



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

Item No. 2
Halifax Regional Council
April 9, 2013

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
for 'Councillor Bill Karsten, Chair, Audit and Finance Standing Committee

DATE: March 25, 2013

SUBJECT: Investment Reports

INFORMATION REPORT

ORIGIN

The March 20, 2013 Audit and Finance Standing Committee meeting.

LEGISLATIVE AUTHORITY

Section 121(1) of the HRM Charter requires that funds be invested pursuant to an Investment Policy adopted by Council and approved by the Minister of Service Nova Scotia and Municipal Relations or invested pursuant to the Trustee Act. Where HRM has chosen to adopt an Investment Policy and the Minister has approved the Policy investment activities are governed by this Policy.

BACKGROUND

The Investment Policy Advisory Committee, at its February 14, 2013 meeting, submitted the following reports to the Audit and Finance Standing Committee:

- Investment Policy Advisory Committee Report – Quarters ending September 30, 2012 & December 31, 2012, dated February 14, 2013.
- Investment Activities – Quarter Ending September 30, 2012, dated February 18, 2013.
- Investment Activities – Quarter Ending December 31, 2012, dated February 19, 2013.

DISCUSSION

As outlined in their terms of reference the Audit and Finance Standing Committee have forwarded these reports to Regional Council as information items.

FINANCIAL IMPLICATIONS

The financial implications are as outlined in the attached reports, dated February 14, 2013, February 18, 2013 and February 19, 2013.

COMMUNITY ENGAGEMENT

Audit and Finance Standing Committee meetings are open to the public and all agendas, reports and minutes are available on the internet.

ATTACHMENTS

1. Investment Policy Advisory Committee Report – Quarters ending September 30, 2012 & December 31, 2012, dated February 14, 2013.
2. Investment Activities – Quarter Ending September 30, 2012, dated February 18, 2013.
3. Investment Activities – Quarter Ending December 31, 2012, dated February 19, 2013.

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: Matt Godwin, Legislative Assistant, 490-6521



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


Attachment 1

A.H.21

**Audit and Finance Standing Committee
March 20, 2013**

TO: Chair and Members of Audit and Finance Standing Committee

Original Signed

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

Original Signed

Derek Tynski, Co-Chair Investment Policy Advisory Committee

DATE: February 14, 2013

SUBJECT: Investment Policy Advisory Committee Report – Quarters ending
September 30, 2012 & December 31, 2012

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.

LEGISLATIVE AUTHORITY

Section 121(1) of the HRM Charter requires that funds be invested pursuant to an Investment Policy adopted by Council and approved by the Minister of Service Nova Scotia and Municipal Relations or invested pursuant to the Trustee Act. Where HRM has chosen to adopt an Investment Policy and the Minister has approved the Policy investment activities are governed by this Policy.

RECOMMENDATION

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

day period while in the December 31, 2012 Quarter there were four days when the bank account balance was in excess of the Policy guidelines. All occurrences were a result of insufficient numbers of staff available with the appropriate signing authority to execute investment transactions because of staff vacations. The Committee reviewed these instances and concurred with staff that they did not constitute a material increase in risk to the portfolio.

FINANCIAL IMPLICATIONS

N/A

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.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ September 30, 2012 (Schedules A,B,C,D & E) and Sector Weight Schedules @ December 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 @ September 30, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	8,916,840	3%	254,936,091	100%	244,036,418	96%
Federal Government	Open	8,916,840	3%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Cop.	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	147,530,202	58%	254,936,091	100%	107,405,889	42%
Total Alberta (R-1 High)	Open	0	4%	63,734,023	25%	54,891,193	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	35,299,312	14%	63,734,023	25%	28,434,711	11%
Manitoba (R-1 Mid)	Open	4,234,080	2%	63,734,023	25%	59,499,943	23%
New Brunswick (R-1 Mid)	Open	0	0%	63,734,023	25%	63,734,023	25%
Ontario (R-1 Mid)	Open	61,846,104	24%	63,734,023	25%	1,887,919	1%
Quebec (R-1 Mid)	Open	48,150,706	18%	63,734,023	25%	15,583,674	6%
Quebec		20,421,866					
Financement Quebec		14,807,250					
Hydro Quebec		10,921,790					
Saskatchewan (R-1 High)	Open	0	0%	63,734,023	25%	63,734,023	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		63,734,023	25%	63,734,023	25%
Calgary (R-1 High)	Open	0		25,493,809	10%	25,493,809	10%
Edmonton (R-1 High)	Open	0		25,493,809	10%	25,493,809	10%
Financial Institutions & their Guarantees /Corporations		85,457,333	34%	127,468,046	50%	42,010,712	16%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	58,729,909	23%	127,468,046	50%	68,738,136	27%
Bank of Montreal (R-1 High)	Open	15,906,530	6%	25,493,809	10%	9,527,079	4%
Bank of Nova Scotia (R-1 High)	Open	0	7%	25,493,809	10%	7,847,510	3%
Bank of Nova Scotia - Effective Cash		-2,353,901					
Bank of Nova Scotia - Notice Account		20,000,000					
Canadian Imperial Bank of Commerce (R-1 High)	Open	22,831,110	9%	25,493,809	10%	2,862,489	1%
Royal Bank (R-1 High)	Open	0	0%	25,493,809	10%	25,002,819	10%
Royal Bank - Effective Cash		490,990					
Toronto Dominion (R-1 High)	Open	1,985,180	1%	25,493,809	10%	23,488,429	9%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	26,727,424	10%	63,734,023	25%	37,006,599	15%
National Bank of Canada (R-1 Mid)	Open	10,470,191	4%	12,748,805	5%	2,278,614	1%
OMERS Realty Corporation (R-1 High)	Open	12,267,293	5%	12,748,805	5%	479,512	0%
CDP Financial Inc (R-1 High)	Open	0	0%	12,748,805	5%	12,748,805	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	12,748,805	5%	12,748,805	5%
Desjardins Total		3,989,940	2%	12,748,805	5%	8,758,885	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	3,989,940					
Total Cash and Equivalents		239,904,375	94%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,982,833	2%	50,987,218	20%	47,004,385	18%
Money Market							
Bond Pool		3,982,833					
Provincial Government & their Guarantees		11,042,473	4%	50,987,218	20%	39,944,745	16%
Money Market		10,006,882	4%	50,987,218	20%	39,944,745	16%
Alberta		8,007,239	4%	25,493,809	10%	16,450,779	6%
Alberta		1,989,938					
Alberta Capital Finance Authority		6,017,301					
Alberta Treasury Branches							
British Columbia		0	0%	25,493,809	10%	25,493,809	10%
Manitoba		0	0%	25,493,809	10%	25,493,809	10%
New Brunswick		0	0%	25,493,809	10%	25,493,809	10%
Ontario		0	0%	25,493,809	10%	25,493,809	10%
Quebec		1,989,843	1%	25,493,809	10%	23,493,966	9%
Quebec		1,989,843					
Financement Quebec		0					
Saskatchewan		0	0%	25,493,809	10%	25,493,809	10%
Bond Pool		1,035,591	4%	50,987,218	20%	39,944,745	16%
Alberta		1,035,591	4%	25,493,809	10%	16,450,779	6%
Alberta							
Alberta Capital Finance Authority		1,035,591					
Alberta Treasury Branches							
British Columbia		0	0%	25,493,809	10%	25,493,809	10%
Manitoba		0	0%	25,493,809	10%	25,493,809	10%
New Brunswick		0	0%	25,493,809	10%	25,493,809	10%
Ontario		0	0%	25,493,809	10%	25,493,809	10%
Quebec		0	0%	25,493,809	10%	25,493,809	10%
Quebec		0	1%	25,493,809	10%	23,493,966	9%
Financement Quebec							
Saskatchewan		0	0%	25,493,809	10%	25,493,809	10%
Total Fixed		15,025,306	6%	50,987,218	20%	35,961,912	14%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		254,936,091					
Interest Bearing Bank Accounts - O/S Cheque Coverage		19,479,775					
Total Investments and O/S Cheques Coverage		274,415,866					

SCHEDULE B

Operating Funds
Sector Weights
Sector Weights @ September 30, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	3,577,698	3%	129,265,160	100%	125,687,464	97%
Federal Government	Open	3,577,698	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%				
Fern Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	76,309,148	59%	129,265,160	100%	52,858,012	41%
Total Alberta (R-1 High)	Open	0	0%	32,316,290	25%	29,203,876	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	18,258,366	14%	32,316,290	25%	14,057,924	11%
Manitoba (R-1 Mid)	Open	2,190,054	2%	32,316,290	25%	30,128,236	23%
New Brunswick (R-1 Mid)	Open	0	0%	32,316,290	25%	32,316,290	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0					
Ontario (R-1 Mid)	Open	31,989,541	27%	32,316,290	25%	328,749	0%
Quebec (R-1 Mid)	Open	23,871,187	18%	32,316,290	25%	7,410,799	6%
Saskatchewan (R-1 High)	Open	0	0%	32,316,290	25%	32,316,290	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		32,316,290	25%	32,316,290	25%
Calgary (R-1 High)	Open	0		12,926,516	10%	12,926,516	10%
Edmonton (R-1 High)	Open	0		12,926,516	10%	12,926,516	10%
Financial Institutions & their Guarantees /Corporations		44,202,314	34%	64,632,580	50%	20,430,266	16%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	30,377,708	24%	64,632,580	50%	34,264,872	26%
Bank of Montreal (R-1 High)	Open	8,258,596	6%	12,926,516	10%	4,667,920	4%
Bank of Nova Scotia (R-1 High)	Open	0	7%	12,926,516	10%	3,789,173	3%
Bank of Nova Scotia - Effective Cash		-1,217,542					
Bank of Nova Scotia - Notice Account		10,344,885					
Canadian Imperial Bank of Commerce (R-1 High)	Open	11,705,811	9%	12,926,516	10%	1,220,705	1%
Royal Bank (R-1 High)	Open	0	0%	12,926,516	10%	12,872,554	10%
Royal Bank - Effective Cash		253,962					
Toronto Dominion (R-1 High)	Open	1,031,995	1%	12,926,516	10%	11,894,521	9%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	13,824,606	11%	32,316,290	25%	18,491,684	14%
National Bank of Canada (R-1 Mid)	Open	3,415,846	4%	6,463,258	5%	1,047,612	1%
OMERS Realty Corporation (R-1 High)	Open	6,345,187	5%	6,463,258	5%	118,071	0%
CDP Financial Inc (R-1 High)	Open	0	0%	6,463,258	5%	6,463,258	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	6,463,258	5%	6,463,258	5%
Desjardins Total		2,063,774	2%	6,463,258	5%	4,389,484	3%
Desjardins Group (R-1 High)	Open	0					
Caisses Centales Desjardins (R-1 High)	Open	2,063,774					
Total Investments		124,088,158	96%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	25,853,032	20%	25,853,032	20%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		5,176,002	4%	25,853,032	20%	20,677,030	16%
Money Market		5,176,002	4%	25,853,032	20%	20,677,030	16%
Alberta		3,112,414	2%	12,926,516	10%	9,814,102	8%
Alberta		3,112,414					
Alberta Capital Finance Authority		0	0%	12,926,516	10%	12,926,516	10%
Alberta Treasury Branches		0	0%	12,926,516	10%	12,926,516	10%
British Columbia		0	0%	12,926,516	10%	12,926,516	10%
Manitoba		0	0%	12,926,516	10%	12,926,516	10%
New Brunswick		0	0%	12,926,516	10%	12,926,516	10%
Ontario		0	0%	12,926,516	10%	12,926,516	10%
Quebec		1,034,304	1%	12,926,516	10%	11,892,212	9%
Quebec		1,034,304					
Financement Quebec		0	0%	12,926,516	10%	12,926,516	10%
Saskatchewan		0	0%	12,926,516	10%	12,926,516	10%
Bond Pool		0	4%	25,853,032	20%	20,677,030	16%
Alberta		0	2%	12,926,516	10%	9,814,102	8%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	12,926,516	10%	12,926,516	10%
Manitoba		0	0%	12,926,516	10%	12,926,516	10%
New Brunswick		0	0%	12,926,516	10%	12,926,516	10%
Ontario		0	0%	12,926,516	10%	12,926,516	10%
Quebec		0	1%	12,926,516	10%	11,892,212	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	12,926,516	10%	12,926,516	10%
Total Fixed		5,176,002	4%	25,853,032	20%	20,677,030	16%
Total Investments		129,265,160					
Interest Bearing Bank Accounts - O/S Cheque Coverage		19,479,775					
Total Investments and O/S Cheques Coverage		148,744,934					

Capital Funds
Sector Weights
Sector Weights @ September 30, 2012

SCHEDULE C

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	0%				
Alberta Capital Finance Authority (R-1 High)	Open	0	0%				
Alberta Treasury Branches (R-1 High)	Open	0	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%	0	25%	0	0%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%	0	25%	0	0%
Calgary (R-1 High)	Open	0	0%	0	10%	0	0%
Edmonton (R-1 High)	Open	0	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	0	0%				
Bank of Nova Scotia - Notice Account	0	0	0%				
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	0%	0	10%	0	0%
Royal Bank (R-1 High)	Open	0	0%	0	10%	0	0%
Royal Bank - Effective Cash	0	0	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%	0	5%	0	0%
Desjardins Group (R-1 High)	Open	0	0%				
Caisse Centrale Desjardins (R-1 High)	Open	0	0%				
Total Investments		0	0%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	0	20%	0	0%
Money Market		0					
Bond Pool		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							
Alberta Capital Finance Authority		0					
Alberta Treasury Branches							
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					
Financement Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Bond Pool		0	0%	0	20%	0	0%
Alberta		0	0%	0	10%	0	0%
Alberta							
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		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					
Financement Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Total Fixed		0	0%	0	20%	0	0%
Total Investments		0					

SCHEDULE D

Reserve Funds
Sector Weights
Sector Weights @ September 30, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	3,248,269	3%	122,308,861	100%	118,079,768	94%
Federal Government	Open	3,248,269	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	69,240,108	67%	122,308,861	100%	53,058,768	43%
Total Alberta (R-1 High)	Open	0	2%	30,577,215	25%	25,783,800	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	15,566,968	14%	30,577,215	25%	14,010,247	11%
Manitoba (R-1 Mid)	Open	1,987,174	2%	30,577,215	25%	28,590,041	23%
New Brunswick (R-1 Mid)	Open	0	0%	30,577,215	25%	30,577,215	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	30,577,215	25%	30,577,215	25%
Ontario (R-1 Mid)	Open	29,026,130	27%	30,577,215	25%	1,551,088	1%
Quebec (R-1 Mid)	Open	21,859,834	18%	30,577,215	25%	7,978,892	7%
Saskatchewan (R-1 High)	Open	0	1%	30,577,215	25%	30,577,215	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		30,877,218	28%	30,877,218	28%
Calgary (R-1 High)	Open			12,230,888	10%	12,230,888	10%
Edmonton (R-1 High)	Open			12,230,888	10%	12,230,888	10%
Financial Institutions & their Guarantees /Corporations		40,107,649	33%	61,164,430	60%	21,046,862	17%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	27,883,611	23%	61,164,430	60%	33,690,819	27%
Bank of Montreal (R-1 High)	Open	7,493,545	6%	12,230,888	10%	4,737,341	4%
Bank of Nova Scotia (R-1 High)	Open	0	7%	12,230,888	10%	3,949,071	3%
Bank of Nova Scotia - Effective Cash		-1,104,752					
Bank of Nova Scotia - Notice Account		9,368,567					
Canadian Imperial Bank of Commerce (R-1 High)	Open	10,821,421	9%	12,230,888	10%	1,609,465	1%
Royal Bank (R-1 High)	Open	0	0%	12,230,888	10%	12,000,451	10%
Royal Bank - Effective Cash		230,438					
Toronto Dominion (R-1 High)	Open	936,395	1%	12,230,888	10%	11,294,492	9%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	12,643,938	10%	30,877,218	25%	18,033,277	15%
National Bank of Canada (R-1 Mid)	Open	4,913,957	4%	8,115,443	5%	1,201,468	1%
OMERS Realty Corporation (R-1 High)	Open	5,757,388	5%	8,115,443	5%	358,055	0%
CDP Financial Inc (R-1 High)	Open	0	0%	8,115,443	5%	8,115,443	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	8,115,443	5%	8,115,443	5%
Desjardins Total	Open	1,872,592	2%	8,115,443	5%	4,242,851	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,872,592					
Total Cash and Equivalents		112,693,933	92%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,882,833	3%	122,308,861	100%	118,326,028	97%
Money Market		0					
Bond Pool		3,882,833					
Provincial Government & their Guarantees		6,732,104	6%	61,164,430	60%	66,422,328	48%
Money Market		4,896,513	6%	61,164,430	60%	66,422,328	48%
Alberta		3,758,024	4%	12,230,888	10%	7,437,271	8%
Alberta		933,934					
Alberta Capital Finance Authority		2,824,090					
Alberta Treasury Branches		0					
British Columbia	0	0%	12,230,888	10%	12,230,888	10%	
Manitoba	0	0%	12,230,888	10%	12,230,888	10%	
New Brunswick	0	0%	12,230,888	10%	12,230,888	10%	
Ontario	0	0%	12,230,888	10%	12,230,888	10%	
Quebec	938,489	1%	12,230,888	10%	11,292,397	9%	
Quebec	938,489						
Financement Quebec	0						
Saskatchewan	0	0%	12,230,888	10%	12,230,888	10%	
Bond Pool		1,036,591	8%	61,164,430	60%	66,422,328	48%
Alberta		1,035,591	4%	12,230,888	10%	7,437,271	8%
Alberta		0					
Alberta Capital Finance Authority		1,035,591					
Alberta Treasury Branches		0					
British Columbia	0	0%	12,230,888	10%	12,230,888	10%	
Manitoba	0	0%	12,230,888	10%	12,230,888	10%	
New Brunswick	0	0%	12,230,888	10%	12,230,888	10%	
Ontario	0	0%	12,230,888	10%	12,230,888	10%	
Quebec	0	1%	12,230,888	10%	11,292,397	9%	
Quebec	0						
Financement Quebec	0						
Saskatchewan	0	0%	12,230,888	10%	12,230,888	10%	
Total Fixed		9,714,937	8%	122,308,861	100%	112,593,923	92%
Total Investments		122,308,861					

Trust Funds
Sector Weights
Sector Weights @ September 30, 2012

SCHEDULE E

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	92,875	3%	3,362,071	100%	3,269,196	97%
Federal Government	Open	92,875	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	1,980,949	59%	3,362,071	100%	1,381,122	41%
Total Alberta (R-1 High)	Open	0	2%	840,518	25%	733,001	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	473,978	15%	840,518	25%	386,539	11%
Manitoba (R-1 Mid)	Open	56,853	2%	840,518	25%	783,665	23%
New Brunswick (R-1 Mid)	Open	0	0%	840,518	25%	840,518	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	840,518	25%	840,518	25%
Ontario (R-1 Mid)	Open	630,433	28%	840,518	25%	10,085	0%
Quebec (R-1 Mid)	Open	619,684	18%	840,518	25%	193,983	8%
Saskatchewan (R-1 High)	Open	0	0%	840,518	25%	840,518	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		840,518	25%	840,518	25%
Calgary (R-1 High)	Open	0		336,207	10%	336,207	10%
Edmonton (R-1 High)	Open	0		336,207	10%	336,207	10%
Financial Institutions & their Guarantees /Corporations	BA's Schedule A	1,147,471	34%	1,681,038	50%	533,566	16%
Canadian Banks R-1	Mid	788,591	23%	1,681,038	50%	892,446	27%
Tier 1 - Financial Institutions & their Guarantees	Open	214,389	6%	336,207	10%	121,818	4%
Bank of Montreal (R-1 High)	Open	0	7%	336,207	10%	99,266	3%
Bank of Nova Scotia (R-1 High)	Open	-31,607					
Bank of Nova Scotia - Effective Cash		268,548					
Bank of Nova Scotia - Notice Account		303,877					
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	0%	336,207	10%	32,330	1%
Royal Bank (R-1 High)	Open	0	0%	336,207	10%	329,814	10%
Royal Bank - Effective Cash		6,593					
Toronto Dominion (R-1 High)	Open	26,780	1%	336,207	10%	309,417	9%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	358,880	11%	840,518	25%	461,638	14%
National Bank of Canada (R-1 Mid)	Open	140,588	4%	168,104	5%	27,516	1%
OMERS Realty Corporation (R-1 High)	Open	184,718	5%	168,104	5%	3,386	0%
CDP Financial Inc (R-1 High)	Open	0	0%	168,104	5%	168,104	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	168,104	5%	168,104	5%
Desjardins Total	Open	53,575	2%	168,104	5%	114,529	3%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	53,575					
Total Cash and Equivalents		3,221,296	98%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	3,362,071	100%	3,362,071	100%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		134,387	4%	3,362,071	100%	3,227,705	96%
Money Market		134,387	100%	3,362,071	100%	3,227,705	96%
Alberta		107,518	3%	336,207	10%	228,691	7%
Alberta		28,720					
Alberta Capital Finance Authority		80,797					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,207	10%	336,207	10%
Manitoba		0	0%	336,207	10%	336,207	10%
New Brunswick		0	0%	336,207	10%	336,207	10%
Ontario		0	0%	336,207	10%	336,207	10%
Quebec		0	0%	336,207	10%	336,207	10%
Quebec		26,850	1%	336,207	10%	309,357	9%
Financement Quebec		26,850					
Saskatchewan		0	0%	336,207	10%	336,207	10%
Bond Pool		0	4%	3,362,071	100%	3,227,705	96%
Alberta		0	3%	336,207	10%	228,691	7%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,207	10%	336,207	10%
Manitoba		0	0%	336,207	10%	336,207	10%
New Brunswick		0	0%	336,207	10%	336,207	10%
Ontario		0	0%	336,207	10%	336,207	10%
Quebec		0	1%	336,207	10%	309,357	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	336,207	10%	336,207	10%
Total Fixed		134,387					
Equities							
Bank of Montreal		8,410					
Total Equities		8,410					
Total Investments		3,362,071					

Sector Weights @ December 31, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	6,916,840	2%	368,250,814	100%	357,349,049	97%
Federal Government	Open	8,916,840	2%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Cop	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	196,133,045	53%	368,250,814	100%	172,117,769	47%
Total Alberta (R-1 High)	Open	0	2%	92,062,703	25%	83,025,350	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	60,983,831	17%	92,062,703	25%	31,079,072	8%
Manitoba (R-1 Mid)	Open	4,234,080	1%	92,062,703	25%	87,828,823	24%
New Brunswick (R-1 Mid)	Open	0	0%	92,062,703	25%	92,062,703	25%
Ontario (R-1 Mid)	Open	66,874,508	18%	92,062,703	25%	25,188,185	7%
Quebec (R-1 Mid)	Open	84,040,828	18%	92,062,703	25%	26,022,163	7%
Quebec		28,381,438					
Financement Quebec		14,807,250					
Hydro Quebec		20,852,140					
Saskatchewan (R-1 High)	Open	0	0%	92,062,703	25%	92,062,703	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		92,062,703	25%	92,062,703	25%
Calgary (R-1 High)	Open	0		38,825,081	10%	38,825,081	10%
Edmonton (R-1 High)	Open	0		38,825,081	10%	38,825,081	10%
Financial Institutions & their Guarantees /Corporations		160,172,527	41%	184,125,407	50%	33,952,880	9%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	123,101,484	33%	184,125,407	50%	81,023,923	17%
Bank of Montreal (R-1 High)	Open	34,907,860	9%	38,825,081	10%	1,917,421	1%
Bank of Nova Scotia (R-1 High)	Open	0	0%	38,825,081	10%	5,459,234	1%
Bank of Nova Scotia - Effective Cash		1,385,848					
Bank of Nova Scotia - Notice Account		30,000,000					
Canadian Imperial Bank of Commerce (R-1 High)	Open	30,543,748	8%	38,825,081	10%	6,281,335	2%
Royal Bank (R-1 High)	Open	6,988,560	2%	38,825,081	10%	29,833,140	8%
Royal Bank - Effective Cash		5,381					
Toronto Dominion (R-1 High)	Open	19,282,289	5%	38,825,081	10%	17,532,782	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	27,071,043	7%	92,062,703	25%	64,981,860	18%
National Bank of Canada (R-1 Mid)	Open	10,487,492	3%	18,412,541	5%	7,925,049	2%
OMERS Realty Corporation (R-1 High)	Open	13,590,781	4%	18,412,541	5%	4,821,760	1%
CDP Financial Inc (R-1 High)	Open	0	0%	18,412,541	5%	18,412,541	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	18,412,541	5%	18,412,541	5%
Desjardins Total		2,992,770	1%	18,412,541	5%	15,419,771	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	2,992,770					
Total Cash and Equivalents		353,222,412	66%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,984,925	1%	73,650,163	20%	69,665,238	19%
Money Market							
Bond Pool		3,984,925					
Provincial Government & their Guarantees		11,037,087	3%	73,650,163	20%	62,613,086	17%
Money Market		10,005,469	3%	73,650,163	20%	62,613,086	17%
Alberta		8,005,755	2%	38,825,081	10%	27,787,728	8%
Alberta		1,980,614					
Alberta Capital Finance Authority		6,015,141					
Alberta Treasury Branches							
British Columbia	0	0%	38,825,081	10%	38,825,081	10%	
Manitoba	0	0%	38,825,081	10%	38,825,081	10%	
New Brunswick	0	0%	38,825,081	10%	38,825,081	10%	
Ontario	0	0%	38,825,081	10%	38,825,081	10%	
Quebec	1,999,714	1%	38,825,081	10%	34,825,367	9%	
Quebec	1,999,714						
Financement Quebec	0						
Saskatchewan	0	0%	38,825,081	10%	38,825,081	10%	
Bond Pool		1,031,598	3%	73,650,163	20%	62,613,086	17%
Alberta		1,031,598	2%	38,825,081	10%	27,787,728	8%
Alberta							
Alberta Capital Finance Authority		1,031,598					
Alberta Treasury Branches							
British Columbia	0	0%	38,825,081	10%	38,825,081	10%	
Manitoba	0	0%	38,825,081	10%	38,825,081	10%	
New Brunswick	0	0%	38,825,081	10%	38,825,081	10%	
Ontario	0	0%	38,825,081	10%	38,825,081	10%	
Quebec	0	1%	38,825,081	10%	34,825,367	9%	
Quebec							
Financement Quebec							
Saskatchewan	0	0%	38,825,081	10%	38,825,081	10%	
Total Fixed		18,021,992	4%	73,650,163	20%	59,628,171	16%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		368,250,814					
Interest Bearing Bank Accounts - O/S Cheque Coverage		11,840,594					
Total Investments and O/S Cheques Coverage		380,091,407					

SCHEDULE B

Operating Funds
Sector Weights
Sector Weights @ December 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	4,508,552	2%	238,760,097	100%	232,251,545	98%
Federal Government	Open	4,508,552	2%				
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	127,843,927	54%	238,760,097	100%	108,918,170	46%
Total Alberta (R-1 High)	Open	0	0%	59,190,024	25%	55,289,220	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	39,750,501	17%	59,190,024	25%	19,439,523	8%
Manitoba (R-1 Mid)	Open	2,759,869	1%	59,190,024	25%	58,430,156	24%
New Brunswick (R-1 Mid)	Open	0	0%	59,190,024	25%	59,190,024	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0					
Ontario (R-1 Mid)	Open	43,590,307	20%	59,190,024	25%	15,599,717	7%
Quebec (R-1 Mid)	Open	41,743,250	18%	59,190,024	25%	18,143,318	7%
Saskatchewan (R-1 High)	Open	0	0%	59,190,024	25%	59,190,024	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		59,190,024	25%	59,190,024	25%
Calgary (R-1 High)	Open	0		23,876,010	10%	23,876,010	10%
Edmonton (R-1 High)	Open	0		23,876,010	10%	23,876,010	10%
Financial Institutions & their Guarantees /Corporations		97,885,828	41%	118,380,048	50%	20,494,220	9%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	80,240,314	34%	118,380,048	50%	38,138,734	18%
Bank of Montreal (R-1 High)	Open	22,753,597	10%	23,876,010	10%	922,412	0%
Bank of Nova Scotia (R-1 High)	Open	0	9%	23,876,010	10%	3,231,045	1%
Bank of Nova Scotia - Effective Cash		890,290					
Bank of Nova Scotia - Notice Account		19,654,874					
Canadian Imperial Bank of Commerce (R-1 High)	Open	19,909,100	8%	23,876,010	10%	3,766,910	2%
Royal Bank (R-1 High)	Open	4,553,987	2%	23,876,010	10%	19,118,505	8%
Royal Bank - Effective Cash		3,507					
Toronto Dominion (R-1 High)	Open	12,575,148	5%	23,876,010	10%	11,100,862	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	17,645,514	7%	59,190,024	25%	41,644,510	18%
National Bank of Canada (R-1 Mid)	Open	6,835,983	3%	11,838,005	5%	5,002,022	2%
QMERIS Realty Corporation (R-1 High)	Open	8,858,777	4%	11,838,005	5%	2,979,228	1%
CDP Financial Inc (R-1 High)	Open	0	0%	11,838,005	5%	11,838,005	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	11,838,005	5%	11,838,005	5%
Desjardins Total		1,950,755	1%	11,838,005	5%	9,887,250	4%
Desjardins Group (R-1 High)	Open	0					
Caisses Centales Desjardins (R-1 High)	Open	1,950,755					
Total Investments		230,238,307	97%				
FIXED (Bonds, etc. over one year)		0	0%	47,352,019	20%	47,352,019	20%
Federal Government		0					
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		6,521,790	3%	47,352,019	20%	40,830,230	17%
Money Market		6,521,790	3%	47,352,019	20%	40,830,230	17%
Alberta		3,920,804	2%	23,876,010	10%	19,755,206	8%
Alberta							
Alberta Capital Finance Authority		3,920,804					
Alberta Treasury Branches		0	0%	23,876,010	10%	23,876,010	10%
British Columbia		0	0%	23,876,010	10%	23,876,010	10%
Manitoba		0	0%	23,876,010	10%	23,876,010	10%
New Brunswick		0	0%	23,876,010	10%	23,876,010	10%
Ontario		0	0%	23,876,010	10%	23,876,010	10%
Quebec		1,303,459	1%	23,876,010	10%	22,372,551	9%
Quebec		1,303,459					
Financement Quebec		0	0%	23,876,010	10%	23,876,010	10%
Saskatchewan		0	0%	23,876,010	10%	23,876,010	10%
Bond Pool		0	3%	47,352,019	20%	40,830,230	17%
Alberta		0	2%	23,876,010	10%	19,755,206	8%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0	0%	23,876,010	10%	23,876,010	10%
British Columbia		0	0%	23,876,010	10%	23,876,010	10%
Manitoba		0	0%	23,876,010	10%	23,876,010	10%
New Brunswick		0	0%	23,876,010	10%	23,876,010	10%
Ontario		0	0%	23,876,010	10%	23,876,010	10%
Quebec		0	1%	23,876,010	10%	22,372,551	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	23,876,010	10%	23,876,010	10%
Total Fixed		6,521,790	3%	47,352,019	20%	40,830,230	17%
Total Investments		238,780,097					
Interest Bearing Bank Accounts O/S Cheque Coverage		11,840,594					
Total Investments and O/S Cheques Coverage		248,600,690					

Capital Funds
Sector Weights
Sector Weights @ December 31, 2012

SCHEDULE C

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	0	100%	0	0%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	0	0%	0	100%	0	0%
Total Alberta (R-1 High)	Open	0	0%	0	25%	0	0%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	0	0%	0	25%	0	0%
Manitoba (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	0	25%	0	0%
Ontario (R-1 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					
Bank of Nova Scotia - Notice Account		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		0	0%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	0	20%	0	0%
Money Market		0					
Bond Pool		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							
Alberta Capital Finance Authority		0					
Alberta Treasury Branches							
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					
Financement Quebec		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					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		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					
Financement Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Total Fixed		0	0%	0	20%	0	0%
Total Investments		0					

SCHEDULE D

Reserve Funds
Sector Weights
Sector Weights @ December 31, 2012

Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%	
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	2,344,377	2%	128,128,104	100%	121,788,802	95%
Federal Government	Open	2,344,377	2%				
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	66,476,851	63%	128,128,104	100%	61,651,243	48%
Total Alberta (R-1 High)	Open	0	2%	32,032,026	25%	28,288,977	22%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	20,869,845	17%	32,032,026	25%	11,362,361	9%
Mantoba (R-1 Mid)	Open	1,435,089	1%	32,032,026	25%	30,596,937	24%
New Brunswick (R-1 Mid)	Open	0	0%	32,032,026	25%	32,032,026	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0					
Ontario (R-1 Mid)	Open	22,668,284	20%	32,032,026	25%	9,385,742	7%
Quebec (R-1 Mid)	Open	21,705,843	17%	32,032,026	25%	9,848,405	8%
Saskatchewan (R-1 High)	Open	0	1%	32,032,026	25%	32,032,026	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		32,032,026	26%	32,032,026	26%
Calgary (R-1 High)	Open	0		12,812,810	10%	12,812,810	10%
Edmonton (R-1 High)	Open	0		12,812,810	10%	12,812,810	10%
Financial Institutions & their Guarantees/Corporations		60,889,114	40%	64,064,062	60%	13,164,938	10%
BA's Schedule A							
Canadian Banks R-1	Mid	41,723,720	33%	64,064,062	60%	22,340,332	17%
Tier 1 - Financial Institutions & their Guarantees	Open	11,831,518	9%	12,812,810	10%	981,292	1%
Bank of Montreal (R-1 High)	Open	0	8%	12,812,810	10%	2,181,748	2%
Bank of Nova Scotia (R-1 High)	Open	482,937					
Bank of Nova Scotia - Effective Cash		10,188,128					
Bank of Nova Scotia - Notice Account		10,352,424	8%	12,812,810	10%	2,460,387	2%
Canadian Imperial Bank of Commerce (R-1 High)	Open	2,388,008	2%	12,812,810	10%	10,442,979	8%
Royal Bank (R-1 High)	Open	1,824					
Royal Bank - Effective Cash		8,538,882	5%	12,812,810	10%	6,273,929	5%
Toronto Dominion (R-1 High)	Open	0					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	9,179,394	7%	32,032,038	25%	22,856,632	18%
National Bank of Canada (R-1 Mid)	Open	3,554,603	3%	8,408,405	5%	2,851,600	2%
OMERS Realty Corporation (R-1 High)	Open	4,806,428	4%	8,408,405	5%	1,789,979	1%
CDP Financial Inc (R-1 High)	Open	0	0%	8,408,405	5%	8,408,405	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	8,408,405	5%	8,408,405	5%
Desjardins Total	Open	1,014,362	1%	8,408,405	5%	5,392,043	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,014,362					
Total Cash and Equivalents		119,720,381	93%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,984,925	3%	128,128,104	100%	124,143,179	97%
Money Market		0					
Bond Pool		3,984,925					
Provincial Government & their Guarantees		4,422,828	3%	64,064,062	60%	59,841,224	47%
Money Market		3,391,230	3%	64,064,062	60%	59,841,224	47%
Alberta		2,713,451	3%	12,812,810	10%	9,067,761	7%
Alberta		674,694					
Alberta Capital Finance Authority		2,038,757					
Alberta Treasury Branches		0					
British Columbia	0	0%	12,812,810	10%	12,812,810	10%	
Mantoba	0	0%	12,812,810	10%	12,812,810	10%	
New Brunswick	0	0%	12,812,810	10%	12,812,810	10%	
Ontario	0	0%	12,812,810	10%	12,812,810	10%	
Quebec	877,778	1%	12,812,810	10%	12,135,032	9%	
Quebec	877,778						
Financement Quebec	0						
Saskatchewan	0	0%	12,812,810	10%	12,812,810	10%	
Bond Pool		1,031,598	3%	64,064,062	60%	59,841,224	47%
Alberta		1,031,598	3%	12,812,810	10%	9,067,761	7%
Alberta		0					
Alberta Capital Finance Authority		1,031,598					
Alberta Treasury Branches		0					
British Columbia	0	0%	12,812,810	10%	12,812,810	10%	
Mantoba	0	0%	12,812,810	10%	12,812,810	10%	
New Brunswick	0	0%	12,812,810	10%	12,812,810	10%	
Ontario	0	0%	12,812,810	10%	12,812,810	10%	
Quebec	0	1%	12,812,810	10%	12,135,032	9%	
Quebec	0						
Financement Quebec	0						
Saskatchewan	0	0%	12,812,810	10%	12,812,810	10%	
Total Fixed		8,407,753	7%	128,128,104	100%	119,720,351	93%
Total Investments		128,128,104					

Trust Funds
Sector Weights
Sector Weights @ December 31, 2012

SCHEDULE E

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	83,911	3%	3,362,613	100%	3,298,702	98%
Federal Government	Open	83,911	2%				
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	1,812,267	54%	3,362,613	100%	1,880,368	46%
Total Alberta (R-1 High)	Open	0	2%	840,653	25%	766,681	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	563,485	17%	840,653	25%	277,168	8%
Manitoba (R-1 Mid)	Open	39,123	1%	840,653	25%	801,531	24%
New Brunswick (R-1 Mid)	Open	0	0%	840,653	25%	840,653	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	840,653	25%	840,653	25%
Ontario (R-1 Mid)	Open	617,918	21%	840,653	25%	222,737	7%
Quebec (R-1 Mid)	Open	591,733	18%	840,653	25%	230,443	7%
Saskatchewan (R-1 High)	Open	0	0%	840,653	25%	840,653	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		840,653	25%	840,653	25%
Calgary (R-1 High)	Open	0		336,261	10%	336,261	10%
Edmonton (R-1 High)	Open	0		336,261	10%	336,261	10%
Financial Institutions & their Guarantees /Corporations		1,387,586	41%	1,681,307	60%	283,722	8%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	1,137,456	34%	1,681,307	60%	643,858	16%
Bank of Montreal (R-1 High)	Open	322,545	10%	336,261	10%	13,717	0%
Bank of Nova Scotia (R-1 High)	Open	0	0%	336,261	10%	48,443	1%
Bank of Nova Scotia - Effective Cash		12,820					
Bank of Nova Scotia - Notice Account		277,198					
Canadian Imperial Bank of Commerce (R-1 High)	Open	282,222	8%	336,261	10%	54,039	2%
Royal Bank (R-1 High)	Open	84,555	2%	336,261	10%	271,656	8%
Royal Bank - Effective Cash		50					
Toronto Dominion (R-1 High)	Open	178,260	5%	336,261	10%	158,002	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	250,135	7%	840,653	25%	699,519	18%
National Bank of Canada (R-1 Mid)	Open	98,804	3%	188,131	5%	71,227	2%
OMERS Realty Corporation (R-1 High)	Open	125,578	4%	188,131	5%	42,553	1%
COP Financial Inc (R-1 High)	Open	0	0%	188,131	5%	188,131	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	188,131	5%	188,131	5%
Desjardins Total		27,853	1%	188,131	5%	140,478	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	27,853					
Total Cash and Equivalents		3,263,763	97%				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	3,362,613	100%	3,362,613	100%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		92,450	3%	3,362,613	100%	3,270,163	97%
Money Market		92,450	100%	3,362,613	100%	3,270,163	97%
Alberta		73,973	2%	336,261	10%	262,289	8%
Alberta		18,393					
Alberta Capital Finance Authority		55,580					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,261	10%	336,261	10%
Manitoba		0	0%	336,261	10%	336,261	10%
New Brunswick		0	0%	336,261	10%	336,261	10%
Ontario		0	0%	336,261	10%	336,261	10%
Quebec		18,477	1%	336,261	10%	317,784	9%
Quebec		18,477					
Financement Quebec		0					
Saskatchewan		0	0%	336,261	10%	336,261	10%
Bond Pool		0	3%	3,362,613	100%	3,270,163	97%
Alberta		0	2%	336,261	10%	262,289	8%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,261	10%	336,261	10%
Manitoba		0	0%	336,261	10%	336,261	10%
New Brunswick		0	0%	336,261	10%	336,261	10%
Ontario		0	0%	336,261	10%	336,261	10%
Quebec		0	1%	336,261	10%	317,784	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	336,261	10%	336,261	10%
Total Fixed		92,450					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,362,613					



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

Attachment 2

Audit and Finance Standing Committee
March 20, 2013

TO: Councillor Bill Karsten, Chair and Members of the Audit and Finance Standing Committee

Original Signed

SUBMITTED BY:

Greg Keefe, Director of Finance and Information Technology / CFO

DATE:

February 18, 2013

SUBJECT:

Investment Activities – Quarter Ending September 30, 2012

ORIGIN

Quarterly report of investment performance and adherence to approved Investment Policy.

LEGISLATIVE AUTHORITY

Section 121(1) of the HRM Charter requires that funds be invested pursuant to an Investment Policy adopted by Council and approved by the Minister of Service Nova Scotia and Municipal Relations or invested pursuant to the Trustee Act. Where HRM has chosen to adopt an Investment Policy and the Minister has approved the Policy investment activities are governed by this Policy.

RECOMMENDATION

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

Investment Activities – Quarter Ending

September 30, 2012

Audit and Finance Standing Committee - 2 -

March 20, 2013

BACKGROUND

The HRM 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 September 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 Standing Committee meeting of March 20.

It should be noted that the terms of the Members of the Committee expired in the Fall of 2012. Staff did not forward reports to the Committee pending appointment of Members to the Committee. As a result the Quarterly reports are somewhat delayed compared to typical timing.

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 September 30, 2012:

Money Market Funds	3 Months (to Sept. 30, 2012)	9 Months (to Sept. 30, 2012)	1 Year (to Sept. 30, 2012)
5 th Percentile	.36%	1.12%	1.46%
1 st Quartile	.32%	.92%	1.23%
Mercer Median	.30%	.88%	1.18%
3 rd Quartile	.26%	.79%	1.04%
95 th Percentile	.22%	.70%	.92%
DEX 91 Day T-Bills	.23%	.72%	.94%
HRM	.30%	.87%	1.15%

HRM relative performance was at Median for the Quarter and somewhat below for the nine month and one year periods. This relative performance was before taking into consideration fees that would have been paid to an external investment management firm. Relative performance would be above Median on an after fee basis for all reported periods. The very high quality of the HRM portfolio has been maintained.

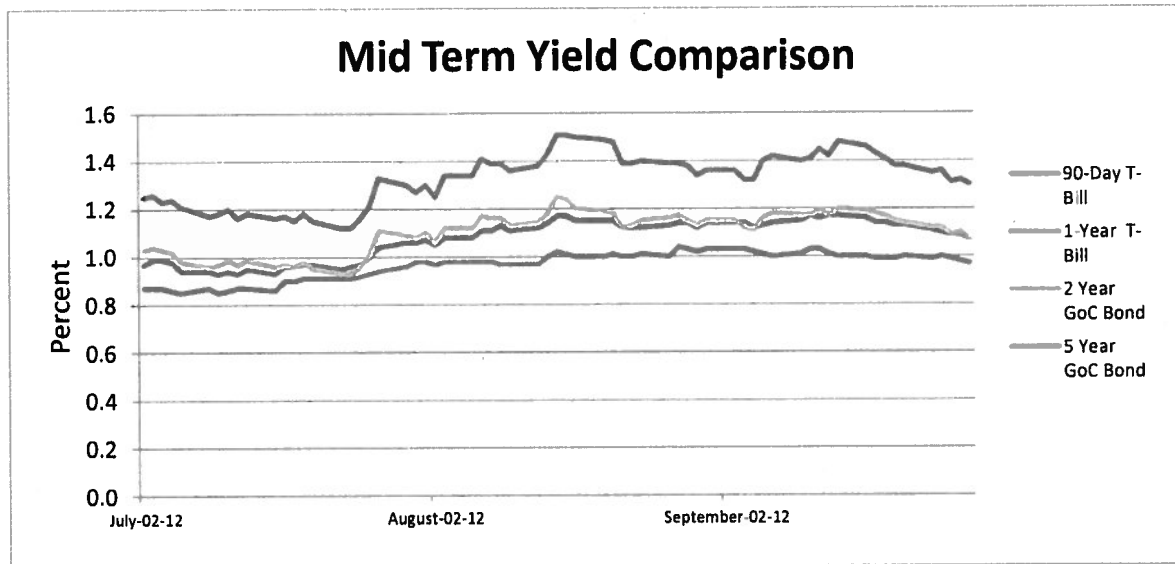
The Quarter saw 36 money market investments made at a cost of \$114,895,576 with an average term to maturity of 97 days. This compares to last year's 2nd Quarter of 28 investments made at a cost of \$108,973,000 with an average term of 98 days. In mid-August some Provincial instruments were relatively attractive near the six month term and some cash was invested in that area. Also \$2,000,000 in Province of Quebec Floating Rate Notes maturing in December 2013 were purchased. However, there was a far greater emphasis on shorter term investments to cover cash requirements and ensure funds were available to be rolled over with 79% of investments

being made in Non-Government instruments in the 3 month and under time frame. The bank account continued to provide an attractive rate of interest relative to other short term Financial Institution instruments and was used extensively. The new Notice Investment account further enhanced these returns from the HRM banker.

Operating Fund Investment Income for the first six months of the fiscal year was \$1,102,000 versus a budget of \$544,000 while the actual rate of return was .6% versus the budgeted rate of .5 %. While the better rate of return was a contributing factor the majority of the positive variance was a result of better than anticipated cash flows. Operating Fund Investment Income for the fiscal year is currently projected to be \$2,050,000 versus a budget of \$1,100,000.

HRM Short Term Bond Pool

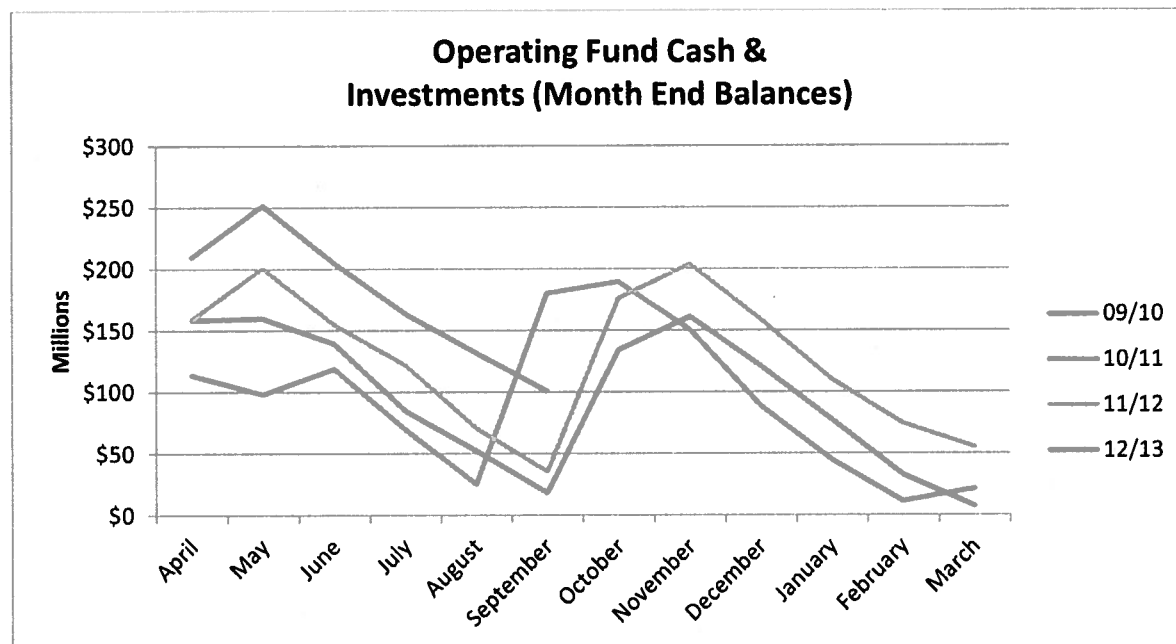
The Short Term Bond Pool holds bonds to a maximum term to maturity of approximately five years. The \$5,000,000 of bonds currently held have yields ranging from 2.21% to 3.07%. These bonds are guaranteed by either the Government of Canada or highly rated Provinces. There were no additions to the Bond 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 and the very narrow spread on yields between the shorter and longer dated instruments key considerations.



Cash Flows

As indicated in the graph below Operating Cash and Investment balances continue to outstrip levels of previous years by a healthy margin. One contributing factor was the methodology for calculating the interim property tax billing which applies the previous year's tax rates to the

current year's assessed values. The net result was that the interim tax billing was higher than the final tax billing in the 2012/13 fiscal year because of the decrease in the 2012/13 tax rates. Other factors were the surplus from the previous fiscal year and the receipt of funds from claims for disaster assistance from Hurricane Juan and White Juan. Staff is continuing efforts to refine the attribution of Operating Fund cash flows and balances.



The Sector Weight guidelines for the HRM banker exceeded the Policy limits for two days during the Quarter. These instances were discussed with the Committee and they agreed with staff's assessment that this temporary variance did not constitute a material increase in risk to the portfolio. It should also be noted that the negative figures in the Sector Weight Schedules for Bank of Nova Scotia – Effective Cash does not reflect an actual overdraft of the bank account but rather reflects funds committed to Outstanding Cheque Coverage.

The average level for the bank account for the Quarter was 91% of the Policy guideline.

Outlook & Strategy

The sub-par growth scenario suggested by economists Reinhart and Rogoff in the wake of financial crisis and when government debt to GDP levels rise above 90% seems to be playing out. On the latter point it appears the government debt drag on the economy is more than just a crowding out affect. In addition, the uncertainty around tax and fiscal policy that contributed to getting to the magic number of 90% is also a factor as is a lack of confidence that the political process will produce sound policy to definitively address economic issues. This appears to be particularly problematic in the U.S. the Euro area and Japan. The double edged sword of

experimental monetary policy also contributes to a heightened sense of unease which further clouds investment decisions whether they be in new plant and equipment or financial markets. Staff continues to look for opportunities to lock in rates on Government instruments when they are relatively attractive in terms beyond six months.

Policy Compliance

In keeping with the most amendments to the Policy staff has modified the Policy Compliance section to reflect the new breakdown of Objectives and Strategies.

Objectives:

Preservation of Capital - There was no loss of capital during the Quarter.

Liquidity - No overdraft charges were incurred and sufficient cash was available to meet all requirements. The funded ratio of the Reserves at Quarter end was 100%.

Competitive Return on Investments - The rate of return was somewhat below median for the year ending September 30, 2012 before allowing for fees for external management. After allowing for these fees the rate of return would have exceeded median therefore staff maintain that the Policy benchmark was met.

Strategies:

Diversification of Investment Portfolio - Staff believe that diversification has been adequately maintained under the constraints of the Policy.

Regular Review of Performance - Performance data continues to be reported to the Investment Policy Advisory Committee.

Risk Management Approach – In implementing investment decisions staff seek a balance between the Objectives of the Investment Policy and the risks inherent in markets to look to achieve an optimal rate of return.

FINANCIAL IMPLICATIONS

Staff is anticipating that Operating Fund Investment Income for the fiscal year will be \$2,050,000 versus a budget of \$1,100,000. This substantial positive variance is primarily due to much better than anticipated cash levels for the Operating Fund. Somewhat better than expected interest rates were also a contributing factor.

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.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ September 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

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

Original Signed

Report Approved by: Jerry Blackwood, CGA, Manager of Revenue, 490-6470

Sector Weights @ December 31, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	6,916,840	2%	368,250,814	100%	367,349,049	97%
Federal Government	Open	6,916,840	2%				
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	198,133,045	53%	368,250,814	100%	172,117,769	47%
Total Alberta (R-1 High)	Open	0	2%	92,062,703	25%	83,025,350	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	60,983,831	17%	92,062,703	25%	31,079,072	8%
Manitoba (R-1 Mid)	Open	4,234,080	1%	92,062,703	25%	87,828,623	24%
New Brunswick (R-1 Mid)	Open	0	0%	92,062,703	25%	92,062,703	25%
Ontario (R-1 Mid)	Open	66,874,508	18%	92,062,703	25%	25,188,195	7%
Quebec (R-1 Mid)	Open	64,040,826	18%	92,062,703	25%	28,022,163	7%
Quebec		28,381,438					
Financement Quebec		14,807,250					
Hydro Quebec		20,852,140					
Saskatchewan (R-1 High)	Open	0	0%	92,062,703	25%	92,062,703	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		92,062,703	25%	92,062,703	25%
Calgary (R-1 High)	Open	0		36,825,081	10%	36,825,081	10%
Edmonton (R-1 High)	Open	0		36,825,081	10%	36,825,081	10%
Financial Institutions & their Guarantees /Corporations		150,172,627	41%	184,125,407	50%	33,952,880	9%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	123,101,484	33%	184,125,407	50%	61,023,923	17%
Bank of Montreal (R-1 High)	Open	34,907,680	9%	36,825,081	10%	1,917,421	1%
Bank of Nova Scotia (R-1 High)	Open	0	9%	36,825,081	10%	5,459,234	1%
Bank of Nova Scotia Effective Cash		1,365,848					
Bank of Nova Scotia - Notice Account		30,000,000					
Canadian Imperial Bank of Commerce (R-1 High)	Open	30,543,746	8%	36,825,081	10%	6,281,335	2%
Royal Bank (R-1 High)	Open	6,986,560	2%	36,825,081	10%	28,833,140	8%
Royal Bank - Effective Cash		5,381					
Toronto Dominion (R-1 High)	Open	19,292,289	5%	36,825,081	10%	17,532,792	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	27,071,043	7%	92,062,703	25%	64,991,660	18%
National Bank of Canada (R-1 Mid)	Open	10,487,492	3%	18,412,541	5%	7,925,049	2%
OMERS Realty Corporation (R-1 High)	Open	13,590,781	4%	18,412,541	5%	4,821,760	1%
CDP Financial Inc (R-1 High)	Open	0	0%	18,412,541	5%	18,412,541	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	18,412,541	5%	18,412,541	5%
Desjardins Total		2,992,770	1%	18,412,541	5%	15,419,771	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	2,992,770					
Total Cash and Equivalents		363,222,412	96%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,984,925	1%	73,650,163	20%	69,665,238	19%
Federal Government		3,984,925					
Money Market							
Bond Pool		3,984,925					
Provincial Government & their Guarantees		11,037,067	3%	73,650,163	20%	62,613,096	17%
Money Market		10,005,469	3%	73,650,163	20%	62,613,096	17%
Alberta		8,005,755	2%	36,825,081	10%	27,787,728	8%
Alberta		1,980,814					
Alberta Capital Finance Authority		6,015,141					
Alberta Treasury Branches							
British Columbia	0	0%	36,825,081	10%	36,825,081	10%	
Manitoba	0	0%	36,825,081	10%	36,825,081	10%	
New Brunswick	0	0%	36,825,081	10%	36,825,081	10%	
Ontario	0	0%	36,825,081	10%	36,825,081	10%	
Quebec	1,999,714	1%	36,825,081	10%	34,825,367	9%	
Quebec	1,999,714						
Financement Quebec	0						
Saskatchewan	0	0%	36,825,081	10%	36,825,081	10%	
Bond Pool		1,031,598	3%	73,650,163	20%	62,613,096	17%
Alberta		1,031,598	2%	36,825,081	10%	27,787,728	8%
Alberta							
Alberta Capital Finance Authority		1,031,598					
Alberta Treasury Branches							
British Columbia	0	0%	36,825,081	10%	36,825,081	10%	
Manitoba	0	0%	36,825,081	10%	36,825,081	10%	
New Brunswick	0	0%	36,825,081	10%	36,825,081	10%	
Ontario	0	0%	36,825,081	10%	36,825,081	10%	
Quebec	0	1%	36,825,081	10%	34,825,367	9%	
Quebec							
Financement Quebec							
Saskatchewan	0	0%	36,825,081	10%	36,825,081	10%	
Total Fixed		15,021,992	4%	73,650,163	20%	68,628,171	18%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		368,250,814					
Interest Bearing Bank Accounts - O/S Cheque Coverage		11,840,594					
Total Investments and O/S Cheques Coverage		380,091,407					

Operating Funds
Sector Weights
Sector Weights @ December 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	4,508,552	2%	236,760,097	100%	232,261,546	98%
Federal Government	Open	4,508,552	2%				
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	127,843,927	54%	236,760,097	100%	106,916,170	46%
Total Alberta (R-1 High)	Open	0	0%	59,190,024	25%	55,269,220	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	39,750,501	17%	59,190,024	25%	19,439,523	8%
Manitoba (R-1 Mid)	Open	2,759,869	1%	59,190,024	25%	56,430,156	24%
New Brunswick (R-1 Mid)	Open	0	0%	59,190,024	25%	59,190,024	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0		59,190,024	25%	59,190,024	25%
Ontario (R-1 Mid)	Open	43,590,307	20%	59,190,024	25%	15,599,717	7%
Quebec (R-1 Mid)	Open	41,743,250	18%	59,190,024	25%	16,143,316	7%
Saskatchewan (R-1 High)	Open	0	0%	59,190,024	25%	59,190,024	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		59,190,024	25%	59,190,024	25%
Calgary (R-1 High)	Open	0		23,676,010	10%	23,676,010	10%
Edmonton (R-1 High)	Open	0		23,676,010	10%	23,676,010	10%
Financial Institutions & their Guarantees /Corporations		97,885,828	41%	118,380,048	50%	20,494,220	9%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	80,240,314	34%	118,380,048	50%	38,139,734	16%
Bank of Montreal (R-1 High)	Open	22,753,597	10%	23,676,010	10%	922,412	0%
Bank of Nova Scotia (R-1 High)	Open	0	9%	23,676,010	10%	3,231,045	1%
Bank of Nova Scotia - Effective Cash		890,290					
Bank of Nova Scotia - Notice Account		19,554,674					
Canadian Imperial Bank of Commerce (R-1 High)	Open	19,909,100	8%	23,676,010	10%	3,766,910	2%
Royal Bank (R-1 High)	Open	4,553,997)	2%	23,676,010	10%	19,118,505	8%
Royal Bank - Effective Cash		3,507)					
Toronto Dominion (R-1 High)	Open	12,575,148	5%	23,676,010	10%	11,100,862	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High**	17,645,514	7%	59,190,024	25%	41,544,510	18%
National Bank of Canada (R-1 Mid)	Open	6,835,983	3%	11,838,005	5%	5,002,022	2%
OMERS Realty Corporation (R-1 High)	Open	8,858,777	4%	11,838,005	5%	2,979,228	1%
CDP Financial Inc (R-1 High)	Open	0	0%	11,838,005	5%	11,838,005	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	11,838,005	5%	11,838,005	5%
Desjardins Total		1,950,755	1%	11,838,005	5%	9,887,250	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	1,950,755					
Total Investments		<u>230,238,307</u>	<u>97%</u>				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	47,352,019	20%	47,352,019	20%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		6,521,790	3%	47,352,019	20%	40,830,230	17%
Money Market		6,521,790	3%	47,352,019	20%	40,830,230	17%
Alberta		3,920,804	2%	23,676,010	10%	19,755,206	8%
Alberta							
Alberta Capital Finance Authority		3,920,804					
Alberta Treasury Branches							
British Columbia	0	0%	23,676,010	10%	23,676,010	10%	
Manitoba	0	0%	23,676,010	10%	23,676,010	10%	
New Brunswick	0	0%	23,676,010	10%	23,676,010	10%	
Ontario	0	0%	23,676,010	10%	23,676,010	10%	
Quebec	1,303,459	1%	23,676,010	10%	22,372,551	9%	
Quebec	1,303,459						
Financement Quebec	0						
Saskatchewan	0	0%	23,676,010	10%	23,676,010	10%	
Bond Pool		0	3%	47,352,019	20%	40,830,230	17%
Alberta	0	2%	23,676,010	10%	19,755,206	8%	
Alberta	0						
Alberta Capital Finance Authority	0						
Alberta Treasury Branches	0						
British Columbia	0	0%	23,676,010	10%	23,676,010	10%	
Manitoba	0	0%	23,676,010	10%	23,676,010	10%	
New Brunswick	0	0%	23,676,010	10%	23,676,010	10%	
Ontario	0	0%	23,676,010	10%	23,676,010	10%	
Quebec	0	1%	23,676,010	10%	22,372,551	9%	
Quebec	0						
Financement Quebec	0						
Saskatchewan	0	0%	23,676,010	10%	23,676,010	10%	
Total Fixed		<u>6,521,790</u>	<u>3%</u>	<u>47,352,019</u>	<u>20%</u>	<u>40,830,230</u>	<u>17%</u>
Total Investments		<u>236,760,097</u>					
Interest Bearing Bank Accounts - O/S Cheque Coverage		11,840,594					
Total Investments and O/S Cheques Coverage		<u>248,600,691</u>					

Capital Funds
Sector Weights
Sector Weights @ December 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%	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					
Bank of Nova Scotia - Notice Account		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>				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	0	20%	0	0%
Money Market		0					
Bond Pool		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					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		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					
Financement Quebec		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					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		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					
Financement Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Total Fixed		<u>0</u>	<u>0%</u>	<u>0</u>	<u>20%</u>	<u>0</u>	<u>0%</u>
Total Investments		0					

SCHEDULE D

Reserve Funds
Sector Weights
Sector Weights @ December 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	2,344,377	2%	128,128,104	100%	121,798,802	95%
Federal Government	Open	2,344,377	2%				
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	66,476,861	52%	128,128,104	100%	61,651,243	48%
Total Alberta (R-1 High)	Open	0	2%	32,032,028	25%	28,286,977	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	20,869,645	17%	32,032,028	25%	11,362,381	9%
Manitoba (R-1 Mid)	Open	1,435,089	1%	32,032,028	25%	30,598,937	24%
New Brunswick (R-1 Mid)	Open	0	0%	32,032,028	25%	32,032,028	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	32,032,028	25%	32,032,028	25%
Ontario (R-1 Mid)	Open	22,668,284	20%	32,032,028	25%	9,365,742	7%
Quebec (R-1 Mid)	Open	21,705,843	17%	32,032,028	25%	9,648,405	8%
Saskatchewan (R-1 High)	Open	0	1%	32,032,028	25%	32,032,028	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		32,032,028	25%	32,032,028	25%
Calgary (R-1 High)	Open	0		12,812,810	10%	12,812,810	10%
Edmonton (R-1 High)	Open	0		12,812,810	10%	12,812,810	10%
Financial Institutions & their Guarantees /Corporations		50,899,114	40%	64,064,052	50%	13,184,938	10%
	BA's Schedule A Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	41,723,720	33%	64,064,052	50%	22,340,332	17%
Bank of Montreal (R-1 High)	Open	11,831,518	9%	12,812,810	10%	981,292	1%
Bank of Nova Scotia (R-1 High)	Open	0	8%	12,812,810	10%	2,181,746	2%
Bank of Nova Scotia - Effective Cash		462,937					
Bank of Nova Scotia - Notice Account		10,168,128					
Canadian Imperial Bank of Commerce (R-1 High)	Open	10,352,424	8%	12,812,810	10%	2,460,387	2%
Royal Bank (R-1 High)	Open	2,368,008	2%	12,812,810	10%	10,442,879	8%
Royal Bank - Effective Cash		1,824					
Toronto Dominion (R-1 High)	Open	6,538,882	5%	12,812,810	10%	6,273,829	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	9,175,394	7%	32,032,028	25%	22,856,632	18%
National Bank of Canada (R-1 Mid)	Open	3,554,605	3%	6,406,405	5%	2,851,800	2%
OMERS Realty Corporation (R-1 High)	Open	4,606,428	4%	6,406,405	5%	1,799,979	1%
CDP Financial Inc (R-1 High)	Open	0	0%	6,406,405	5%	6,406,405	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	6,406,405	5%	6,406,405	5%
Desjardins Total		1,014,362	1%	6,406,405	5%	5,392,043	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,014,362					
Total Cash and Equivalents		119,720,351	93%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,984,925	3%	128,128,104	100%	124,143,179	97%
Money Market		0					
Bond Pool		3,984,925					
Provincial Government & their Guarantees		4,422,828	3%	64,064,052	50%	59,641,224	47%
Money Market		3,391,230	3%	64,064,052	50%	59,641,224	47%
Alberta		2,713,451	3%	12,812,810	10%	9,087,761	7%
Alberta		674,684					
Alberta Capital Finance Authority		2,038,757					
Alberta Treasury Branches		0					
British Columbia		0	0%	12,812,810	10%	12,812,810	10%
Manitoba		0	0%	12,812,810	10%	12,812,810	10%
New Brunswick		0	0%	12,812,810	10%	12,812,810	10%
Ontario		0	0%	12,812,810	10%	12,812,810	10%
Quebec		677,778	1%	12,812,810	10%	12,135,032	9%
Quebec		677,778					
Financement Quebec		0					
Saskatchewan		0	0%	12,812,810	10%	12,812,810	10%
Bond Pool		1,031,598	3%	64,064,052	50%	59,641,224	47%
Alberta		1,031,598	3%	12,812,810	10%	9,087,761	7%
Alberta		0					
Alberta Capital Finance Authority		1,031,598					
Alberta Treasury Branches		0					
British Columbia		0	0%	12,812,810	10%	12,812,810	10%
Manitoba		0	0%	12,812,810	10%	12,812,810	10%
New Brunswick		0	0%	12,812,810	10%	12,812,810	10%
Ontario		0	0%	12,812,810	10%	12,812,810	10%
Quebec		0	1%	12,812,810	10%	12,135,032	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	12,812,810	10%	12,812,810	10%
Total Fixed		8,407,753	7%	128,128,104	100%	119,720,351	93%
Total Investments		128,128,104					

SCHEDULE E

Trust Funds
Sector Weights
Sector Weights @ December 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	63,911	2%	3,362,613	100%	3,296,702	98%
Federal Government	Open	63,911	2%				
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	1,612,257	54%	3,362,613	100%	1,550,356	46%
Total Alberta (R-1 High)	Open	0	2%	840,653	25%	766,681	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	563,485	17%	840,653	25%	277,168	8%
Manitoba (R-1 Mid)	Open	39,123	1%	840,653	25%	801,531	24%
New Brunswick (R-1 Mid)	Open	0	0%	840,653	25%	840,653	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	840,653	25%	840,653	25%
Ontario (R-1 Mid)	Open	617,916	21%	840,653	25%	222,737	7%
Quebec (R-1 Mid)	Open	591,733	18%	840,653	25%	230,443	7%
Saskatchewan (R-1 High)	Open	0	0%	840,653	25%	840,653	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		840,653	25%	840,653	25%
Calgary (R-1 High)	Open	0		336,261	10%	336,261	10%
Edmonton (R-1 High)	Open	0		336,261	10%	336,261	10%
Financial Institutions & their Guarantees /Corporations		1,387,585	41%	1,681,307	50%	293,722	9%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	1,137,450	34%	1,681,307	50%	543,856	16%
Bank of Montreal (R-1 High)	Open	322,545	10%	336,261	10%	13,717	0%
Bank of Nova Scotia (R-1 High)	Open	0	9%	336,261	10%	46,443	1%
Bank of Nova Scotia - Effective Cash		12,620					
Bank of Nova Scotia - Notice Account		277,198					
Canadian Imperial Bank of Commerce (R-1 High)	Open	282,222	8%	336,261	10%	54,039	2%
Royal Bank (R-1 High)	Open	64,555	2%	336,261	10%	271,656	8%
Royal Bank - Effective Cash		50					
Toronto Dominion (R-1 High)	Open	178,260	5%	336,261	10%	156,002	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	250,135	7%	840,653	25%	590,519	18%
National Bank of Canada (R-1 Mid)	Open	96,904	3%	168,131	5%	71,227	2%
OMERS Realty Corporation (R-1 High)	Open	125,578	4%	168,131	5%	42,553	1%
CDP Financial Inc (R-1 High)	Open	0	0%	168,131	5%	168,131	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	168,131	5%	168,131	5%
Desjardins Total		27,653	1%	168,131	5%	140,478	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	27,653					
Total Cash and Equivalents		<u>3,263,753</u>	<u>97%</u>				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	3,362,613	100%	3,362,613	100%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		92,450	3%	3,362,613	100%	3,270,163	97%
Money Market		92,450	100%	3,362,613	100%	3,270,163	97%
Alberta		73,673	2%	336,261	10%	262,289	8%
Alberta		18,393					
Alberta Capital Finance Authority		55,560					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,261	10%	336,261	10%
Manitoba		0	0%	336,261	10%	336,261	10%
New Brunswick		0	0%	336,261	10%	336,261	10%
Ontario		0	0%	336,261	10%	336,261	10%
Quebec		18,477	1%	336,261	10%	317,784	9%
Quebec		18,477					
Financement Quebec		0					
Saskatchewan		0	0%	336,261	10%	336,261	10%
Bond Pool		0	3%	3,362,613	100%	3,270,163	97%
Alberta		0	2%	336,261	10%	262,289	8%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,261	10%	336,261	10%
Manitoba		0	0%	336,261	10%	336,261	10%
New Brunswick		0	0%	336,261	10%	336,261	10%
Ontario		0	0%	336,261	10%	336,261	10%
Quebec		0	1%	336,261	10%	317,784	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	336,261	10%	336,261	10%
Total Fixed		<u>92,450</u>					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		<u>3,362,613</u>					

Appendix A

Economic Statistics

	Canada	US
Unemployment Rate	Jul 7.3%, Aug 7.3%, Sep 7.2%	Jul 8.3%, Aug 8.1%, Sep 7.8%
Jobs Created / (Lost) (‘000’s)	Jul -30, Aug 34, Sep 52	Jul 153, Aug 165, Sep 138
CPI (year over year)	Jul 1.3%, Aug 1.2%, Sep 1.2%	Jul 1.4%, Aug 1.7%, Sep 2.0%
CPI-X (Core) (year over year)	Jul 1.7%, Aug 1.6% , Sep 1.3%	Jul 2.1%, Aug 1.9% , Sep 2.0%
GDP	Q3 0.6%	Q3 Final 3.1%

Central Bank Activities

- July 17 Bank of Canada Maintains overnight rate at 1.0%
- August 10 U.S. Federal Open Market Committee maintains Target Range of 0% to .25%
- September 5 Bank of Canada Maintains overnight rate at 1.0%
- September 21 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

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.



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

ATTACHMENT 3

**Audit and Finance Standing Committee
March 20, 2013**

TO: Councillor Bill Karsten, Chair and Members of the Audit and Finance Standing Committee

Original Signed

SUBMITTED BY: _____
Greg Keefe, Director of Finance and Information Technology / CFO

DATE: February 19, 2013

SUBJECT: Investment Activities – Quarter Ending December 31, 2012

ORIGIN

Quarterly report of investment performance and adherence to approved Investment Policy.

LEGISLATIVE AUTHORITY

Section 121(1) of the HRM Charter requires that funds be invested pursuant to an Investment Policy adopted by Council and approved by the Minister of Service Nova Scotia and Municipal Relations or invested pursuant to the Trustee Act. Where HRM has chosen to adopt an Investment Policy and the Minister has approved the Policy investment activities are governed by this 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 HRM 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 December 31, 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 Standing Committee meeting of March 20.

It should be noted that the terms of the Members of the Committee expired in the Fall of 2012. Staff did not forward reports to the Committee pending appointment of Members to the Committee. As a result the Quarterly reports are somewhat delayed compared to typical timing.

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 December 31, 2012:

Money Market Funds	3 Months (to Dec. 31, 2012)	1 Year (to Dec. 31, 2012)
5 th Percentile	.35%	1.33%
1 st Quartile	.31%	1.24%
Mercer Median	.29%	1.18%
3 rd Quartile	.27%	1.05%
95 th Percentile	.25%	.95%
DEX 91 Day T-Bills	.29%	1.01%
HRM	.30%	1.17%

HRM relative performance was slightly above median for the Quarter and slightly below median for the year before allowing for fees that would have been paid to an external management firm. The very high quality of the HRM portfolio was maintained.

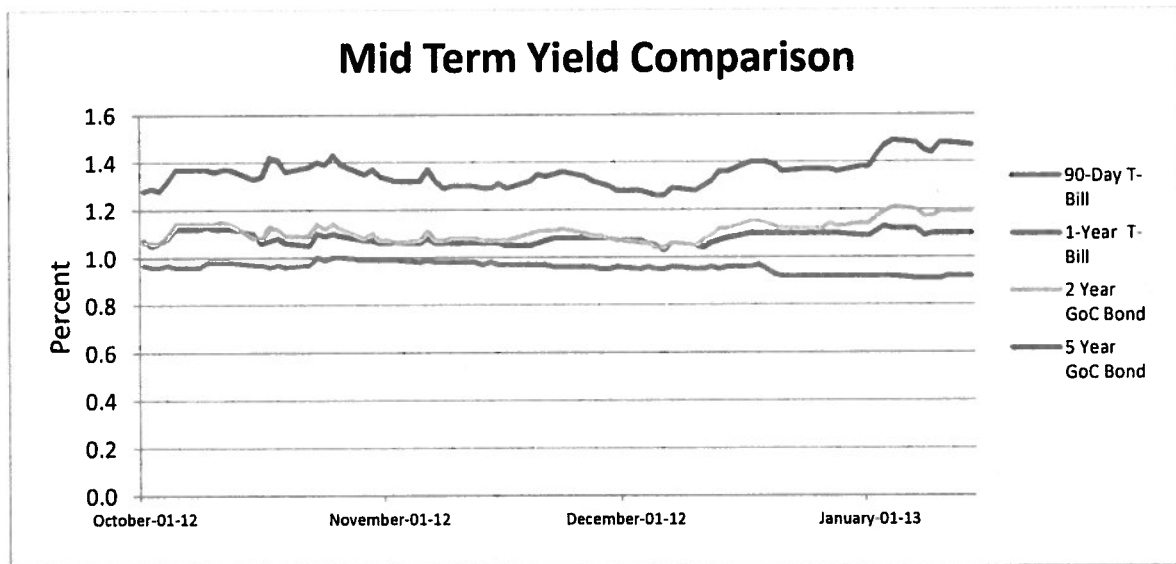
The Quarter saw 72 money market investments made at a cost of \$288,706,000 with an average term to maturity of 86 days. This compares to last year's 3rd Quarter of 80 investments made at a cost of \$298,011,115 with an average term of 117 days. There was an emphasis on shorter term investments to cover cash requirements and to provide funds to rollover with 80% of investments being made in Non-Government instruments in the 3 month and under time frame. The bank account continued to provide an attractive rate of interest relative to other short term Financial Institution instruments and was used extensively. The Notice Investment account continued to further enhance these returns from the HRM banker.

Operating Fund Investment Income for the first nine months of the fiscal year was \$1,706,000 versus a budget of \$894,000 with the actual rate of return being .91 % versus the budgeted rate of

.75%. While the better rate of return was a contributing factor the majority of the positive variance was a result of cash flows. Operating Fund Investment Income for the fiscal year is currently projected to be \$2,050,000 versus a budget of \$1,100,000.

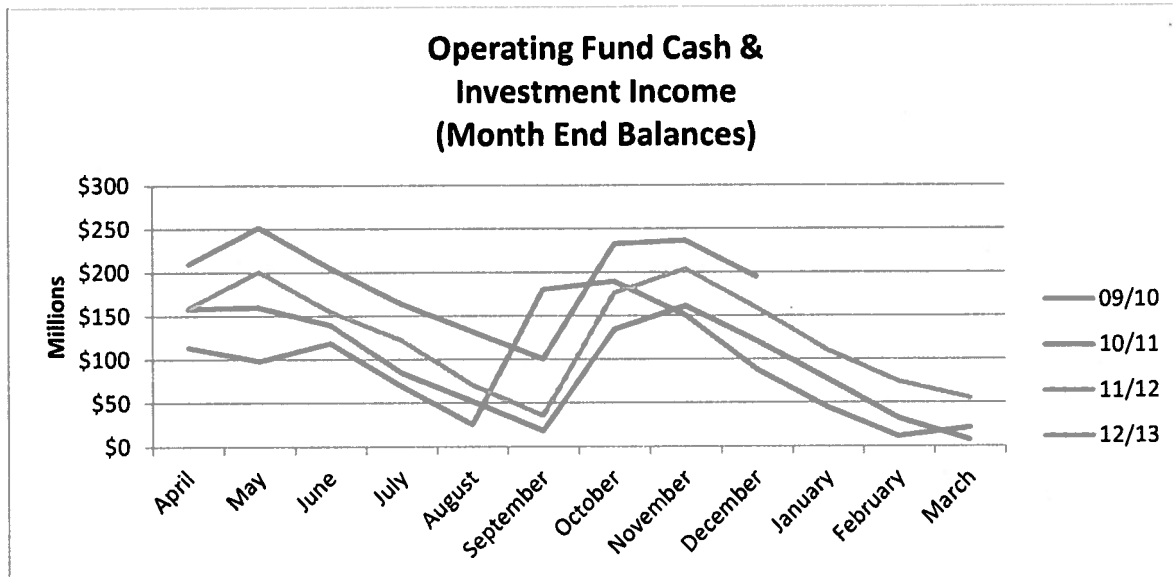
HRM Short Term Bond Pool

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 and the very narrow spread on yields between the shorter and longer dated instruments key considerations.



Cash Flows

The impact of the interim tax billing discussed in the previous Quarter's report ceased to be a consideration after the final tax billing due at the end of October but other positive factors continued. While staff is continuing to analyse these trends both 'stock' and flow considerations are at play. In other words the cash funding of certain Operating Fund Balance Sheet items as well as a projected Operating Fund surplus this year are factors as well as the level of bridge financing being provided to the Capital Fund. Staff will continue to review and report on cash flow trends.



During the Quarter there were two days in October and two days in December when the Sector Weight guideline for the HRM banker exceeded the Policy limits. Staff discussed these occurrences with the Committee and they agreed that these temporary variances did not create a material increase in risk to the portfolio.

The average level for the bank account for the Quarter was 95.9% of the Policy guideline.

Notable Events

In November Bank of Canada Governor Mark Carney was selected as the next Governor of the Bank of England in a move that surprised many. This may be considered as both an acknowledgement of the job Mr. Carney's done and a rebuke to the British banking establishment as a result of the LIBOR scandal. The departure of Mr. Carney is not anticipated to result in any major changes to Canadian Monetary Policy as most important decisions are made by the Governing Council which should ensure some continuity of thought.

In December the U.S. Board of Governors of the Federal Reserve System announced a new approach to their dual mandate of maximum employment and stable inflation by effectively adopting a 6.5% target for the unemployment rate and raising their comfort zone for inflation to 2.5%. To pursue these targets they not only will continue purchasing agency mortgage backed securities at a pace of \$40 billion per month but will also buy longer Treasuries at a rate of \$45 billion a month while continuing to rollover maturities and commit to keeping the federal funds rate at 0 to ¼ percent at least until the unemployment target is met, assuming well anchored inflation expectations. In January 2013 the Federal Reserve's balance sheet was at a record \$3 trillion, more than triple the level of \$984 billion in September 2008. Should the open-ended commitment to add an additional \$85 billion a month of securities continue to the end of 2103 this would add an addition \$1 trillion to the balance sheet bringing it close to ¼ of nominal GDP.

Even with these measures by their own projections the unemployment target will not be met until 2015.

Also in December Standard and Poor's downgraded six Canadian financial institutions by one notch including Scotiabank, National Bank and Caisse central Desjardins. Moody's followed suit in January with one notch downgrades to TD Bank, Scotiabank, Bank of Montreal, CIBC, National and the Caisse. The motivation for the downgrades by both firms was largely because of concerns over the banks' exposure to elevated consumer debt levels, housing prices and increased competition between the banks. Fitch recently affirmed their ratings and DBRS last reviewed the big 6 Canadian banks in September and October of 2012 confirming their ratings. On balance the negative rating actions taken by Standard and Poor's and Moody's on the Canadian banks, while certainly worthy of note, do not cause staff to question continued investment in these banks as, even at the reduced levels, the ratings remain quite high. To the extent that Equity markets still reflect rational thought they would seem to share this view as many Canadian banks are near all time highs. Staff also discussed the rating actions with the Committee and no concerns were raised.

Subsequent to End of Reporting Quarter

At the January 23 meeting, the Bank of Canada softened an already weak tightening bias by saying any removal of monetary stimulus was less imminent than previously anticipated.

The headline number for the first estimate of U.S. GDP for the 4th Quarter of 2012 printed a small negative. The details, however, were less alarming with the largest quarterly drop in defense spending since 1972 and a much slower inventory build primary negative factors. A return to recession is currently not expected.

In early January the Basel Committee issued their guidance on Liquidity Coverage Ratio requirements which not only delayed implementation but also significantly watered down the definition of high-quality liquid assets from Government Bonds and Central Bank deposits to now include BBB- rated corporate bonds, equities and some securitizations. While certainly there would be some corporate debt that would be preferable to some sovereigns, BBB seems like quite a stretch. The net result is that Governments will probably continue to be the lenders of first and last resort in any crisis.

Staff attended a Society of Canadian Treasurer's Roundtable in Halifax which was the last in a series held across the country. There was considerable discussion not only on the Basel Committee rules but also the zeal of Canadian regulators to keep Canada at the forefront of all international capital and liquidity guidelines and whether this was harming the competitiveness of the Canadian banks.

Outlook & Strategy

Signs of life in the U.S. housing market have certainly been a welcome development along with at least tepid employment growth. In Europe the tools seem to be in place to prevent an unruly calamity but whether the political will can be maintained through the various upcoming elections may be another matter. The U.S. also faces a number of political hurdles in the next several months which could upset markets and confidence.

The lack of inflation, particularly in the U.S. given all of the extraordinary Monetary Policy measures taken, is troubling. Should inflation measures move to negative prints it is unclear as to how long it would take a self-fulfilling deflationary mindset to take hold. While Canada at least has room to cut rates and try some quantitative easing, in the U.S. having done so much already they seem to be facing the law of diminishing returns of further policy action. Of course a pickup in the velocity of money could well see the opposite effect with a jump in inflation measures. However given the various forces at play a muddling through of tepid employment and economic growth with fairly stable inflation is probably most likely for the immediate future. We will continue the strategy of locking in rates when they are relatively attractive out to the one year term and beyond while covering cash needs and ensuring funds are available to rollover to longer terms when the longer rates are less attractive.

Policy Compliance

In keeping with the recent amendments to the Policy staff has modified the Policy Compliance section. Feedback from the Committee on the adequacy of these changes would be appreciated.

Objectives:

Preservation of Capital - There was no loss of capital during the Quarter.

Liquidity - No overdraft charges were incurred and sufficient cash was available to meet all requirements. The funded ratio of the Reserves at Quarter end was 100%.

Competitive Return on Investments - The rate of return was slightly below median for the year ending December 31, 2012 before allowing for fees for external management. After allowing for these fees the rate of return would have exceeded median therefore staff maintain that the Policy benchmark was met.

Strategies:

Diversification of Investment Portfolio - Staff believe that diversification has been adequately maintained under the constraints of the Policy.

Regular Review of Performance - Performance data continues to be reported to the Investment Policy Advisory Committee.

Risk Management Approach – In implementing investment decisions staff seek a balance

between the Objectives of the Investment Policy and the risks inherent in markets to look to achieve an optimal rate of return.

FINANCIAL IMPLICATIONS

Staff is anticipating that Operating Fund Investment Income for the fiscal year will be \$2,050,000 versus a budget of \$1,100,000. This substantial positive variance is primarily due to much better than anticipated cash levels for the Operating Fund. Somewhat better than expected interest rates were also a contributing factor.

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.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ December 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

Original signed

Report Approved by: Jerry Blackwood, CGA, Manager of Revenue, 490-6470

Sector Weights @ December 31, 2012

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	6,916,840	2%	368,250,814	100%	357,349,049	97%
Federal Government	Open	6,916,840	2%				
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	196,133,045	53%	368,250,814	100%	172,117,769	47%
Total Alberta (R-1 High)	Open	0	2%	92,062,703	25%	83,025,350	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	60,983,631	17%	92,062,703	25%	31,079,072	8%
Manitoba (R-1 Mid)	Open	4,234,080	1%	92,062,703	25%	87,828,623	24%
New Brunswick (R-1 Mid)	Open	0	0%	92,062,703	25%	92,062,703	25%
Ontario (R-1 Mid)	Open	66,874,508	18%	92,062,703	25%	25,188,195	7%
Quebec (R-1 Mid)	Open	64,040,826	18%	92,062,703	25%	26,022,163	7%
Quebec		28,381,436					
Financement Quebec		14,807,250					
Hydro Quebec		20,852,140					
Saskatchewan (R-1 High)	Open	0	0%	92,062,703	25%	92,062,703	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		92,062,703	25%	92,062,703	25%
Calgary (R-1 High)	Open			36,825,081	10%	36,825,081	10%
Edmonton (R-1 High)	Open			36,825,081	10%	36,825,081	10%
Financial Institutions & their Guarantees /Corporations		150,172,527	41%	184,125,407	50%	33,952,880	9%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	123,101,484	33%	184,125,407	50%	61,023,923	17%
Bank of Montreal (R-1 High)	Open	34,907,660	9%	36,825,081	10%	1,917,421	1%
Bank of Nova Scotia (R-1 High)	Open	0	9%	36,825,081	10%	5,459,234	1%
Bank of Nova Scotia - Effective Cash		1,365,848					
Bank of Nova Scotia - Notice Account		30,000,000					
Canadian Imperial Bank of Commerce (R-1 High)	Open	30,543,746	8%	36,825,081	10%	6,281,335	2%
Royal Bank (R-1 High)	Open	6,986,560	2%	36,825,081	10%	29,833,140	8%
Royal Bank - Effective Cash		5,381					
Toronto Dominion (R-1 High)	Open	19,292,289	5%	36,825,081	10%	17,532,792	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	27,071,043	7%	92,062,703	25%	64,991,660	18%
National Bank of Canada (R-1 Mid)	Open	10,487,492	3%	18,412,541	5%	7,925,049	2%
OMERS Realty Corporation (R-1 High)	Open	13,590,781	4%	18,412,541	5%	4,821,760	1%
CDP Financial Inc (R-1 High)	Open	0	0%	18,412,541	5%	18,412,541	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	18,412,541	5%	18,412,541	5%
Desjardins Total		2,992,770	1%	18,412,541	5%	15,419,771	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	2,992,770					
Total Cash and Equivalents		353,222,412	96%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,984,925	1%	73,650,163	20%	69,665,238	19%
Money Market							
Bond Pool		3,984,925					
Provincial Government & their Guarantees		11,037,067	3%	73,650,163	20%	62,613,096	17%
Money Market		10,005,469	3%	73,650,163	20%	62,613,096	17%
Alberta		8,005,755	2%	36,825,081	10%	27,787,728	8%
Alberta		1,990,814					
Alberta Capital Finance Authority		6,015,141					
Alberta Treasury Branches		0					
British Columbia		0	0%	36,825,081	10%	36,825,081	10%
Manitoba		0	0%	36,825,081	10%	36,825,081	10%
New Brunswick		0	0%	36,825,081	10%	36,825,081	10%
Ontario		0	0%	36,825,081	10%	36,825,081	10%
Quebec		1,999,714	1%	36,825,081	10%	34,825,367	9%
Quebec		1,999,714					
Financement Quebec		0					
Saskatchewan		0	0%	36,825,081	10%	36,825,081	10%
Bond Pool		1,031,598	3%	73,650,163	20%	62,613,096	17%
Alberta		1,031,598	2%	36,825,081	10%	27,787,728	8%
Alberta							
Alberta Capital Finance Authority		1,031,598					
Alberta Treasury Branches		0					
British Columbia		0	0%	36,825,081	10%	36,825,081	10%
Manitoba		0	0%	36,825,081	10%	36,825,081	10%
New Brunswick		0	0%	36,825,081	10%	36,825,081	10%
Ontario		0	0%	36,825,081	10%	36,825,081	10%
Quebec		0	1%	36,825,081	10%	34,825,367	9%
Quebec							
Financement Quebec							
Saskatchewan		0	0%	36,825,081	10%	36,825,081	10%
Total Fixed		15,021,992	4%	73,650,163	20%	58,628,171	16%
Equities		6,410					
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		368,250,814					
Interest Bearing Bank Accounts - O/S Cheque Coverage		11,840,594					
Total Investments and O/S Cheques Coverage		380,091,407					

SCHEDULE B

**Operating Funds
Sector Weights
Sector Weights @ December 31, 2012**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	4,508,552	2%	236,760,097	100%	232,251,545	98%
Federal Government	Open	4,508,552	2%				
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	127,843,927	54%	236,760,097	100%	108,916,170	46%
Total Alberta (R-1 High)	Open	0	0%	59,190,024	25%	55,269,220	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	39,750,501	17%	59,190,024	25%	19,439,523	8%
Manitoba (R-1 Mid)	Open	2,759,869	1%	59,190,024	25%	56,430,156	24%
New Brunswick (R-1 Mid)	Open	0	0%	59,190,024	25%	59,190,024	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0					
Ontario (R-1 Mid)	Open	43,590,307	20%	59,190,024	25%	15,599,717	7%
Quebec (R-1 Mid)	Open	41,743,250	18%	59,190,024	25%	16,143,316	7%
Saskatchewan (R-1 High)	Open	0	0%	59,190,024	25%	59,190,024	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		59,190,024	25%	59,190,024	25%
Calgary (R-1 High)	Open	0		23,676,010	10%	23,676,010	10%
Edmonton (R-1 High)	Open	0		23,676,010	10%	23,676,010	10%
Financial Institutions & their Guarantees /Corporations		97,885,828	41%	118,380,048	50%	20,494,220	9%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	80,240,314	34%	118,380,048	50%	38,139,734	16%
Bank of Montreal (R-1 High)	Open	22,753,597	10%	23,676,010	10%	922,412	0%
Bank of Nova Scotia (R-1 High)	Open	0	9%	23,676,010	10%	3,231,045	1%
Bank of Nova Scotia - Effective Cash		890,290					
Bank of Nova Scotia - Notice Account		19,554,674					
Canadian Imperial Bank of Commerce (R-1 High)	Open	19,909,100	8%	23,676,010	10%	3,766,910	2%
Royal Bank (R-1 High)	Open	4,553,997	2%	23,676,010	10%	19,118,505	8%
Royal Bank - Effective Cash		3,507					
Toronto Dominion (R-1 High)	Open	12,575,148	5%	23,676,010	10%	11,100,862	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	17,645,514	7%	59,190,024	25%	41,544,510	18%
National Bank of Canada (R-1 Mid)	Open	6,835,983	3%	11,838,005	5%	5,002,022	2%
OMERS Realty Corporation (R-1 High)	Open	8,858,777	4%	11,838,005	5%	2,979,228	1%
CDP Financial Inc (R-1 High)	Open	0	0%	11,838,005	5%	11,838,005	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	11,838,005	5%	11,838,005	5%
Desjardins Total		1,950,755	1%	11,838,005	5%	9,887,250	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,950,755					
Total Investments		<u>230,238,307</u>	<u>97%</u>				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	47,352,019	20%	47,352,019	20%
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		6,521,790	3%	47,352,019	20%	40,830,230	17%
Money Market		6,521,790	3%	47,352,019	20%	40,830,230	17%
Alberta		3,920,804	2%	23,676,010	10%	19,755,206	8%
Alberta							
Alberta Capital Finance Authority		3,920,804					
Alberta Treasury Branches							
British Columbia		0	0%	23,676,010	10%	23,676,010	10%
Manitoba		0	0%	23,676,010	10%	23,676,010	10%
New Brunswick		0	0%	23,676,010	10%	23,676,010	10%
Ontario		0	0%	23,676,010	10%	23,676,010	10%
Quebec		1,303,459	1%	23,676,010	10%	22,372,551	9%
Quebec		1,303,459					
Financement Quebec		0					
Saskatchewan		0	0%	23,676,010	10%	23,676,010	10%
Bond Pool		0	3%	47,352,019	20%	40,830,230	17%
Alberta		0	2%	23,676,010	10%	19,755,206	8%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	23,676,010	10%	23,676,010	10%
Manitoba		0	0%	23,676,010	10%	23,676,010	10%
New Brunswick		0	0%	23,676,010	10%	23,676,010	10%
Ontario		0	0%	23,676,010	10%	23,676,010	10%
Quebec		0	1%	23,676,010	10%	22,372,551	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	23,676,010	10%	23,676,010	10%
Total Fixed		<u>6,521,790</u>	<u>3%</u>	<u>47,352,019</u>	<u>20%</u>	<u>40,830,230</u>	<u>17%</u>
Total Investments		<u>236,760,097</u>					
Interest Bearing Bank Accounts - O/S Cheque Coverage		11,840,594					
Total Investments and O/S Cheques Coverage		<u>248,600,690</u>					

**Capital Funds
Sector Weights
Sector Weights @ December 31, 2012**

SCHEDULE C

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	0	100%	0	0%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	0	0%	0	100%	0	0%
Total Alberta (R-1 High)	Open	0	0%	0	25%	0	0%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	0	0%	0	25%	0	0%
Manitoba (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	0	25%	0	0%
Ontario (R-1 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					
Bank of Nova Scotia - Notice Account		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>				
FIXED (Bonds, etc. over one year)							
Federal Government		0	0%	0	20%	0	0%
Money Market		0					
Bond Pool		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							
Alberta Capital Finance Authority		0					
Alberta Treasury Branches							
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					
Financement Quebec		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					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		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					
Financement Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Total Fixed		<u>0</u>	<u>0%</u>	<u>0</u>	<u>20%</u>	<u>0</u>	<u>0%</u>
Total Investments		0					

SCHEDULE D

Reserve Funds
Sector Weights
Sector Weights @ December 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	2,344,377	2%	128,128,104	100%	121,798,802	95%
Federal Government	Open	2,344,377	2%				
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	66,476,861	52%	128,128,104	100%	61,651,243	48%
Total Alberta (R-1 High)	Open	0	2%	32,032,026	25%	28,286,977	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	20,869,645	17%	32,032,026	25%	11,362,361	9%
Manitoba (R-1 Mid)	Open	1,435,089	1%	32,032,026	25%	30,596,937	24%
New Brunswick (R-1 Mid)	Open	0	0%	32,032,026	25%	32,032,026	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	32,032,026	25%	32,032,026	25%
Ontario (R-1 Mid)	Open	22,866,284	20%	32,032,026	25%	9,365,742	7%
Quebec (R-1 Mid)	Open	21,705,843	17%	32,032,026	25%	9,648,405	8%
Saskatchewan (R-1 High)	Open	0	1%	32,032,026	25%	32,032,026	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		32,032,026	26%	32,032,026	25%
Calgary (R-1 High)	Open	0		12,812,810	10%	12,812,810	10%
Edmonton (R-1 High)	Open	0		12,812,810	10%	12,812,810	10%
Financial Institutions & their Guarantees /Corporations		50,899,114	40%	64,064,052	50%	13,164,938	10%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	41,723,720	33%	64,064,052	50%	22,340,332	17%
Bank of Montreal (R-1 High)	Open	11,831,518	9%	12,812,810	10%	981,292	1%
Bank of Nova Scotia (R-1 High)	Open	0	8%	12,812,810	10%	2,181,746	2%
Bank of Nova Scotia - Effective Cash		462,937					
Bank of Nova Scotia - Notice Account		10,168,128					
Canadian Imperial Bank of Commerce (R-1 High)	Open	10,352,424	8%	12,812,810	10%	2,460,367	2%
Royal Bank (R-1 High)	Open	2,368,008	2%	12,812,810	10%	10,442,979	8%
Royal Bank - Effective Cash		1,824					
Toronto Dominion (R-1 High)	Open	6,538,882	5%	12,812,810	10%	6,273,929	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	9,175,394	7%	32,032,026	25%	22,856,632	18%
National Bank of Canada (R-1 Mid)	Open	3,554,605	3%	6,406,405	5%	2,851,800	2%
OMERS Realty Corporation (R-1 High)	Open	4,606,426	4%	6,406,405	5%	1,799,979	1%
CDP Financial Inc (R-1 High)	Open	0	0%	6,406,405	5%	6,406,405	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	6,406,405	5%	6,406,405	5%
Desjardins Total		1,014,362	1%	6,406,405	5%	5,392,043	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	1,014,362					
Total Cash and Equivalents		119,720,351	93%				
FIXED (Bonds, etc. over one year)							
Federal Government		3,984,925	3%	128,128,104	100%	124,143,179	97%
Money Market		0					
Bond Pool		3,984,925					
Provincial Government & their Guarantees		4,422,828	3%	64,064,052	50%	59,641,224	47%
Money Market		3,391,230	3%	64,064,052	50%	59,641,224	47%
Alberta		2,713,451	3%	12,812,810	10%	9,067,761	7%
Alberta		674,694					
Alberta Capital Finance Authority		2,038,757					
Alberta Treasury Branches		0					
British Columbia	0	0%	12,812,810	10%	12,812,810	10%	
Manitoba	0	0%	12,812,810	10%	12,812,810	10%	
New Brunswick	0	0%	12,812,810	10%	12,812,810	10%	
Ontario	0	0%	12,812,810	10%	12,812,810	10%	
Quebec	677,778	1%	12,812,810	10%	12,135,032	9%	
Quebec	677,778						
Financement Quebec	0						
Saskatchewan	0	0%	12,812,810	10%	12,812,810	10%	
Bond Pool		1,031,598	3%	64,064,052	50%	59,641,224	47%
Alberta		1,031,598	3%	12,812,810	10%	9,067,761	7%
Alberta		0					
Alberta Capital Finance Authority		1,031,598					
Alberta Treasury Branches		0					
British Columbia	0	0%	12,812,810	10%	12,812,810	10%	
Manitoba	0	0%	12,812,810	10%	12,812,810	10%	
New Brunswick	0	0%	12,812,810	10%	12,812,810	10%	
Ontario	0	0%	12,812,810	10%	12,812,810	10%	
Quebec	0	1%	12,812,810	10%	12,135,032	9%	
Quebec	0						
Financement Quebec	0						
Saskatchewan	0	0%	12,812,810	10%	12,812,810	10%	
Total Fixed		8,407,753	7%	128,128,104	100%	119,720,351	93%
Total Investments		128,128,104					

SCHEDULE E

Trust Funds
Sector Weights
Sector Weights @ December 31, 2012

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	63,911	2%	3,362,613	100%	3,298,702	98%
Federal Government	Open	63,911	2%				
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	1,812,257	54%	3,362,613	100%	1,550,356	46%
Total Alberta (R-1 High)	Open	0	2%	840,653	25%	766,681	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	563,485	17%	840,653	25%	277,168	8%
Manitoba (R-1 Mid)	Open	39,123	1%	840,653	25%	801,531	24%
New Brunswick (R-1 Mid)	Open	0	0%	840,653	25%	840,653	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	840,653	25%	840,653	25%
Ontario (R-1 Mid)	Open	617,916	21%	840,653	25%	222,737	7%
Quebec (R-1 Mid)	Open	591,733	18%	840,653	25%	230,443	7%
Saskatchewan (R-1 High)	Open	0	0%	840,653	25%	840,653	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		840,653	26%	840,653	26%
Calgary (R-1 High)	Open	0		336,261	10%	336,261	10%
Edmonton (R-1 High)	Open	0		336,261	10%	336,261	10%
Financial Institutions & their Guarantees /Corporations		1,387,585	41%	1,681,307	50%	293,722	9%
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	1,137,450	34%	1,681,307	50%	643,856	16%
Bank of Montreal (R-1 High)	Open	322,545	10%	336,261	10%	13,717	0%
Bank of Nova Scotia (R-1 High)	Open	0	9%	336,261	10%	46,443	1%
Bank of Nova Scotia - Effective Cash		12,820					
Bank of Nova Scotia - Notice Account		277,198					
Canadian Imperial Bank of Commerce (R-1 High)	Open	282,222	8%	336,261	10%	54,039	2%
Royal Bank (R-1 High)	Open	64,555	2%	336,261	10%	271,656	8%
Royal Bank - Effective Cash		50					
Toronto Dominion (R-1 High)	Open	178,260	5%	336,261	10%	158,002	5%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	250,135	7%	840,653	25%	590,519	18%
National Bank of Canada (R-1 Mid)	Open	96,904	3%	168,131	5%	71,227	2%
OMERS Realty Corporation (R-1 High)	Open	125,578	4%	168,131	5%	42,553	1%
CDP Finance Ltd (R-1 High)	Open	0	0%	168,131	5%	168,131	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	168,131	5%	168,131	5%
Desjardins Total		27,653	1%	168,131	5%	140,478	4%
Desjardins Group (R-1 High)	Open	0					
Caisse Centrale Desjardins (R-1 High)	Open	27,653					
Total Cash and Equivalents		3,263,763	97%				
FIXED (Bonds, etc. over one year)		0	0%	3,362,613	100%	3,362,613	100%
Federal Government		0	0%				
Money Market		0					
Bond Pool		0					
Provincial Government & their Guarantees		92,450	3%	3,362,613	100%	3,270,163	97%
Money Market		92,450	100%	3,362,613	100%	3,270,163	97%
Alberta		73,973	2%	336,261	10%	262,289	8%
Alberta		18,393					
Alberta Capital Finance Authority		55,580					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,261	10%	336,261	10%
Manitoba		0	0%	336,261	10%	336,261	10%
New Brunswick		0	0%	336,261	10%	336,261	10%
Ontario		0	0%	336,261	10%	336,261	10%
Quebec		18,477	1%	336,261	10%	317,784	9%
Quebec		18,477					
Financement Quebec		0					
Saskatchewan		0	0%	336,261	10%	336,261	10%
Bond Pool		0	3%	3,362,613	100%	3,270,163	97%
Alberta		0	2%	336,261	10%	262,289	8%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	336,261	10%	336,261	10%
Manitoba		0	0%	336,261	10%	336,261	10%
New Brunswick		0	0%	336,261	10%	336,261	10%
Ontario		0	0%	336,261	10%	336,261	10%
Quebec		0	1%	336,261	10%	317,784	9%
Quebec		0					
Financement Quebec		0					
Saskatchewan		0	0%	336,261	10%	336,261	10%
Total Fixed		92,450					
Equities		6,410					
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,362,613					

Appendix A

Economic Statistics

	Canada	US
Unemployment Rate	Oct 7.4%, Nov 7.2%, Dec 7.1%	Oct 7.9%, Nov 7.7%, Dec 7.9%
Jobs Created / (Lost) ('000's)	Oct 0, Nov 59, Dec 40	Oct 160, Nov 247, Dec 196
CPI (year over year)	Oct 1.2%, Nov .8%, Dec .8%	Oct 2.2%, Nov 1.8%, Dec 1.7%
CPI-X (Core) (year over year)	Oct 1.3%, Nov 1.2%, Dec 1.1%	Oct 2.0%, Nov 1.9%, Dec 1.9%
GDP	NA	Q4 A -.1%

Central Bank Activities

- October 23 Bank of Canada Maintains overnight rate at 1.0%
- November 3 U.S. Federal Open Market Committee maintains Target Range of 0% to .25%
- December 4 Bank of Canada Maintains overnight rate at 1.0%
- December 14 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.