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Halifax Regional Council  
December 2, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: *Derek Tynski*  
Derek Tynski, Chair, Investment Policy Advisory Committee

DATE: November 24, 2003

SUBJECT: Investment Policy Advisory Committee Report - Quarters Ending  
March 31 and June 30, 2003

INFORMATION REPORT

ORIGIN

The Halifax Regional Municipality Investment Policy requires that the Investment Policy Advisory Committee report to Council on compliance by staff with the Investment Objectives of the Investment Policy not less frequently than quarterly.

## **BACKGROUND**

The Halifax Regional Municipality Investment Policy (the Policy) was adopted by Council April 23, 2002 and was approved by the Minister of Service Nova Scotia and Municipal Relations on May 14, 2002. The Policy was approved in accordance with Section 100 of the *Municipal Government Act*.

The mandate of the Investment Policy Advisory Committee (the Committee) is to recommend an investment policy to Council as well as provide ongoing monitoring of investment activities. Following adoption and approval of the Policy, the activities of the Committee have shifted to the monitoring role.

## **DISCUSSION**

The Investment Policy Advisory Committee is pleased to provide this report to Council under the provisions of the Policy. The primary focus of this report will be to report on compliance with the objectives of the Policy.

The six objectives of the Policy, stated in order of priority of importance, are as follows:

1. Adherence to Legal Requirements
2. Preservation of Capital
3. Liquidity
4. Diversification of Investment Portfolio
5. Competitive Return on Investments
6. Regular Review of Performance

Copies of the Sector Weight schedules recommended under the Policy are attached.

The Committee has reviewed the information provided by staff in the Treasurer's reports to the Committee for the Quarters ending March 31, 2003 and June 30, 2003 and accepts the reports and the findings contained in the reports that the investment activities reported are in compliance with the Policy with the exception that at March 31, 2003 the Royal Bank Sector Weight was exceeded by 1% due to deposits received during that day. Staff report that this was addressed on April 1 by investing in another Sector to bring the Royal Bank Sector Weight in line with the Policy Sector Weights. The Committee accepts the explanation provided by staff.

## **BUDGET IMPLICATIONS**

N/A

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

The Committee has been advised by staff that this report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**

N/A

**ATTACHMENTS**

Recommended Sector Weight schedules at March 31, 2003 and June 30, 2003

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Approved by: Investment Policy Advisory Committee *October 23, 2003*  
Report Prepared by: Derek Tynski, Chair, Investment Policy Advisory Committee *At* 490-6471

**Total Investments**  
**Sector Weights**  
**March 31, 2003**

**Schedule A**

	<u>Category Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$75,733,540</b>	<b>68%</b>	<b>\$110,866,045</b>	<b>100%</b>	<b>\$35,132,505</b>	<b>32%</b>
Federal Government	Open	\$47,091,120	42%				
Business Development Bank	Open	\$10,860,560	10%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$17,781,860	16%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$0	0%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$8,895,840</b>	<b>8%</b>	<b>\$110,866,045</b>	<b>100%</b>	<b>\$101,970,205</b>	<b>92%</b>
Total Alberta (R-1 High)	Open	\$2,977,830	3%	\$27,716,511	25%	\$24,738,681	22%
Alberta (R-1 High)	Open	\$2,977,830		\$27,716,511	25%	\$27,716,511	25%
Alberta Municipal Finance Corp (R-1 High)	Open	\$0		\$27,716,511	25%	\$27,716,511	25%
Alberta Treasury Branches (R-1 High)	Open			\$27,716,511	25%	\$27,716,511	25%
British Columbia (R-1 Mid)	Open			\$27,716,511	25%	\$27,716,511	
Manitoba (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
New Brunswick (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
Nova Scotia (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
Ontario (R-1 Mid)	Open	\$5,918,010	5%	\$27,716,511	25%	\$21,798,501	20%
Prince Edward Island (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
Quebec (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
Saskatchewan (R-1 Low)	Closed			\$27,716,511	25%	\$27,716,511	
<b>Municipal Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>		<b>\$27,716,511</b>	<b>25%</b>	<b>\$27,716,511</b>	<b>25%</b>
Calgary (R-1 Mid)	Open			\$11,086,605	10%	\$11,086,605	10%
Edmonton (R-1 High)	Open			\$11,086,605	10%	\$11,086,605	10%
Winnipeg (R-1 Mid)	Open			\$11,086,605	10%	\$11,086,605	10%
<b>BA's Schedule A</b>							
<b>Financial Institutions &amp; their Guarantees</b>	<b>Canadian Banks R-1 Mid</b>	<b>\$26,176,081</b>	<b>24%</b>	<b>\$27,716,511</b>	<b>25%</b>	<b>\$1,540,430</b>	<b>1%</b>
Bank of Montreal (R-1 Mid)	Open	\$3,972,180	4%	\$11,086,605	10%	\$7,114,425	6%
Bank of Nova Scotia (R-1 Mid)	Open	\$4,966,300	4%	\$11,086,605	10%	\$6,120,305	6%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$2,988,510		\$11,086,605	10%	\$8,098,095	7%
Laurentian Bank (R-1 Low)	Closed			\$11,086,605	10%	\$11,086,605	
National Bank of Canada (R-1 Low)	Closed			\$11,086,605	10%	\$11,086,605	
Royal Bank (R-1 Mid)	Open	\$3,972,840 )**	11%	\$11,086,605	10%	(\$1,171,306)	-1% **
Royal Bank 1 Day BA		\$8,285,071 }					
Toronto Dominion (R-1 Mid)	Open	\$1,991,180		\$11,086,605	10%	\$9,095,425	8%
Corporations & their Guarantees	Closed						
<b>TOTAL CASH &amp; EQUIVALENTS</b>		<b>\$110,805,461</b>	<b>100%</b>	<b>\$110,866,045</b>	<b>100%</b>	<b>\$60,585</b>	<b>0%</b>
<b>FIXED (Bonds, etc. over one year)</b>							
<b>Federal Government &amp; its Guarantees</b>		<b>\$54,175</b>		<b>\$110,866,045</b>	<b>100%</b>	<b>\$110,811,870</b>	<b>100%</b>
Federal Government		\$54,175		\$110,866,045	100%	\$110,811,870	100%
<b>TOTAL FIXED</b>		<b>\$54,175</b>	<b>0%</b>	<b>\$110,866,045</b>	<b>100%</b>	<b>\$110,811,870</b>	<b>100%</b>
<b>EQUITIES</b>							
Bank of Montreal		\$6,410	0%	\$11,086,605	10%	\$11,080,195	10%
				\$2,217,321	2%	\$2,210,911	2%
<b>TOTAL EQUITIES</b>		<b>\$6,410</b>	<b>0%</b>	<b>\$11,086,605</b>	<b>2%</b>	<b>\$11,080,195</b>	<b>10%</b>
<b>TOTAL INVESTMENTS</b>		<b>\$110,866,045</b>	<b>100%</b>				
Interest Bearing Bank Accounts O/S Cheque Coverage		\$8,881,250					
<b>TOTAL INVESTMENTS &amp; O/S Cheque Coverage</b>		<b>\$119,747,295</b>					
** Deposits Recieved March 31		\$1,735,452					
** Investments Made April 1		\$1,983,920					

**Operating Fund  
Sector Weights  
March 31, 2003**

**Schedule B**

<u>Category</u>	<u>Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	\$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%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	\$0	0%	\$0	100%	\$0	0%
Total Alberta (R-1 High)	Open	\$0		\$0	25%	\$0	0%
Alberta (R-1 High)	Open	\$0		\$0	25%	\$0	0%
Alberta Municipal Finance Corp (R-1 High)	Open	\$0		\$0	25%	\$0	0%
Alberta Treasury Branches (R-1 High)	Open	\$0		\$0	25%	\$0	0%
British Columbia (R-1 Mid)	Open	\$0		\$0	25%	\$0	
Manitoba (R-1 Low)	Closed	\$0		\$0	25%	\$0	
New Brunswick (R-1 Low)	Closed	\$0		\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed	\$0		\$0	25%	\$0	
Nova Scotia (R-1 Low)	Closed	\$0		\$0	25%	\$0	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed	\$0		\$0	25%	\$0	0%
Ontario (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	
Prince Edward Island (R-1 Low)	Closed	\$0		\$0	25%	\$0	
Quebec (R-1 Low)	Closed	\$0		\$0	25%	\$0	
Saskatchewan (R-1 Low)	Closed	\$0		\$0	25%	\$0	
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	\$0		\$0	25%	\$0	0%
Calgary (R-1 Mid)	Open	\$0		\$0	10%	\$0	0%
Edmonton (R-1 High)	Open	\$0		\$0	10%	\$0	0%
Winnipeg (R-1 Mid)	Open	\$0		\$0	10%	\$0	0%
<b>Financial Institutions &amp; their Guarantees</b>	<b>BA's Schedule A Canadian Banks R-1 Mid</b>	\$0	0%	\$0	25%	\$0	0%
Bank of Montreal (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Bank of Nova Scotia (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$0		\$0	10%	\$0	
Laurentian Bank (R-1 Low)	Closed	\$0		\$0	10%	\$0	
National Bank of Canada (R-1 Low)	Closed	\$0		\$0	10%	\$0	0%
Royal Bank (R-1 Mid)	Open	\$0		\$0	10%	\$0	
Royal Bank 1 Day BA	Open	\$0		\$0	10%	\$0	0%
Toronto Dominion (R-1 Mid)	Open	\$0		\$0	10%	\$0	
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Nil						
<b>Total Investments</b>		<b>\$0</b>	<b>0%</b>				

Capital Fund  
Sector Weights  
March 31, 2003

Schedule C

<u>Category</u>	<u>Status</u>	<u>Cumulative</u> <u>Amount Invested</u> <u>@ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit</u> <u>Available</u>	<u>%</u>
CASH & EQUIVALENTS							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>
Federal Government	Open	\$0	0%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$0	0%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>
Total Alberta (R-1 High)	Open	\$0					
Alberta (R-1 High)	Open			\$0	25%	\$0	0%
Alberta Municipal Finance Corp (R-1 High)	Open	\$0		\$0	25%	\$0	0%
Alberta Treasury Branches (R-1 High)	Open			\$0	25%	\$0	0%
British Columbia (R-1 Mid)	Open			\$0	25%	\$0	
Manitoba (R-1 Low)	Closed			\$0	25%	\$0	
New Brunswick (R-1 Low)	Closed			\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Ontario (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	0%
Prince Edward Island (R-1 Low)	Closed			\$0	25%	\$0	
Quebec (R-1 Low)	Closed			\$0	25%	\$0	
Saskatchewan (R-1 Low)	Closed						
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>		<b>\$0</b>	<b>25%</b>	<b>\$0</b>	<b>0%</b>
Calgary (R-1 Mid)	Open			\$0	10%	\$0	0%
Edmonton (R-1 High)	Open			\$0	10%	\$0	0%
Winnipeg (R-1 Mid)	Open			\$0	10%	\$0	0%
	<b>BA's Schedule A</b>						
<b>Financial Institutions &amp; their Guarantees</b>	<b>Canadian Banks R-1</b>						
	<b>Mid</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>25%</b>	<b>\$0</b>	<b>0%</b>
Bank of Montreal (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Bank of Nova Scotia (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$0		\$0	10%	\$0	0%
Laurentian Bank (R-1 Low)	Closed			\$0	10%	\$0	
National Bank of Canada (R-1 Low)	Closed			\$0	10%	\$0	
Royal Bank (R-1 Mid)	Open	\$0 }	0%	\$0	10%	\$0	0%
Royal Bank 1 Day BA		\$0 }			10%		
Toronto Dominion (R-1 Mid)	Open			\$0	10%	\$0	0%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Nil						
<b>Total Investments</b>		<b>\$0</b>	<b>0%</b>				

**Reserve Funds  
Sector Weights  
March 31, 2003**

**Schedule D**

<u>Category</u>	<u>Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$73,879,480</b>	<b>68%</b>	<b>\$108,092,792</b>	<b>100%</b>	<b>\$34,213,313</b>	<b>32%</b>
Federal Government	Open	\$45,938,265	42%				
Business Development Bank	Open	\$10,594,679	10%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$17,346,536	16%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$0	0%				
<b>Provincial Governments &amp; their Guarantees R-1 Mid or Greater</b>		<b>\$8,678,058</b>	<b>8%</b>	<b>\$108,092,792</b>	<b>100%</b>	<b>\$99,414,735</b>	<b>92%</b>
Total Alberta (R-1 High)	Open	\$2,904,929		\$27,023,198	25%	\$24,118,269	22%
Alberta (R-1 High)	Open	\$2,904,929		\$27,023,198	25%	\$24,118,269	22%
Alberta Municipal Finance Corp (R-1 High)	Open	\$0		\$27,023,198	25%	\$27,023,198	25%
Alberta Treasury Branches (R-1 High)	Open			\$27,023,198	25%	\$27,023,198	25%
British Columbia (R-1 Mid)	Open			\$27,023,198	25%	\$27,023,198	25%
Manitoba (R-1 Low)	Closed			\$27,023,198	25%	\$27,023,198	25%
New Brunswick (R-1 Low)	Closed			\$27,023,198	25%	\$27,023,198	25%
New Brunswick Municipal Finance Corp (R-1 L	Closed			\$27,023,198	25%	\$27,023,198	25%
Nova Scotia (R-1 Low)	Closed			\$27,023,198	25%	\$27,023,198	25%
Nova Scotia Municipal Finance Corp (R-1 Low	Closed			\$27,023,198	25%	\$27,023,198	25%
Ontario (R-1 Mid)	Open	\$5,773,129	5%	\$27,023,198	25%	\$21,250,069	20%
Prince Edward Island (R-1 Low)	Closed			\$27,023,198	25%	\$27,023,198	25%
Quebec (R-1 Low)	Closed			\$27,023,198	25%	\$27,023,198	25%
Saskatchewan (R-1 Low)	Closed			\$27,023,198	25%	\$27,023,198	25%
<b>Municipal Governments &amp; their Guarantees R-1 Mid or Greater</b>		<b>\$0</b>		<b>\$27,023,198</b>	<b>25%</b>	<b>\$27,023,198</b>	<b>25%</b>
Calgary (R-1 Mid)	Open			\$10,809,279	10%	\$10,809,279	10%
Edmonton (R-1 High)	Open			\$10,809,279	10%	\$10,809,279	10%
Winnipeg (R-1 Mid)	Open			\$10,809,279	10%	\$10,809,279	10%
<b>BA's Schedule A</b>							
<b>Financial Institutions &amp; their Guarantees</b>	<b>Mid</b>	<b>\$25,535,255</b>	<b>24%</b>	<b>\$27,023,198</b>	<b>25%</b>	<b>\$1,487,943</b>	<b>1%</b>
<b>    Canadain Banks R-1</b>							
Bank of Montreal (R-1 Mid)	Open	\$3,874,936	4%	\$10,809,279	10%	\$6,934,344	6%
Bank of Nova Scotia (R-1 Mid)	Open	\$4,844,718	4%	\$10,809,279	10%	\$5,964,561	6%
Canadian Imperial Bank of Commerce (R-1 M	Open	\$2,915,347		\$10,809,279	10%	\$7,893,932	7%
Laurentian Bank (R-1 Low)	Closed			\$10,809,279	10%	\$10,809,279	
National Bank of Canada (R-1 Low)	Closed			\$10,809,279	10%	\$10,809,279	
Royal Bank (R-1 Mid)	Open	\$3,875,579	11%	\$10,809,279	10%	(\$1,148,541)	-1%
Royal Bank 1 Day BA		\$8,082,241					
Toronto Dominion (R-1 Mid)	Open	\$1,942,433		\$10,809,279	10%	\$8,866,846	8%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Nil						
<b>Total Investments</b>		<b>\$108,092,792</b>	<b>100%</b>				

**Trust Funds  
Sector Weights  
March 31, 2003**

**Schedule E**

<u>Category Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>						
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$1,854,060</b>	<b>67%</b>	<b>\$2,773,253</b>	<b>100%</b>	<b>\$919,193 33%</b>
Federal Government	Open	\$1,152,855	42%			
Business Development Bank	Open	\$265,881	10%			
Canada Mortgage & Housing Corp.	Open	\$0	0%			
Canadian Wheat Board	Open	\$435,324	16%			
Export Development Canada	Open					
Farm Credit Corp	Open	\$0	0%			
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$217,782</b>	<b>8%</b>	<b>\$2,773,253</b>	<b>100%</b>	<b>\$2,555,471 92%</b>
Total Alberta (R-1 High)	Open	\$72,901		\$693,313	25%	\$620,412 22%
Alberta (R-1 High)	Open	\$72,901		\$693,313	25%	\$620,412 22%
Alberta Municipal Finance Corp (R-1 High)	Open	\$0		\$693,313	25%	\$693,313 25%
Alberta Treasury Branches (R-1 High)	Open			\$693,313	25%	\$693,313 25%
British Columbia (R-1 Mid)	Open			\$693,313	25%	\$693,313 25%
Manitoba (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
New Brunswick (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
Nova Scotia (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
Ontario (R-1 Mid)	Open	\$144,881	5%	\$693,313	25%	\$548,432 20%
Prince Edward Island (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
Quebec (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
Saskatchewan (R-1 Low)	Closed			\$693,313	25%	\$693,313 25%
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>		<b>\$693,313</b>	<b>25%</b>	<b>\$693,313 25%</b>
Calgary (R-1 Mid)	Open			\$277,325	10%	\$277,325 10%
Edmonton (R-1 High)	Open			\$277,325	10%	\$277,325 10%
Winnipeg (R-1 Mid)	Open			\$277,325	10%	\$277,325 10%
<b>BA's Schedule A</b>						
<b>Financial Institutions &amp; their Guarantees</b>	<b>Canadian Banks R-1 Mid</b>	<b>\$640,826</b>	<b>23%</b>	<b>\$693,313</b>	<b>25%</b>	<b>\$52,487 2%</b>
Bank of Montreal (R-1 Mid)	Open	\$97,244	4%	\$277,325	10%	\$180,081 6%
Bank of Nova Scotia (R-1 Mid)	Open	\$121,582	4%	\$277,325	10%	\$155,744 6%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$73,163		\$277,325	10%	\$204,163 7%
Laurentian Bank (R-1 Low)	Closed			\$277,325	10%	\$277,325 25%
National Bank of Canada (R-1 Low)	Closed			\$277,325	10%	\$277,325 25%
Royal Bank (R-1 Mid)	Open	\$97,261	11%	\$277,325	10%	(\$22,765) -1%
Royal Bank 1 Day BA		\$202,830				
Toronto Dominion (R-1 Mid)	Open	\$48,747		\$277,325	10%	\$228,579 0%
Corporations & their Guarantees	Closed					
<b>TOTAL CASH &amp; EQUIVALENTS</b>		<b>\$2,712,669</b>	<b>98%</b>	<b>\$2,773,253</b>	<b>100%</b>	<b>\$60,585 2%</b>
<b>FIXED (Bonds, etc. over one year)</b>						
<b>Federal Government &amp; its Guarantees</b>		<b>\$54,175</b>		<b>\$2,773,253</b>	<b>100%</b>	<b>\$2,719,078 98%</b>
Federal Government		\$54,175		\$2,773,253	100%	\$2,719,078 98%
<b>TOTAL FIXED</b>		<b>\$54,175</b>	<b>2%</b>	<b>\$2,773,253</b>	<b>100%</b>	<b>\$2,719,078 98%</b>
<b>EQUITIES</b>						
Bank of Montreal		\$6,410	0%	\$277,325	10%	\$270,916 10%
				\$55,465	2%	\$49,056 2%
<b>TOTAL EQUITIES</b>		<b>\$6,410</b>	<b>0%</b>	<b>\$277,325</b>	<b>2%</b>	<b>\$270,916 10%</b>
<b>Total Investments</b>		<b>\$2,773,253</b>	<b>100%</b>			



Total Investments  
Sector Weights  
@ June 30, 2003

Schedule A

	<u>Category Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	Open	\$145,277,850	66%	\$220,900,912	100%	\$75,623,062	34%
Federal Government	Open	\$68,218,480	31%				
Business Development Bank	Open	\$21,680,620	10%				
Canada Mortgage & Housing Corp.	Open	\$13,857,290	6%				
Canadian Wheat Board	Open	\$30,580,130	14%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$10,941,330	5%				
<b>Provincial Governments &amp; their Guarantees</b>	R-1 Mid or Greater	\$49,401,848	22%	\$220,900,912	100%	\$171,499,064	78%
Total Alberta (R-1 High)	Open	\$8,433,820	4%	\$55,225,228	25%	\$46,791,408	21%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open	\$8,433,820					
British Columbia (R-1 Mid)	Open			\$55,225,228	25%	\$55,225,228	25%
Manitoba (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
New Brunswick (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
Nova Scotia (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
Ontario (R-1 Mid)	Open	\$40,968,028	19%	\$55,225,228	25%	\$14,257,200	6%
Prince Edward Island (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
Quebec (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
Saskatchewan (R-1 Low)	Closed			\$55,225,228	25%	\$55,225,228	
<b>Municipal Governments &amp; their Guarantees*</b>	R-1 Mid or Greater	\$0		\$55,225,228	25%	\$55,225,228	25%
Calgary (R-1 Mid)	Open			\$22,090,091	10%	\$22,090,091	10%
Edmonton (R-1 High)	Open			\$22,090,091	10%	\$22,090,091	10%
Winnipeg (R-1 Mid)	Open			\$22,090,091	10%	\$22,090,091	10%
<b>BA's Schedule A</b>							
<b>Financial Institutions &amp; their Guarantees</b>	Canadian Banks R-1 Mid	\$26,221,214	12%	\$55,225,228	25%	\$29,004,014	13%
Bank of Montreal (R-1 Mid)	Open	\$1,985,860	1%	\$22,090,091	10%	\$20,104,231	9%
Bank of Nova Scotia (R-1 Mid)	Open	\$5,267,264	2%	\$22,090,091	10%	\$16,822,827	8%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$14,004,002	6%	\$22,090,091	10%	\$8,086,089	4%
Laurentian Bank (R-1 Low)	Closed			\$22,090,091	10%	\$22,090,091	
National Bank of Canada (R-1 Low)	Closed			\$22,090,091	10%	\$22,090,091	
Royal Bank (R-1 Mid)	Open	\$0	0%	\$22,090,091	10%	\$21,099,043	10%
Royal Bank 1 Day BA		\$991,048					
Toronto Dominion (R-1 Mid)	Open	\$3,973,040	2%	\$22,090,091	10%	\$18,117,051	8%
Corporations & their Guarantees	Closed						
<b>TOTAL CASH &amp; EQUIVALENTS</b>		<u>\$220,900,912</u>	<u>100%</u>				
<u>FIXED (Bonds, etc. over one year)</u>							
<b>Federal Government &amp; its Guarantees</b>		\$54,175					
Federal Government		\$54,175					
<b>TOTAL FIXED</b>		\$54,175					
<u>EQUITIES</u>							
<b>Bank of Montreal</b>		\$6,410					
<b>TOTAL EQUITIES</b>		\$6,410					
<b>TOTAL INVESTMENTS</b>		\$220,961,497					
<b>Interest Bearing Bank Accounts - O/S Cheque Coverage</b>		\$12,933,652	*				
<b>TOTAL INVESTMENTS &amp; O/S Cheques Coverage</b>		<u>\$233,895,149</u>					

Operating Fund  
Sector Weights  
@ June 30, 2003

Schedule B

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$50,822,593</b>	<b>66%</b>	<b>\$77,277,831</b>	<b>100%</b>	<b>\$26,455,238</b>	<b>34%</b>
Federal Government	Open	\$23,864,891	31%				
Business Development Bank	Open	\$7,584,538	10%				
Canada Mortgage & Housing Corp.	Open	\$4,847,700	6%				
Canadian Wheat Board	Open	\$10,697,856	14%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$3,827,609	2%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$17,282,263</b>	<b>22%</b>	<b>\$77,277,831</b>	<b>100%</b>	<b>\$59,995,568</b>	<b>78%</b>
Total Alberta (R-1 High)	Open	\$2,950,406	4%	\$19,319,458	25%	\$16,369,052	21%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open	\$2,950,406					
British Columbia (R-1 Mid)	Open			\$19,319,458	25%	\$19,319,458	25%
Manitoba (R-1 Low)	Closed			\$19,319,458	25%	\$19,319,458	
New Brunswick (R-1 Low)	Closed			\$19,319,458	25%	\$19,319,458	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$19,319,458	25%	\$19,319,458	
Nova Scotia (R-1 Low)	Closed			\$19,319,458	25%	\$19,319,458	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$19,319,458	25%	\$4,987,600	6%
Ontario (R-1 Mid)	Open	\$14,331,857	19%	\$19,319,458	25%	\$19,319,458	
Prince Edward Island (R-1 Low)	Closed			\$19,319,458	25%	\$19,319,458	
Quebec (R-1 Low)	Closed			\$19,319,458	25%	\$19,319,458	
Saskatchewan (R-1 Low)	Closed						
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>		<b>\$19,319,458</b>	<b>25%</b>	<b>\$19,319,458</b>	<b>25%</b>
Calgary (R-1 Mid)	Open			\$7,727,783	10%	\$7,727,783	10%
Edmonton (R-1 High)	Open			\$7,727,783	10%	\$7,727,783	10%
Winnipeg (R-1 Mid)	Open			\$7,727,783	10%	\$7,727,783	10%
<b>BA's Schedule A</b>							
<b>Financial Institutions &amp; their Guarantees</b>	<b>Mid</b>	<b>\$9,172,975</b>	<b>12%</b>	<b>\$19,319,458</b>	<b>25%</b>	<b>\$10,146,483</b>	<b>13%</b>
Bank of Montreal (R-1 Mid)	Open	\$694,714	1%	\$7,727,783	10%	\$7,033,069	9%
Bank of Nova Scotia (R-1 Mid)	Open	\$1,842,649	2%	\$7,727,783	10%	\$5,885,135	8%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$4,899,024	6%	\$7,727,783	10%	\$2,828,759	4%
Laurentian Bank (R-1 Low)	Closed			\$7,727,783	10%	\$7,727,783	
National Bank of Canada (R-1 Low)	Closed			\$7,727,783	10%	\$7,727,783	
Royal Bank (R-1 Mid)	Open	\$0	0%	\$7,727,783	10%	\$7,381,085	3%
Royal Bank 1 Day BA		\$346,699					
Toronto Dominion (R-1 Mid)	Open	\$1,389,890	2%	\$7,727,783	10%	\$6,337,893	3%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
<b>Total Investments</b>		<b>\$77,277,831</b>	<b>100%</b>				
<b>Interest Bearing Bank Accounts - O/S Cheque Coverage</b>		<b>\$12,933,652</b>	*				
<b>Total Cash and Investments</b>		<b>\$90,211,483</b>					

**Capital Fund  
Sector Weights  
@ June 30, 2003**

Schedule C

<u>Category Status</u>		<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>
Federal Government	Open	\$0	0%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$0	0%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>
Total Alberta (R-1 High)	Open	\$0	0%	\$0	25%	\$0	0%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open	\$0					
British Columbia (R-1 Mid)	Open			\$0	25%	\$0	0%
Manitoba (R-1 Low)	Closed			\$0	25%	\$0	
New Brunswick (R-1 Low)	Closed			\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Ontario (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	0%
Prince Edward Island (R-1 Low)	Closed			\$0	25%	\$0	
Quebec (R-1 Low)	Closed			\$0	25%	\$0	
Saskatchewan (R-1 Low)	Closed			\$0	25%	\$0	
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>		<b>\$0</b>	<b>25%</b>	<b>\$0</b>	<b>0%</b>
Calgary (R-1 Mid)	Open			\$0	10%	\$0	0%
Edmonton (R-1 High)	Open			\$0	10%	\$0	0%
Winnipeg (R-1 Mid)	Open			\$0	10%	\$0	0%
	<b>BA's Schedule A</b>						
<b>Financial Institutions &amp; their Guarantees</b>	<b>Canadian Banks R-1</b>						
	<b>Mid</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>25%</b>	<b>\$0</b>	<b>0%</b>
Bank of Montreal (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Bank of Nova Scotia (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Laurentian Bank (R-1 Low)	Closed			\$0	10%	\$0	
National Bank of Canada (R-1 Low)	Closed			\$0	10%	\$0	
Royal Bank (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Royal Bank 1 Day BA		\$0					
Toronto Dominion (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
<b>Total Investments</b>		<b>\$0</b>	<b>0%</b>				

Reserve Funds  
Sector Weights  
@ June 30, 2003

<u>Category Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>	
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	<b>Open</b>	<b>\$92,719,140</b>	<b>66%</b>	<b>\$140,983,244</b>	<b>100%</b>	<b>\$48,264,104</b>	<b>34%</b>
Federal Government	Open	\$43,538,356	31%				
Business Development Bank	Open	\$13,836,992	10%				
Canada Mortgage & Housing Corp.	Open	\$8,843,991	6%				
Canadian Wheat Board	Open	\$19,516,832	14%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$6,982,969	5%				
<b>Provincial Governments &amp; their Guarantees</b>	<b>R-1 Mid or Greater</b>	<b>\$31,529,217</b>	<b>22%</b>	<b>\$140,983,244</b>	<b>100%</b>	<b>\$109,454,027</b>	<b>78%</b>
Total Alberta (R-1 High)	Open	\$5,382,627	4%	\$35,245,811	25%	\$29,863,184	21%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open	\$5,382,627					
British Columbia (R-1 Mid)	Open			\$35,245,811	25%	\$35,245,811	25%
Manitoba (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
New Brunswick (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
Nova Scotia (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
Ontario (R-1 Mid)	Open	\$26,146,590	19%	\$35,245,811	25%	\$9,099,221	6%
Prince Edward Island (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
Quebec (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
Saskatchewan (R-1 Low)	Closed			\$35,245,811	25%	\$35,245,811	
<b>Municipal Governments &amp; their Guarantees*</b>	<b>R-1 Mid or Greater</b>	<b>\$0</b>		<b>\$35,245,811</b>	<b>25%</b>	<b>\$35,245,811</b>	<b>25%</b>
Calgary (R-1 Mid)	Open			\$14,098,324	10%	\$14,098,324	10%
Edmonton (R-1 High)	Open			\$14,098,324	10%	\$14,098,324	10%
Winnipeg (R-1 Mid)	Open			\$14,098,324	10%	\$14,098,324	10%
<b>BA's Schedule A</b>							
<b>Financial Institutions &amp; their Guarantees</b>	<b>Canadian Banks R-1 Mid</b>	<b>\$16,734,887</b>	<b>12%</b>	<b>\$35,245,811</b>	<b>25%</b>	<b>\$18,510,924</b>	<b>8%</b>
Bank of Montreal (R-1 Mid)	Open	\$1,267,414	1%	\$14,098,324	10%	\$12,830,910	6%
Bank of Nova Scotia (R-1 Mid)	Open	\$3,361,670	2%	\$14,098,324	10%	\$10,736,654	5%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$8,937,626	6%	\$14,098,324	10%	\$5,160,699	2%
Laurentian Bank (R-1 Low)	Closed			\$14,098,324	10%	\$14,098,324	
National Bank of Canada (R-1 Low)	Closed			\$14,098,324	10%	\$14,098,324	
Royal Bank (R-1 Mid)	Open	\$0 }	0%	\$14,098,324	10%	\$13,465,818	6%
Royal Bank 1 Day BA		\$632,506 }					
Toronto Dominion (R-1 Mid)	Open	\$2,535,671	2%	\$14,098,324	10%	\$11,562,653	5%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
<b>Total Investments</b>		<b>\$140,983,244</b>	<b>100%</b>				

**Trust Funds  
Sector Weights  
@ June 30, 2003**

Schedule E

<u>Category</u>	<u>Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<b>CASH &amp; EQUIVALENTS</b>							
<b>Federal Government &amp; its Guarantees</b>	Open	\$1,736,117	64%	\$2,700,422	100%	\$964,305	36%
Federal Government	Open	\$815,233	30%				
Business Development Bank	Open	\$259,090	10%				
Canada Mortgage & Housing Corp.	Open	\$165,599	6%				
Canadian Wheat Board	Open	\$365,442	14%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$130,752	5%				
<b>Provincial Governments &amp; their Guarantees</b>	R-1 Mid or Greater	\$590,368	22%	\$2,700,422	100%	\$2,110,054	78%
Total Alberta (R-1 High)	Open	\$100,787	4%	\$675,105	25%	\$574,319	21%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open	\$100,787					
British Columbia (R-1 Mid)	Open			\$675,105	25%	\$675,105	25%
Manitoba (R-1 Low)	Closed			\$675,105	25%	\$675,105	
New Brunswick (R-1 Low)	Closed			\$675,105	25%	\$675,105	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$675,105	25%	\$675,105	
Nova Scotia (R-1 Low)	Closed			\$675,105	25%	\$675,105	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$675,105	25%	\$675,105	
Ontario (R-1 Mid)	Open	\$489,581	18%	\$675,105	25%	\$185,524	7%
Prince Edward Island (R-1 Low)	Closed			\$675,105	25%	\$675,105	
Quebec (R-1 Low)	Closed			\$675,105	25%	\$675,105	
Saskatchewan (R-1 Low)	Closed			\$675,105	25%	\$675,105	
<b>Municipal Governments &amp; their Guarantees*</b>	R-1 Mid or Greater	\$0	0%	\$675,105	25%	\$675,105	25%
Calgary (R-1 Mid)	Open			\$270,042	10%	\$270,042	0%
Edmonton (R-1 High)	Open			\$270,042	10%	\$270,042	0%
Winnipeg (R-1 Mid)	Open			\$270,042	10%	\$270,042	0%
<b>BA's Schedule A</b>							
<b>Financial Institutions &amp; their Guarantees</b>	Mid	\$313,352	12%	\$675,105	25%	\$361,754	13%
Bank of Montreal (R-1 Mid)	Open	\$23,732	1%	\$270,042	10%	\$246,311	9%
Bank of Nova Scotia (R-1 Mid)	Open	\$62,945	2%	\$270,042	10%	\$207,097	8%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$167,352	6%	\$270,042	10%	\$102,690	4%
Laurentian Bank (R-1 Low)	Closed			\$270,042	10%	\$270,042	
National Bank of Canada (R-1 Low)	Closed			\$270,042	10%	\$270,042	
Royal Bank (R-1 Mid)	Open	\$0	0%	\$270,042	10%	\$258,199	10%
Royal Bank 1 Day BA		\$11,843					
Toronto Dominion (R-1 Mid)	Open	\$47,479	2%	\$270,042	10%	\$222,563	8%
Corporations & their Guarantees	Closed						
<b>TOTAL CASH &amp; EQUIVALENTS</b>		\$2,639,837	98%				
<b><u>FIXED (Bonds, etc. over one year)</u></b>							
<b>Federal Government &amp; its Guarantees</b>							
Federal Government		\$54,175	2%				
<b>TOTAL FIXED</b>							
<b><u>EQUITIES</u></b>							
Bank of Montreal		\$6,410	0%				
<b>TOTAL EQUITIES</b>							
<b>Total Investments</b>		<u>\$2,700,422</u>	<u>100%</u>				