


**Item No. 3**  
**Halifax Regional Council**  
**November 13, 2012**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original signed

**SUBMITTED BY:**  Councillor Russell Walker, Chair, Audit and Finance Standing Committee

**DATE:** October 22, 2012

**SUBJECT:** Reports from Investment Policy Advisory Committee

### INFORMATION REPORT

#### ORIGIN

Reports from the Investment Policy Advisory Committee were received by the Audit and Finance Standing Committee at their October 17, 2012 meeting.

#### BACKGROUND

The investment policy calls for quarterly reporting by the Treasurer to Council and the Investment Policy Advisory Committee. Additional reports regarding the Investment Policy from the Director of finance are also included. The three attached reports:

- Staff report on Investment Activities for the Quarter ending June 30, 2012; report dated October 3, 2012.
- Report on Staff's Compliance with the Investment Policy; report dated September 27, 2012.
- Annual review of the Investment Policy; report dated October 3, 2012.

**DISCUSSION**

The October 3, 2012, Staff report on Investment Activities for the Quarter ending June 30, 2012; the September 27, 2012, Report on Staff's Compliance with the Investment Policy; and the October 3, 2012, Annual review of the Investment Policy were reviewed and approved by the Audit and Finance Standing Committee on October 17, 2012. A motion was passed on October 17, 2012 for the Audit and Finance Standing Committee to forward the reports, as presented, to Regional Council as an Information Item.

**BUDGET IMPLICATIONS**

None associated with 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**

N/A as this report is for information purposes only.

**ATTACHMENTS**

1. Staff report on Investment Activities for the Quarter ending June 30, 2012; report dated October 3, 2012.
2. Report on Staff's Compliance with the Investment Policy; report dated September 27, 2012.
3. Annual review of the Investment Policy; report dated October 3, 2012.

---

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 : Matt Godwin, Legislative Assistant, 490-6521.

---



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

**Audit and Finance Standing Committee  
October 17, 2012**

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

Original signed

**SUBMITTED BY:** \_\_\_\_\_  
Greg Keefe, Director of Finance and ICT / CFO

**DATE:** October 3, 2012

**SUBJECT:** Investment Activities – Quarter Ending June 30, 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 June 30, 2012 has been reviewed by the Committee. A report from the Committee on staff's compliance with the HRM Investment Policy has also been sent to the Audit and Finance Committee for the October 17 meeting.

**DISCUSSION**

**HRM Investment Activities**

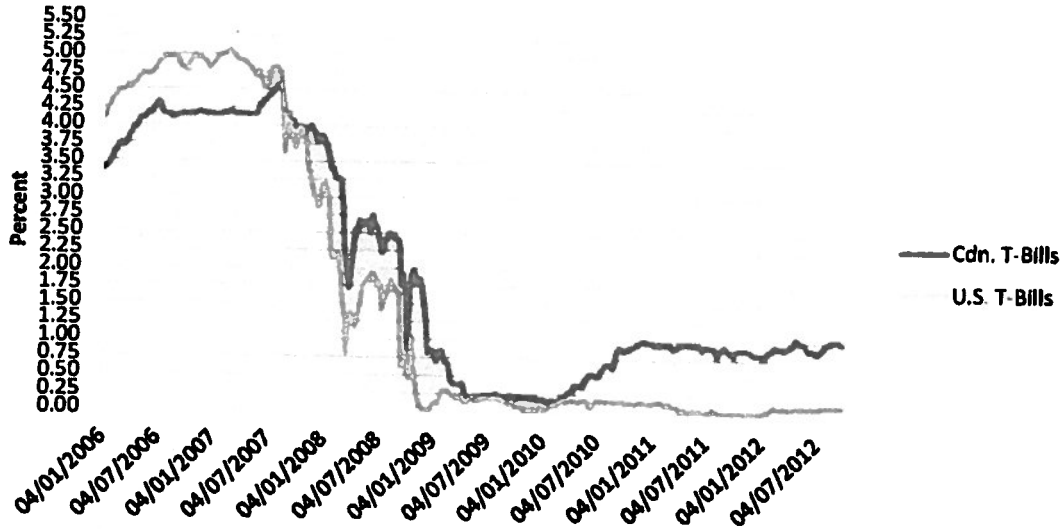
HRM Money Market investment performance is summarized below in comparison with the Mercer Investment Consulting Survey of Canadian Institutional Pooled Funds for periods ending June 30, 2012:

Money Market Funds	3 Months (to June 30, 2012)	6 Months (to June 30, 2012)	1 Year (to June 30, 2012)
5 <sup>th</sup> Percentile	0.37%	0.72%	1.44%
1 <sup>st</sup> Quartile	0.30%	0.59%	1.19%
Mercer Median	0.29%	0.58%	1.17%
3 <sup>rd</sup> Quartile	0.27%	0.52%	1.04%
95 <sup>th</sup> Percentile	0.24%	0.46%	0.95%
Dec 91 Day T-Bills	0.27%	0.49%	0.96%
<b>HRM</b>	<b>0.29%</b>	<b>0.56%</b>	<b>1.14%</b>

HRM relative performance was at median for the reporting Quarter while somewhat below median for the 6 month and 1 year time frames on a before fee basis. After allowing for fees that would have been paid to an external management firm HRM performance would have exceeded median in all reported timeframes. The very high quality of the HRM investment portfolio was maintained.

On a historical basis interest rates in Canada have been persistently low resulting in disappointing rates of return and investment income. However by comparison, as evidenced by the graph below, the recovery in Canadian rates has been stellar when compared to the U.S. The differences are even more striking when the various additional U.S. non-conventional monetary policy stimulus measures discussed briefly later in this report are taken into consideration.

### 3 Month T-Bill Comparison

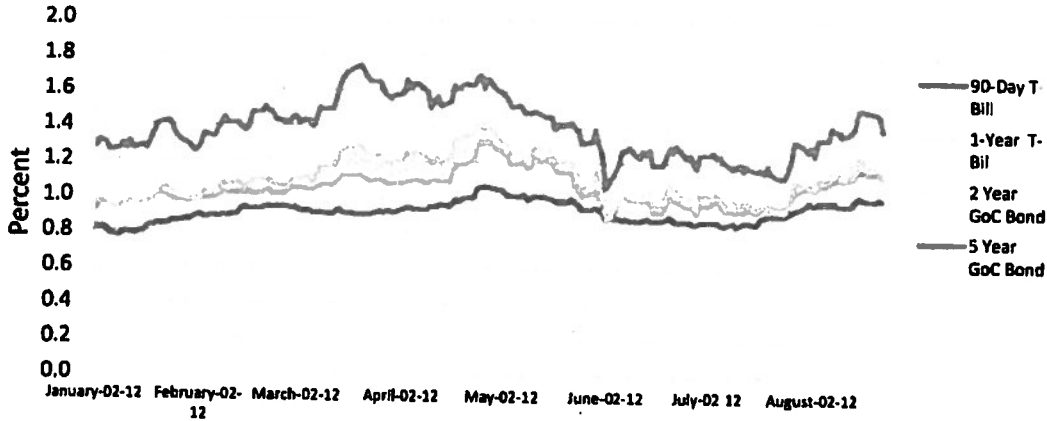


The Quarter saw 85 money market investments made at a cost of \$338,075,536 with an average term to maturity of 141 days. This compares to last year's 1st Quarter of 86 investments made at a cost of \$370,594,000 with an average term of 83 days. The longer term to maturity this year was as a result of staff locking in relatively attractive rates early in the Quarter with Government instruments near the one year term as the market speculated that rates may be rising in Canada earlier than was previously anticipated. Other funds were placed to cover shorter term cash requirements. The bank account continued to provide an attractive rate of interest relative to other short term Financial Institution instruments and was used extensively.

#### 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 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.

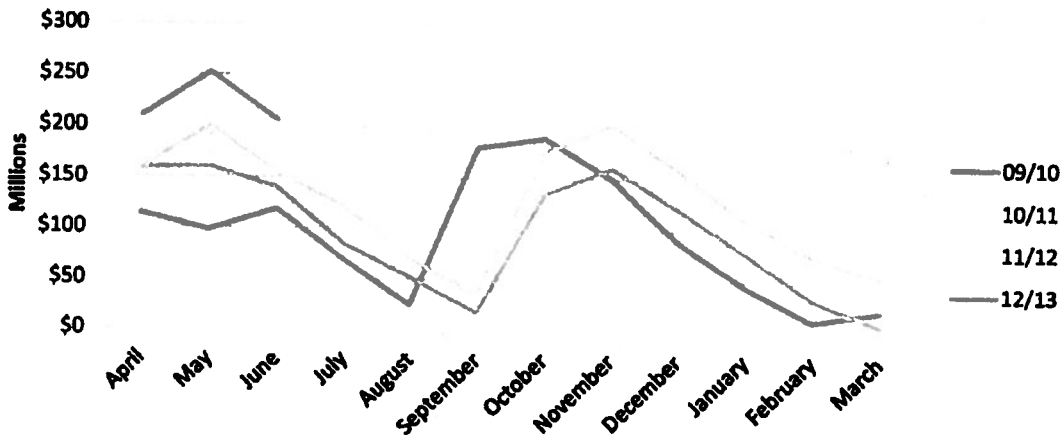
### Mid Term Yield Comparison



### Cash Flows

Operating Fund cash flows continue to show strength versus previous years. Contributing factors are less bridge financing for the Capital Fund, an Operating surplus in the previous fiscal year and payment of Federal disaster assistance for Hurricane Juan and White Juan.

### Operating Fund Cash & Investment Income (Month End Balances)



The Sector Weight guidelines for the HRM banker were exceeded for a two day period during the Quarter. These instances were reviewed in detail with the Investment Committee and they agreed with staff's assessment that this temporary variance did not constitute a significant increase in risk to the portfolio.

The average level for the bank account for the Quarter was 93% of the maximum allowable under the Investment Policy.

Subsequent to End of Reporting Quarter

HRM entered into an agreement with Scotiabank to open a 'Notice Account'. This is a new product from Scotiabank that takes into consideration the new Basil III capital rules and offers a higher interest rate on balances held in this account in return for HRM agreeing to provide 30 days notice prior to withdrawing these funds. This account is part of the exposure to Scotiabank under the Sector Weight provisions of the Investment Policy and therefore reduces the amount of funds that can be held in the HRM operating bank accounts with Scotiabank. As a result of these reduced balances greater care will be required in managing HRM's liquidity position. It may also test the reliability of the cash flow forecast. Should staff be too aggressive in the amount put in the Notice Account and the total portfolio shrinks abruptly the entire allocation to Scotiabank could be used by the amount of funds on hold for 30 days. Although not anticipated, should this situation occur staff would likely sell investments to meet liquidity requirements rather than incur interest charges. This assumes that investments that meet our sale criteria are available which in the current interest rate environment would certainly be the case.

The Parti Quebecois unseated the Liberal Party in the September 4 Quebec provincial election but with a minority government and a relatively low share of the vote. At least in the short term there does not appear to be any risk of a renewed referendum that might rile financial markets. Staff were advised that after the election Quebec provincial bond spreads compared to Ontario actually contracted as markets showed relief over the minority status. Earlier in the summer staff added to the length of the term of Quebec exposure with a Floating Rate Note maturing December 2013. At this point staff certainly have no concerns with regards to investing in Quebec as even in the unlikely future event of separation a sovereign Quebec would require access to capital markets so any risk of default would be extremely low. However yields could be dramatically altered. Staff will continue to monitor the situation.

The European Central Bank announced its much anticipated bond buying program on September 6. It had immediate positive impacts on the yields of the needy countries and on most equity markets. On September 12 a German court ruled favourably on the constitutionality of the European Stability Mechanism. Should this ruling had gone the other way much of the repair work to the European financial structure may have been undone.

In a case of 'bad is good' weaker than expected job numbers in the U.S. announced September 7 failed to reverse the equity rally, at least in the short term, as it was seen as raising the odds of another round of Quantitative Easing (QE3) by the U.S. Federal Reserve sooner rather than later. Reported on the same day, Canada saw better than expected headline job growth but the details were weak with most of the jobs being part-time. Earlier in the week the Bank of Canada announced rates on hold again and maintained a very weak tightening bias with the statement that "some modest withdrawal of the present considerable monetary policy stimulus may become appropriate, consistent with achieving the 2% inflation target over the medium term".

The U.S Federal Reserve delivered on QE3 in a big way September 13 committing to buy \$40 billion of agency mortgage-backed securities a month indefinitely. It continued 'Operation Twist' to at least the end of the year and provided guidance that the federal funds rate was likely to remain between 0 and .25% until the middle of 2015. Maturing holdings of mortgage-backed securities will continue to be reinvested in other mortgage-backed securities. It also committed to do more if all these efforts don't succeed in bringing down the unemployment rate. With the U.S. Federal Reserve almost exclusively targeting the

**Audit and Finance Standing Committee  
Investment Policy Advisory Committee Report  
Quarter Ending June 30, 2012**

- 6 -

**October 17, 2012**

mortgage market, yields on U.S. Treasuries and Canadian bonds rose somewhat in the immediate aftermath of the announcement. Equity markets also responded positively. It remains to be seen if this is another 'sugar rush' from quantitative easing that will fade or whether these actions will be the catalyst to finally heal the housing and job markets.

Predictably the U.S. Federal Reserve actions put upward pressure on the Canadian dollar. This may lead the Bank of Canada to counter with a removal of any hint of a tightening bias at its next rate setting meeting on October 23. Should this come to pass the timing will be particularly unfortunate with the property tax due of October 31.

**Outlook & Strategy**

Despite the aggressive actions by Central Bank in the U.S, and Europe many challenges remain. These include the 'fiscal cliff' and other budget issues in the U.S., the politics of Europe and hard or soft landings of emerging markets such as China. The opposing paths of debt inspired deflation or debt inspired inflation both remain open. While it can be argued that recent actions favour an inflationary outcome, the counter argument that these unprecedented measures would not have been taken without a fear of deflation and that past unprecedented actions have been ineffective are also credible. With this heightened degree of uncertainty staff will continue the strategy to lock in yield through longer term Government instruments when these yields are relatively attractive and focus on covering shorter term cash needs when they are not.

**BUDGET IMPLICATIONS**

Based on somewhat better than anticipated interest rates and strong Operating Fund cash flows staff are projecting that actual Operating Fund Investment Income for the fiscal year will be \$1,900,000 exceeding the budget of \$1,100,000 by \$800,000.

**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**



**Audit and Finance Standing Committee  
Investment Policy Advisory Committee Report  
Quarter Ending June 30, 2012**

- 7 -

**October 17, 2012**

Sector Weight Schedules at June 30, 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

**See Consolidated Appendices at back  
of report**

---

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



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

**Audit and Finance Standing Committee  
October 17, 2012**

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

Original signed

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

Original Signed

Derek Tynski, Co-Chair, Investment Policy Advisory Committee

**DATE:** September 27, 2012

**SUBJECT:** Investment Policy Advisory Committee Report – Quarter Ending June 30, 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:**

4. Diversification of Investment Portfolio
5. Regular Review of Performance
6. 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 June 30, 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 two day period where the HRM bank account temporarily exceeded the Policy limits. The Committee reviewed 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

<b>See Consolidated Appendices at back of report</b>
--

**ATTACHMENTS**

Sector Weight Schedules @ June 30, 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

---



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

**Audit and Finance Standing Committee  
October 17, 2012**

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

Original signed

**SUBMITTED BY:** \_\_\_\_\_  
Greg Keefe, Director of Finance and ICT / CFO

**DATE:** October 3, 2012

**SUBJECT:** \_\_\_\_\_  
Annual Review of the Investment Policy

**RECOMMENDATION REPORT**

**ORIGIN**

The Halifax Regional Municipality Investment Policy requires that Policy be reviewed annually by the Investment Policy Advisory Committee

**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 based on the 2011 Policy review.

## **DISCUSSION**

The Committee discussed a number of suggestions by staff for potential changes to the Investment Policy at its meeting of September 27 2012. For the most part the changes involved incremental adjustments to the Sector Weight Schedules of the Policy that would increase exposure to Non-Government Investments both in magnitude and length of term. While over time it was anticipated that a modest increase in investment income should result from these changes it was also recognized that they would also represent an incremental increase in risk over the current exposure in the Policy. After a full discussion the consensus of the Committee was that due to the current precarious situation in financial markets and the economic outlook as evidenced by recent announcements by central bankers in the United States and Europe of more exceptional measures to support their markets and economies, it was not an appropriate at this time to add any incremental risk. However the Committee agreed to review the suggested measures in the future.

In a related discussion the Committee considered a number of ideas to increase the rate of return on Trust Fund assets. While the vast majority of HRM investments are short term as the maximum holding period is the time funds are collected versus when they are expended, Trust Fund assets are often perpetual in nature with only the income earned being spent. This creates the opportunity to consider longer term investment vehicles. The Committee discussed the potential use of various Exchange Traded Funds and Preferred Shares the use of which would require changes to the Investment Policy. While these investment vehicles have the potential to increase investment income to the Trust Funds they are also subject to much greater market volatility. Should the market value of these instruments suffer a prolonged decline Public Sector Accounting Standards may require that their value be written down on the Financial Statements of the Trust Funds. Again because of the current precarious state of markets and economies the Committee decided that it was not appropriate to further consider changing the Policy to accommodate exposure to these instruments at this time. Other options to enhance the income of the Trust Funds such as Real Return Bonds and longer term Government bonds are available under the current provisions of the Investment Policy. However the consensus was that these investments are not particularly attractive on a risk reward basis in the current market environment.

Staff want to thank the volunteer members of the Committee for their time and the diligence they show in reviewing the Investment Policy and the investment activities of staff. They are instrumental in the good governance of the HRM investment program.

**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**

None

---

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

---

# Consolidated Appendices

Sector Weights @ June 30, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	Open	14,841,540	4%	362,361,760	100%	343,570,334	95%
Federal Government	Open	14,841,540	4%				
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%				
<b>Provincial Governments &amp; their Guarantees</b>	R-1 Mid or Greater	209,932,117	58%	362,361,760	100%	152,489,643	43%
<b>Total Alberta (R-1 High)</b>	Open	0	2%	90,597,940	25%	81,554,754	23%
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	51,201,552	14%	90,597,940	25%	39,398,376	11%
Manitoba (R-1 Mid)	Open	12,739,148	4%	90,597,940	25%	77,856,792	21%
New Brunswick (R-1 Mid)	Open	0	0%	90,597,940	25%	90,597,940	25%
Ontario (R-1 Mid)	Open	82,901,891	23%	90,597,940	25%	7,696,049	2%
Quebec (R-1 Mid)	Open	63,089,516	17%	90,597,940	25%	27,506,424	8%
Quebec		11,471,618					
Financement Quebec		39,700,250					
Hydro Quebec		11,917,650					
Saskatchewan (R-1 High)	Open	0	0%	90,597,940	25%	90,597,940	25%
<b>Municipal Governments &amp; their Guarantees*</b>	R-1 Mid or Greater	0		90,597,940	25%	90,597,940	25%
Calgary (R-1 High)	Open	0		36,239,176	10%	36,239,176	10%
Edmonton (R-1 High)	Open	0		36,239,176	10%	36,239,176	10%
<b>Financial Institutions &amp; their Guarantees (Corporations)</b>	BA's Schedule A	124,586,821	34%	181,185,880	50%	86,607,259	16%
Canadian Banks R-1	Mid	0					
<b>Tier 1 - Financial Institutions &amp; their Guarantees</b>	Open	92,586,551	26%	181,185,880	50%	88,609,319	24%
Bank of Montreal (R-1 High)	Open	28,202,139	8%	36,239,176	10%	8,037,037	2%
Bank of Nova Scotia (R-1 High)	Open	0	7%	36,239,176	10%	10,604,313	3%
Bank of Nova Scotia - Effective Cash	Open	25,634,663					
Canadian Imperial Bank of Commerce (R-1 High)	Open	31,569,888	9%	36,239,176	10%	4,649,488	1%
Royal Bank (R-1 High)	Open	2,496,575	2%	36,239,176	10%	28,079,305	8%
Royal Bank - Effective Cash	Open	4,663,298					
Toronto Dominion (R-1 High)	Open	0	0%	36,239,176	10%	36,239,176	10%
<b>Tier 2 - Financial Institutions &amp; Corporations</b>	R-1 Mid/High***	32,002,960	9%	90,597,940	25%	68,688,680	16%
National Bank of Canada (R-1 Mid)	Open	19,039,320	5%	18,119,588	5%	-919,732	0%
CMERS Realty Corporation (R-1 High)	Open	9,971,200	3%	18,119,588	5%	8,146,388	2%
CDP Financial Inc (R-1 High)	Open	0	0%	18,119,588	5%	18,119,588	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	18,119,588	5%	18,119,588	5%
Desjardins Total	Open	2,991,540	1%	18,119,588	5%	15,126,048	4%
Desjardins Group (R-1 High)	Open	0					
Caisses Certales Desjardins (R-1 High)	Open	2,991,540					
<b>Total Cash and Equivalents</b>		<b>348,362,278</b>	<b>96%</b>				
<b>FIXED (Bonds, etc. over one year)</b>							
<b>Federal Government</b>		3,978,868	1%	72,478,362	20%	68,499,496	19%
Money Market							
Bond Pool		3,978,868					
<b>Provincial Government &amp; their Guarantees</b>		8,043,188	2%	72,478,362	20%	63,435,166	18%
<b>Money Market</b>		8,007,595	2%	72,478,362	20%	63,435,166	18%
Alberta		8,007,595	2%	36,239,176	10%	27,195,990	8%
Alberta		1,988,110					
Alberta Capital Finance Authority		6,019,485					
Alberta Treasury Branches							
British Columbia	0	0%	36,239,176	10%	36,239,176	10%	
Manitoba	0	0%	36,239,176	10%	36,239,176	10%	
New Brunswick	0	0%	36,239,176	10%	36,239,176	10%	
Ontario	0	0%	36,239,176	10%	36,239,176	10%	
Quebec	0	0%	36,239,176	10%	36,239,176	10%	
Quebec							
Financement Quebec	0	0%	36,239,176	10%	36,239,176	10%	
Saskatchewan	0	0%	36,239,176	10%	36,239,176	10%	
<b>Bond Pool</b>		1,035,591	2%	72,478,362	20%	63,435,166	18%
Alberta		1,035,591	2%	36,239,176	10%	27,195,990	8%
Alberta							
Alberta Capital Finance Authority		1,035,591					
Alberta Treasury Branches							
British Columbia	0	0%	36,239,176	10%	36,239,176	10%	
Manitoba	0	0%	36,239,176	10%	36,239,176	10%	
New Brunswick	0	0%	36,239,176	10%	36,239,176	10%	
Ontario	0	0%	36,239,176	10%	36,239,176	10%	
Quebec	0	0%	36,239,176	10%	36,239,176	10%	
Quebec							
Financement Quebec	0	0%	36,239,176	10%	36,239,176	10%	
Saskatchewan	0	0%	36,239,176	10%	36,239,176	10%	
<b>Total Fixed</b>		<b>13,023,072</b>	<b>4%</b>	<b>72,478,362</b>	<b>20%</b>	<b>69,486,260</b>	<b>19%</b>
<b>Equities</b>		8,410					
Bank of Montreal		8,410					
Total Equities		8,410					
<b>Total Investments</b>		<b>362,361,760</b>					
<b>Interest Bearing Bank Accounts - O/S Cheque Coverage</b>		12,875,875					
<b>Total Investments and O/S Cheques Coverage</b>		<b>375,237,635</b>					



Operating Funds  
Sector Weights  
Sector Weights @ June 30, 2012

SCHEDULE B

Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%	
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>9,122,286</b>	<b>4%</b>	<b>218,885,072</b>	<b>100%</b>	<b>218,882,816</b>	<b>96%</b>
Federal Government	Open	9,122,286	4%				
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%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>128,833,413</b>	<b>59%</b>	<b>218,885,072</b>	<b>100%</b>	<b>80,821,859</b>	<b>41%</b>
Total Alberta (R-1 High)	Open	0	0%	54,913,788	25%	51,213,931	23%
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	31,470,768	14%	54,913,788	25%	23,443,060	11%
Manitoba (R-1 Mid)	Open	7,830,033	4%	54,913,788	25%	47,083,733	21%
New Brunswick (R-1 Mid)	Open	0	0%	54,913,788	25%	54,913,788	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	54,913,788	25%	54,913,788	25%
Ontario (R-1 Mid)	Open	50,955,109	23%	54,913,788	25%	3,958,659	2%
Quebec (R-1 Mid)	Open	38,777,581	18%	54,913,788	25%	16,138,207	7%
Saskatchewan (R-1 High)	Open	0	0%	54,913,788	25%	54,913,788	25%
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	<b>0</b>	<b>0%</b>	<b>54,913,788</b>	<b>25%</b>	<b>54,913,788</b>	<b>25%</b>
Calgary (R-1 High)	Open	0		21,985,507	10%	21,985,507	10%
Edmonton (R-1 High)	Open	0		21,985,507	10%	21,985,507	10%
<b>Financial Institutions &amp; their Guarantees (Corporations)</b>	<b>BA's Schedule A</b>	<b>78,577,587</b>	<b>38%</b>	<b>108,827,838</b>	<b>60%</b>	<b>33,248,948</b>	<b>18%</b>
<b>Canadian Banks R-1</b>	<b>Mid</b>	<b>56,897,729</b>	<b>28%</b>	<b>108,827,838</b>	<b>60%</b>	<b>82,818,807</b>	<b>24%</b>
Tier 1 - Financial Institutions & their Guarantees	Open	17,234,282	8%	21,985,507	10%	4,831,248	2%
Bank of Montreal (R-1 High)	Open	0	7%	21,985,507	10%	6,209,205	3%
Bank of Nova Scotia (R-1 High)	Open	15,768,302					
Bank of Nova Scotia Effective Cash	Open	19,418,387	9%	21,985,507	10%	2,549,111	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	1,534,304	2%	21,985,507	10%	17,984,739	8%
Royal Bank (R-1 High)	Open	2,988,285					
Royal Bank - Effective Cash	Open	0	0%	21,985,507	10%	21,985,507	10%
Toronto Dominion (R-1 High)	Open	0	0%	21,985,507	10%	21,985,507	10%
<b>Tier 2 - Financial Institutions &amp; Corporations</b>	<b>R-1 Mid/High**</b>	<b>18,688,858</b>	<b>9%</b>	<b>54,913,788</b>	<b>25%</b>	<b>38,243,910</b>	<b>18%</b>
National Bank of Canada (R-1 Mid)	Open	11,702,384	5%	10,982,754	5%	-719,941	0%
CMERS Realty Corporation (R-1 High)	Open	6,128,733	3%	10,982,754	5%	4,854,020	2%
CDP Financial Inc (R-1 High)	Open	0	0%	10,982,754	5%	10,982,754	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	10,982,754	5%	10,982,754	5%
Desjardins Total	Open	1,838,731	1%	10,982,754	5%	9,144,023	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,838,731					
<b>Total Investments</b>		<b>214,733,358</b>	<b>98%</b>				
<b>FIXED (Bonds, etc. over one year)</b>							
<b>Federal Government</b>		<b>0</b>	<b>0%</b>	<b>43,931,014</b>	<b>20%</b>	<b>43,931,014</b>	<b>20%</b>
Money Market	0						
Bond Pool	0						
<b>Provincial Government &amp; their Guarantees</b>		<b>4,821,818</b>	<b>2%</b>	<b>43,931,014</b>	<b>20%</b>	<b>39,009,188</b>	<b>18%</b>
Money Market	4,821,818	2%	43,931,014	20%	39,009,188	18%	
Alberta	3,698,837	2%	21,985,507	10%	18,285,670	8%	
Alberta							
Alberta Capital Finance Authority							
Alberta Treasury Branches	3,698,837						
British Columbia	0	0%	21,985,507	10%	21,985,507	10%	
Manitoba	0	0%	21,985,507	10%	21,985,507	10%	
New Brunswick	0	0%	21,985,507	10%	21,985,507	10%	
Ontario	0	0%	21,985,507	10%	21,985,507	10%	
Quebec	0	0%	21,985,507	10%	21,985,507	10%	
Quebec	0	0%	21,985,507	10%	21,985,507	10%	
Financement Quebec	0						
Saskatchewan	0	0%	21,985,507	10%	21,985,507	10%	
<b>Bond Pool</b>		<b>0</b>	<b>0%</b>	<b>43,931,014</b>	<b>20%</b>	<b>39,009,188</b>	<b>18%</b>
Alberta	0	0%	21,985,507	10%	18,285,670	8%	
Alberta	0						
Alberta Capital Finance Authority	0						
Alberta Treasury Branches	0						
British Columbia	0	0%	21,985,507	10%	21,985,507	10%	
Manitoba	0	0%	21,985,507	10%	21,985,507	10%	
New Brunswick	0	0%	21,985,507	10%	21,985,507	10%	
Ontario	0	0%	21,985,507	10%	21,985,507	10%	
Quebec	0	0%	21,985,507	10%	21,985,507	10%	
Quebec	0	0%	21,985,507	10%	21,985,507	10%	
Financement Quebec	0						
Saskatchewan	0	0%	21,985,507	10%	21,985,507	10%	
<b>Total Fixed</b>		<b>4,821,818</b>	<b>2%</b>	<b>43,931,014</b>	<b>20%</b>	<b>39,009,188</b>	<b>18%</b>
<b>Total Investments</b>		<b>219,555,176</b>					
<b>Interest Bearing Bank Accounts - Q/S Cheque Coverage</b>		<b>12,875,875</b>					
<b>Total Investments and Q/S Cheque Coverage</b>		<b>232,431,051</b>					

SCHEDULE C

Capital Funds  
Sector Weights  
Sector Weights @ June 30, 2012

Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit %	Limit Available %
<b>CASH &amp; EQUIVALENTS</b>				
Federal Government & its Guarantees	Open	0	0%	0 100%
Federal Government	Open	0	0%	0 0%
Business Development Bank	Open	0	0%	0 0%
Canada Mortgage & Housing Corp.	Open	0	0%	0 0%
Canadian Wheat Board	Open	0	0%	0 0%
Export Development Canada	Open	0	0%	0 0%
Farm Credit Corp	Open	0	0%	0 0%
Provincial Governments & their Guarantees	R-1 Mid or Greater	0	0%	0 100%
Total Alberta (R-1 High)	Open	0	0%	0 25%
Alberta (R-1 High)	Open	0	0%	0 0%
Alberta Capital Finance Authority (R-1 High)	Open	0	0%	0 0%
Alberta Treasury Branches (R-1 High)	Open	0	0%	0 0%
British Columbia (R-1 High)	Open	0	0%	0 25%
Manitoba (R-1 Mid)	Open	0	0%	0 25%
New Brunswick (R-1 Mid)	Open	0	0%	0 25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	0 25%
Ontario (R-1 Mid)	Open	0	0%	0 25%
Quebec (R-1 Mid)	Open	0	0%	0 25%
Saskatchewan (R-1 High)	Open	0	0%	0 25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%	0 25%
Calgary (R-1 High)	Open	0	0%	0 10%
Edmonton (R-1 High)	Open	0	0%	0 10%
Financial Institutions & their Guarantees /Corporations	BA's Schedule A	0	0%	0 80%
Canadian Banks R-1	Mid	0	0%	0 0%
Tier 1 - Financial Institutions & their Guarantees	Open	0	0%	0 10%
Bank of Montreal (R-1 High)	Open	0	0%	0 10%
Bank of Nova Scotia (R-1 High)	Open	0	0%	0 10%
Bank of Nova Scotia Effective Cash	Open	0	0%	0 10%
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	0%	0 10%
Royal Bank (R-1 High)	Open	0	0%	0 10%
Royal Bank - Effective Cash	Open	0	0%	0 10%
Toronto Dominion (R-1 High)	Open	0	0%	0 10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	0	0%	0 25%
National Bank of Canada (R-1 Mid)	Open	0	0%	0 5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	0 5%
CDP Financial Inc (R-1 High)	Open	0	0%	0 5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	0 5%
Desjardins Total	Open	0	0%	0 5%
Desjardins Group (R-1 High)	Open	0	0%	0 0%
Caisse Centrale Desjardins (R-1 High)	Open	0	0%	0 0%
<b>Total Investments</b>				
<b>FIXED (Bonds, etc. over one year)</b>				
Federal Government	0	0%	0 20%	0 0%
Money Market	0	0%	0 20%	0 0%
Bond Pool	0	0%	0 10%	0 0%
Provincial Government & their Guarantees	0	0%	0 20%	0 0%
Money Market	0	0%	0 20%	0 0%
Alberta	0	0%	0 10%	0 0%
Alberta	0	0%	0 10%	0 0%
Alberta Capital Finance Authority	0	0%	0 10%	0 0%
Alberta Treasury Branches	0	0%	0 10%	0 0%
British Columbia	0	0%	0 10%	0 0%
Manitoba	0	0%	0 10%	0 0%
New Brunswick	0	0%	0 10%	0 0%
Ontario	0	0%	0 10%	0 0%
Quebec	0	0%	0 10%	0 0%
Quebec	0	0%	0 10%	0 0%
Financement Quebec	0	0%	0 10%	0 0%
Saskatchewan	0	0%	0 10%	0 0%
Bond Pool	0	0%	0 20%	0 0%
Alberta	0	0%	0 10%	0 0%
Alberta	0	0%	0 10%	0 0%
Alberta Capital Finance Authority	0	0%	0 10%	0 0%
Alberta Treasury Branches	0	0%	0 10%	0 0%
British Columbia	0	0%	0 10%	0 0%
Manitoba	0	0%	0 10%	0 0%
New Brunswick	0	0%	0 10%	0 0%
Ontario	0	0%	0 10%	0 0%
Quebec	0	0%	0 10%	0 0%
Quebec	0	0%	0 10%	0 0%
Financement Quebec	0	0%	0 10%	0 0%
Saskatchewan	0	0%	0 10%	0 0%
<b>Total Fixed</b>				
<b>Total Investments</b>				
Interest Bearing Bank Accounts - QIS Cheque Coverage	0	0%	0 20%	0 0%
<b>Total Investments and QIS Cheques Coverage</b>				

Reserve Funds  
Sector Weights  
Sector Weights @ June 30, 2012

SCHEDULE D

Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%	
<b>CASH &amp; EQUIVALENTS</b>							
Federal Government & its Guarantees	Open	5,880,016	4%	130,378,831	100%	129,818,820	87%
Federal Government	Open	5,880,016	4%				
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	78,928,787	87%	130,378,831	100%	80,448,084	43%
Total Alberta (R-1 High)	Open	0	2%	34,844,208	25%	30,797,879	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	10,280,385	14%	34,844,208	25%	15,503,813	11%
Manitoba (R-1 Mid)	Open	4,788,573	3%	34,844,208	25%	30,634,633	22%
New Brunswick (R-1 Mid)	Open	0	0%	34,844,208	25%	34,844,208	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0					
Ontario (R-1 Mid)	Open	31,188,857	25%	34,844,208	25%	34,844,208	25%
Quebec (R-1 Mid)	Open	23,719,942	17%	34,844,208	25%	11,124,265	8%
Saskatchewan (R-1 High)	Open	0	0%	34,844,208	25%	34,844,208	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0					
Calgary (R-1 High)	Open	0	34,844,208	25%	34,844,208	25%	
Edmonton (R-1 High)	Open	0	13,837,883	10%	13,837,883	10%	
	Open	0	13,837,883	10%	13,837,883	10%	
Financial Institutions & their Guarantees /Corporations	BA's Schedule A Canadian Banks R-1 Mid	48,841,924	34%	88,888,418	80%	22,844,482	16%
Tier 1 - Financial Institutions & their Guarantees	Mid	34,810,029	38%	88,888,418	80%	34,878,388	28%
Bank of Montreal (R-1 High)	Open	10,803,237	8%	13,837,883	10%	3,334,446	2%
Bank of Nova Scotia (R-1 High)	Open	0	7%	13,837,883	10%	4,239,872	3%
New Brunswick Effective Cash		8,838,011					
Canadian Imperial Bank of Commerce (R-1 High)	Open	11,878,884	8%	13,837,883	10%	2,060,819	1%
Royal Bank (R-1 High)	Open	838,844	2%	13,837,883	10%	11,245,768	8%
Royal Bank - Effective Cash		1,783,272					
Toronto Dominion (R-1 High)	Open	0	0%	13,837,883	10%	13,837,883	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	12,831,894	8%	34,844,208	25%	22,812,304	18%
National Bank of Canada (R-1 Mid)	Open	7,188,267	5%	8,888,842	5%	-188,425	0%
OMERS Realty Corporation (R-1 High)	Open	3,748,900	3%	8,888,842	5%	3,219,942	2%
CDP Financial Inc (R-1 High)	Open	0	0%	8,888,842	5%	-8,888,842	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	8,888,842	5%	8,888,842	5%
Desjardins Total		1,124,738	1%	8,888,842	5%	8,844,104	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,124,738					
<b>Total Cash and Equivalents</b>		<b>131,359,718</b>	<b>84%</b>				
<b>FIXED (Bonds, etc. over one year)</b>							
Federal Government		3,878,888	3%	130,378,831	100%	133,300,943	87%
Money Market		0					
Bond Pool		3,878,888					
Provincial Government & their Guarantees		4,048,239	3%	88,888,418	80%	88,842,187	47%
Money Market		3,010,838	3%	88,888,418	80%	88,842,187	47%
Alberta		3,010,838	3%	13,837,883	10%	9,881,484	7%
Alberta		747,475					
Alberta Capital Finance Authority		2,263,183					
Alberta Treasury Branches		0					
British Columbia		0	0%	13,837,883	10%	13,837,883	10%
Manitoba		0	0%	13,837,883	10%	13,837,883	10%
New Brunswick		0	0%	13,837,883	10%	13,837,883	10%
Ontario		0	0%	13,837,883	10%	13,837,883	10%
Quebec		0	0%	13,837,883	10%	13,837,883	10%
Quebec		0	0%	13,837,883	10%	13,837,883	10%
Financement Quebec		0					
Saskatchewan		0	0%	13,837,883	10%	13,837,883	10%
Bond Pool		1,038,891	3%	88,888,418	80%	88,842,187	47%
Alberta		1,038,891	3%	13,837,883	10%	9,881,484	7%
Alberta		0					
Alberta Capital Finance Authority		1,038,891					
Alberta Treasury Branches		0					
British Columbia		0	0%	13,837,883	10%	13,837,883	10%
Manitoba		0	0%	13,837,883	10%	13,837,883	10%
New Brunswick		0	0%	13,837,883	10%	13,837,883	10%
Ontario		0	0%	13,837,883	10%	13,837,883	10%
Quebec		0	0%	13,837,883	10%	13,837,883	10%
Quebec		0	0%	13,837,883	10%	13,837,883	10%
Financement Quebec		0					
Saskatchewan		0	0%	13,837,883	10%	13,837,883	10%
<b>Total Fixed</b>		<b>8,928,127</b>	<b>6%</b>	<b>130,378,831</b>	<b>100%</b>	<b>131,359,718</b>	<b>84%</b>
<b>Total Investments</b>		<b>130,378,831</b>					

SCHEDULE E

Trust Funds  
Sector Weights  
Sector Weights @ June 30, 2012

Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%	
<b>CASH &amp; EQUIVALENTS</b>							
Federal Government & its Guarantees	Open	139,288	4%	3,289,887	100%	3,220,598	98%
Federal Government	Open	139,288	4%				
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	1,866,837	53%	3,289,887	100%	1,369,829	41%
Total Alberta (R-1 High)	Open	0	2%	839,984	25%	784,823	23%
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	480,458	14%	839,984	25%	358,505	11%
Manitoba (R-1 Mid)	Open	119,540	4%	839,984	25%	720,424	21%
New Brunswick (R-1 Mid)	Open	0	0%	839,984	25%	839,984	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	839,984	25%	839,984	25%
Ontario (R-1 Mid)	Open	777,825	22%	839,984	25%	82,039	2%
Quebec (R-1 Mid)	Open	882,012	25%	839,984	25%	247,952	7%
Saskatchewan (R-1 High)	Open	0	0%	839,984	25%	839,984	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		839,984	25%	839,984	25%
Calgary (R-1 High)	Open	0		335,988	10%	335,988	10%
Edmonton (R-1 High)	Open	0		335,988	10%	335,988	10%
Financial Institutions & their Guarantees/Corporations	BA's Schedule A	1,678,101	48%	1,678,928	50%	810,829	18%
Canadian Banks R-1	Mid	868,893	25%	1,678,928	50%	811,128	24%
Tier 1 - Financial Institutions & their Guarantees	Open	284,840	8%	335,988	10%	71,348	2%
Bank of Montreal (R-1 High)	Open	0	7%	335,988	10%	95,430	3%
Bank of Nova Scotia (R-1 High)	Open	240,550	7%				
Bank of Nova Scotia Effective Cash	Open	286,428	8%	335,988	10%	39,859	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	23,427	0%	335,988	10%	269,800	8%
Royal Bank (R-1 High)	Open	43,789	1%				
Royal Bank - Effective Cash	Open	0	0%	335,988	10%	335,988	10%
Toronto Dominion (R-1 High)	Open	0	0%				
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	386,287	11%	839,984	25%	838,867	18%
National Bank of Canada (R-1 Mid)	Open	178,889	5%	187,983	5%	-10,896	0%
CMERS Realty Corporation (R-1 High)	Open	83,587	2%	187,983	5%	74,426	2%
CDP Financial Inc (R-1 High)	Open	0	0%	187,983	5%	187,983	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	187,983	5%	187,983	5%
Desjardins Total	Open	28,072	1%	187,983	5%	139,921	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	28,072					
<b>Total Cash and Equivalents</b>		<b>3,278,306</b>	<b>98%</b>				
<b>FIXED (Bonds, etc. over one year)</b>							
Federal Government	Money Market	0	0%	3,289,887	100%	3,289,887	100%
Money Market	Bond Pool	0					
Provincial Government & their Guarantees	Money Market	75,141	2%	3,289,887	100%	3,284,718	98%
Alberta	Alberta	75,141	2%	335,988	10%	280,848	8%
Alberta Capital Finance Authority	Alberta Treasury Branches	88,488					
British Columbia	Manitoba	0	0%	335,988	10%	335,988	10%
New Brunswick	Ontario	0	0%	335,988	10%	335,988	10%
Quebec	Quebec	0	0%	335,988	10%	335,988	10%
Financement Quebec	Saskatchewan	0	0%	335,988	10%	335,988	10%
Bond Pool	Alberta	0	2%	3,289,887	100%	3,284,718	98%
Alberta Capital Finance Authority	Alberta Treasury Branches	0	2%	335,988	10%	260,848	8%
British Columbia	Manitoba	0	0%	335,988	10%	335,988	10%
New Brunswick	Ontario	0	0%	335,988	10%	335,988	10%
Quebec	Quebec	0	0%	335,988	10%	335,988	10%
Financement Quebec	Saskatchewan	0	0%	335,988	10%	335,988	10%
<b>Total Fixed</b>		<b>75,141</b>					
Equities	Bank of Montreal	8,410					
Total Equities		<b>8,410</b>					
<b>Total Investments</b>		<b>3,286,717</b>					

**Economic Statistics**

	Canada	US
Unemployment Rate	Apr 7.3%, May 7.2%, Jun 7.2%	Apr 8.1%, May 8.2%, Jun 8.2%
Jobs Created / (Lost) (‘000’s)	Apr 58.2, May 7.7, Jun 7.3	Apr 115, May 87, Jun 64
CPI (year over year)	Apr 1.2%, May 1.5%, Jun 1.3%	Apr 2.3%, May 1.7%, Jun 1.7%
CPI-X (Core) (year over year)	Apr 2.1%, May 1.8% , Jun 2.0%	Apr 2.3%, May 2.3%, Jun 2.2%
Q2 GDP	2.4%	1.5%

**Central Bank Activities**

- April 17 Bank of Canada Maintains overnight rate at 1.0%
- April 28 U.S. Federal Open Market Committee maintains Target Range of 0% to .25%
- June 5 Bank of Canada Maintains overnight rate at 1.0%
- June 23 U.S. Federal Open Market Committee maintains Target Range of 0% to .25%

**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.