1 Mid)	Open	1,684,299	1%	30,452,492	25%
New Brunswick (R-1 Mid)	Open	0	0%	30,452,492	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	30,452,492	25%
Ontario (R-1 Mid)	Open	18,194,980	19%	30,452,492	25%
Quebec (R-1 Mid)	Open	19,559,528	16%	30,452,492	25%
Saskatchewan (R-1 High)	Open	0	0%	30,452,492	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		30,452,492	25%
Calgary (R-1 High)	Open	0		12,180,997	10%
Edmonton (R-1 High)	Open	0		12,180,997	10%
Financial Institutions & their Guarantees /Corporations		44,513,941	37%	60,904,984	50%
BA & Schedule A					
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	32,901,569	27%	60,904,984	50%
Bank of Montreal (R-1 High)	Open	4,915,028	4%	12,180,997	10%
Bank of Nova Scotia (R-1 High)	Open	0	3%	12,180,997	10%
Bank of Nova Scotia - Effective Cash	Open	3,188,009			
Canadian Imperial Bank of Commerce (R-1 High)	Open	11,011,507	9%	12,180,997	10%
Royal Bank (R-1 High)	Open	0	8%	12,180,997	10%
Royal Bank - Effective Cash	Open	9,393,268			
Toronto Dominion (R-1 High)	Open	4,395,258	4%	12,180,997	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	11,612,382	10%	30,452,492	25%
National Bank of Canada (R-1 Mid)	Open	5,362,859	4%	6,090,498	5%
OTHERS Realty Corporation (R-1 High)	Open	4,166,552	3%	6,090,498	5%
CDP Financial Inc (R-1 High)	Open	0	0%	6,090,498	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	6,090,498	5%
Desjardins Total	Open	2,082,971	2%	6,090,498	5%
Desjardins Group (R-1 High)	Open	0			
Coisse Centrale Desjardins (R-1 High)	Open	2,082,971			
Total Cash and Equivalents		112,013,490	92%		
FIXED (Bonds, etc over one year)					
Federal Government		3,977,794	3%	121,809,969	100%
Money Market		0			
Bond Pool		3,977,794			
Provincial Government & their Guarantees		5,818,684	5%	60,904,984	50%
Money Market		4,779,100	5%	60,904,984	50%
Alberta		4,779,100	5%	12,180,997	10%
Alberta Capital Finance Authority		1,186,226			
Alberta Treasury Branches		3,592,874			
British Columbia		0	0%	12,180,997	10%
Manitoba		0	0%	12,180,997	10%
New Brunswick		0	0%	12,180,997	10%
Ontario		0	0%	12,180,997	10%
Quebec		0	0%	12,180,997	10%
Quebec		0			
Financement Quebec		0			
Saskatchewan		0	0%	12,180,997	10%
Bond Pool		1,039,584	5%	60,904,984	50%
Alberta		1,039,584	5%	12,180,997	10%
Alberta Capital Finance Authority		0			
Alberta Treasury Branches		1,039,584			
British Columbia		0	0%	12,180,997	10%
Manitoba		0	0%	12,180,997	10%
New Brunswick		0	0%	12,180,997	10%
Ontario		0	0%	12,180,997	10%
Quebec		0	0%	12,180,997	10%
Quebec		0			
Financement Quebec		0			
Saskatchewan		0	0%	12,180,997	10%
Total Fixed		9,796,478	8%	121,809,969	100%
Total Investments		121,809,969			

SCHEDULE E

Trust Funds
Sector Weights
Sector Weights @ March 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	305,074	9%	3,359,458	100%	3,064,384	91%
Federal Government	Open	305,074	9%				
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	1,632,799	49%	3,359,458	100%	1,726,658	51%
Total Alberta (R-1 High)	Open	0	3%	839,864	25%	702,659	21%
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	500,534	16%	839,864	25%	339,331	10%
Manitoba (R-1 Mid)	Open	49,355	1%	839,864	25%	791,509	24%
New Brunswick (R-1 Mid)	Open	0	0%	839,864	25%	839,864	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	839,864	25%	839,864	25%
Ontario (R-1 Mid)	Open	522,307	20%	839,864	25%	317,197	9%
Quebec (R-1 Mid)	Open	551,543	17%	839,864	25%	278,322	8%
Saskatchewan (R-1 High)	Open	0	0%	839,864	25%	839,864	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		839,864	25%	839,864	25%
Calgary (R-1 High)	Open	0		335,946	10%	335,946	10%
Edmonton (R-1 High)	Open	0		335,946	10%	335,946	10%
Financial Institutions & their Guarantees /Corporations		1,277,970	38%	1,679,729	50%	401,759	12%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	944,686	28%	1,679,729	50%	735,144	22%
Bank of Montreal (R-1 High)	Open	141,108	4%	335,946	10%	194,838	6%
Bank of Nova Scotia (R-1 High)	Open	0	3%	335,946	10%	244,475	7%
Bank of Nova Scotia - Effective Cash		91,471					
Canadian Imperial Bank of Commerce (R-1 High)	Open	316,148	9%	335,946	10%	19,800	1%
Royal Bank (R-1 High)	Open	0	8%	335,946	10%	60,270	2%
Royal Bank - Effective Cash		269,875					
Toronto Dominion (R-1 High)	Open	126,185	4%	335,946	10%	209,761	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	333,285	10%	839,864	25%	506,480	15%
National Bank of Canada (R-1 Mid)	Open	153,955	5%	167,873	5%	14,008	3%
OMERS Realty Corporation (R-1 High)	Open	119,619	4%	167,873	5%	48,354	1%
CDP Financial Inc (R-1 High)	Open	0	0%	167,873	5%	167,873	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	167,873	5%	167,873	5%
Desjardins Total		59,801	2%	167,873	5%	108,172	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	59,801					
Total Cash and Equivalents		3,216,643	90%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	3,359,458	100%	3,359,458	100%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		137,205	4%	3,359,458	100%	3,222,253	96%
Money Market		137,205	100%	3,359,458	100%	3,222,253	96%
Alberta		137,205	4%	335,946	10%	198,741	6%
Alberta		34,056					
Alberta Capital Finance Authority		103,149					
Alberta Treasury Branches		0					
British Columbia		0	0%	335,946	10%	335,946	10%
Manitoba		0	0%	335,946	10%	335,946	10%
New Brunswick		0	0%	335,946	10%	335,946	10%
Ontario		0	0%	335,946	10%	335,946	10%
Quebec		0	0%	335,946	10%	335,946	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	335,946	10%	335,946	10%
Bond Pool		0	4%	3,359,458	100%	3,222,253	96%
Alberta		0	4%	335,946	10%	198,741	6%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	335,946	10%	335,946	10%
Manitoba		0	0%	335,946	10%	335,946	10%
New Brunswick		0	0%	335,946	10%	335,946	10%
Ontario		0	0%	335,946	10%	335,946	10%
Quebec		0	0%	335,946	10%	335,946	10%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	335,946	10%	335,946	10%
Total Fixed		137,205					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,359,458					

