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Halifax Regional Council
December 2, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, reading "S. Dale MacLennan", written over a horizontal line.

S. Dale MacLennan, Director, Financial Services

A handwritten signature in cursive script, reading "Derek Tynski", written over a horizontal line.

Derek Tynski, Investment Analyst

DATE: November 21, 2003

SUBJECT: Investment Activities - Quarter Ending June 30, 2003

INFORMATION REPORT

ORIGIN

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

BACKGROUND

The Investment Policy calls for quarterly reporting by the Treasurer to Council and the Investment Policy Advisory Committee (the Committee). The report for the Quarter ending June 30, 2003 has been submitted to the Committee.

DISCUSSION

Economic and Investment Climate

Economic Statistics:

	Canada	US
Q2 GDP (Ending June 30)	(.3%)	3.1% (Preliminary) (Revised up from 2.4% Advance Reading)
Unemployment Rate	April 7.5%, May 7.8%, June 7.7%	April 6.0%, May 6.1%, June 6.4%
CPI (year over year)	April 3.0%, May 2.9%, June 2.6%	April 2.2%, May 2.1%, June 2.1%
CPI-X (Core) (year over year)	April 2.1%, May 2.3%, June 2.1%	April 1.5%, May 1.6%, June 1.5%

The Canadian economy succumbed to the influences of the war in Iraq, SARS, BSE and the sharp rise in the loonie with a contraction in the 2nd Quarter. Since the end of that Quarter the news has only gotten worse with Unemployment rising to 8% in August and CPI-X dropping to 1.8% in July, below the Bank of Canada's target of 2%. In keeping with their symmetrical mandate on inflation, the Bank of Canada cut rates by 25 bps at the July 15 and September 3 meetings unwinding the March and April increases. The Bank of Canada held rates steady at their October 15 meeting.

In the US there are tentative signs of strength although employment, or the lack thereof, continues to be a problem. US situation has now been coined the "Job Loss" recovery by some. It is also questionable whether the US economy has sustainable growth or is reacting to the "sugar fix" of tax rebates. The forces pushing the US economy forward, however, are enormous with a fiscal deficit approaching a half a trillion dollars and the Federal Funds rate at 1% after a 25 bps cut in June.

Equity markets are supporting the view that better times are ahead. A recent review of calendar year to date performance to August 29, 2003 shows that all major North American indices are up by double digits, led by the NASDAQ at 35.6%. The more stately Dow is up 12.9% and the S&P TSX 13.5%. Also, a recent review by Fitch Ratings indicates that credit quality is beginning to improve. The US default rate for the first half of 2003 was 2.8% compared to 9.5% for the same period in 2002.

A strengthening US economy appears to be a pre-requisite for a return to growth in Canada.

HRM Investment Activities & Strategy

In the Quarter ending June 30 there were 74 investments made totaling approximately \$235,000,000. This relatively high level of activity is reflective of the fact that the April 30 tax due date was included in the reporting period. Half of these investments were for terms of between 92 and 365 days largely to lock in available yield while the other half were below 92 days and were generally targeted to specific cash requirements. Investment Quality was also fairly evenly split with 36 investments in R -1 High Governments and 38 in R -1 Middle Governments and Financial Institutions. It continues to be staff's practice to limit Financial Institution investments to a term of 91 days or less to take advantage of the greater spreads offered in this term over Government issuers and as a risk management measure.

The Sector Weight Schedules (Schedules A through E) are attached. With the exception of the two legacy investments included in the Trust Funds, investments beyond the one year time horizon are conspicuous in their absence. To fulfill the Liquidity Objective, staff are limiting investments to the one year time horizon until specific amounts are identified and committed for longer term investment by Reserve Fund stakeholders.

Policy Compliance

Adherence to Legal Requirements - There were no legal issues raised during the Quarter with respect to investments.

Preservation of Capital - There was no loss of capital during the Quarter and all investments were held to maturity.

Liquidity - Sufficient funds were available to meet all requirements and no overdraft interest charges were incurred.

A \$40,000,000 bond issue in late May as well as the interim Tax Billing at the end of April have increased overall liquidity.

Diversification of Investment Portfolio - Staff continue to maintain that the Diversification Objective of managing risk and return is being met.

Competitive Return on Investment - Mercer Investment Consulting performance data for periods ending June 30, 2003 are summarized below. Staff believe the Competitive Return Objective is being met particularly in light of the high quality of the HRM Portfolio.

Money Market Funds	3 Months (%) (to June 30, 2003)	6 Months (%) (to June 30, 2003)	1 Year (%) (to June 30, 2003)
5 th Percentile	0.9	1.6	3.1
1 st Quartile	0.8	1.5	3.0
Mercer Median	.08 HRM .08	1.5 HRM 1.5	3.0
3 rd Quartile	.08	1.5	2.9 HRM 2.9
95 th Percentile	.07	1.3	2.8
SC 91 Day T-Bills	.08	1.4	3.0

In a projection of investment income for the year ending March 31, 2004 done in mid October, an amount of \$6,195,000 was forecast versus an original budget of \$4,170,000 for a positive variance of \$2,025,000. While higher than budgeted rates of return have been a positive factor contributing approximately \$212,000 to the projected variance, the bulk of the projected variance is due to cash flow differences. For example the timing of major expenditures on the Harbour Solutions Project accounts for nearly one half of this variance.

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

Outlook

Interest rates for investments in the one year and under terms have been trending lower over the past several months. Staff have used the majority of available cash from maturities in July and August to lock in yield with one year Government of Canada Treasury Bills. With the inflow of tax payments in September the emphasis will shift to matching maturities to cash requirements.

The shape of the yield curve has quickly reacted to weakness in economic data as well as positive signs of hope that the US recovery will turn from forecast to fact. The assumption being that the Canadian economy will be towed along by our major trading partner. This assumption appears to be shared by the Canadian Federal Government which has offered no hint of a more stimulative fiscal policy. On the domestic side, all of the heavy lifting is being left to the Bank of Canada. Clearly the Bank does have considerable "muscle" with the Bank Rate today still 75bps above the post September 11 event low of 2.25%.

From our investment perspective the balancing act is to maintain liquidity, lock in yield to meet the revised 2003/04 budget target as well as continue to put a floor under returns for the 2004/05 budget year without severely limiting upside potential should the economy turn around and rates move back up. Staff are pushing to develop the information infrastructure to move from Money Market Instruments to Bonds, where feasible, for Reserve Fund cash assets and will be working closely with Financial Services colleagues assigned to the various HRM Business Units to make this a reality.

BUDGET IMPLICATIONS

N/A

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

Sector Weight Schedules @ June 30, 2003 (Schedules A, B, C, D & E)

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

Report Prepared by: Derek Tynski, BA, CMA, Investment Analyst 490-6471

Approved by: Reg Ridgley, CGA, Manager, Strategic Capital Project Support 490-6475

Total Investments
Sector Weights
@ June 30, 2003

Schedule A

	<u>Catagory Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
CASH & EQUIVALENTS							
Federal Government & its Guarantees	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%				
Provincial Governments & their Guarantees	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	
Municipal Governments & their Guarantees*	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%
BA's Schedule A							
Financial Institutions & their Guarantees	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						
TOTAL CASH & EQUIVALENTS		\$220,900,912	100%				
<u>FIXED (Bonds, etc. over one year)</u>							
Federal Government & its Guarantees		\$54,175					
Federal Government							
TOTAL FIXED		\$54,175					
<u>EQUITIES</u>							
Bank of Montreal		\$6,410					
TOTAL EQUITIES		\$6,410					
TOTAL INVESTMENTS		\$220,961,497					
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$12,933,652	*				
TOTAL INVESTMENTS & O/S Cheques Coverage		\$233,895,149					

Operating Fund
Sector Weights
@ June 30, 2003

Schedule B

<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>
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$50,822,593	66%	\$77,277,831	100%	\$26,455,238	34%
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%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$17,282,263	22%	\$77,277,831	100%	\$59,995,568	78%
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%	\$19,319,458	
Ontario (R-1 Mid)	Open	\$14,331,857	19%	\$19,319,458	25%	\$4,987,600	6%
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			\$19,319,458	25%	\$19,319,458	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$19,319,458	25%	\$19,319,458	25%
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%
BA's Schedule A							
Financial Institutions & their Guarantees	Canadian Banks R-1						
Bank of Montreal (R-1 Mid)	Mid	\$9,172,975	12%	\$19,319,458	25%	\$10,146,483	13%
Bank of Nova Scotia (R-1 Mid)	Open	\$694,714	1%	\$7,727,783	10%	\$7,033,069	9%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$1,842,649	2%	\$7,727,783	10%	\$5,885,135	8%
Laurentian Bank (R-1 Low)	Open	\$4,899,024	6%	\$7,727,783	10%	\$2,828,759	4%
National Bank of Canada (R-1 Low)	Closed			\$7,727,783	10%	\$7,727,783	
Royal Bank (R-1 Mid)	Closed			\$7,727,783	10%	\$7,727,783	
Royal Bank 1 Day BA	Open	\$0 }	0%	\$7,727,783	10%	\$7,381,085	3%
Toronto Dominion (R-1 Mid)	Open	\$346,699 }					
		\$1,389,890	2%	\$7,727,783	10%	\$6,337,893	3%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Investments		<u>\$77,277,831</u>	<u>100%</u>				
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$12,933,652	*				
Total Cash and Investments		<u>\$90,211,483</u>					

Capital Fund
Sector Weights
@ June 30, 2003

Schedule C

<u>Category 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							
Federal Government & its Guarantees	Open	\$0	0%	\$0	100%	\$0	0%
Federal Government	Open	\$0	0%				
Business Development Bank	Open	\$0	0%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$0	0%	\$0	100%	\$0	0%
Total Alberta (R-1 High)	Open	\$0	0%	\$0	25%	\$0	0%
Alberta (R-1 High)	Open	\$0					
Alberta 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						
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$0	25%	\$0	0%
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%
BA's Schedule A							
Canadian Banks R-1							
Financial Institutions & their Guarantees	Mid	\$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%	\$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						
Total Investments		\$0	0%				

Reserve Funds
Sector Weights
@ June 30, 2003

Schedule D

		<u>Cumulative</u> <u>Amount Invested</u> <u>@ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<u>Category Status</u>							
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$92,719,140	66%	\$140,983,244	100%	\$48,264,104	34%
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%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$31,529,217	22%	\$140,983,244	100%	\$109,454,027	78%
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	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$35,245,811	25%	\$35,245,811	25%
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%
BA's Schedule A							
Canadian Banks R-1							
Financial Institutions & their Guarantees	Mid	\$16,734,887	12%	\$35,245,811	25%	\$18,510,924	8%
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						
Total Investments		\$140,983,244	100%				

Trust Funds
Sector Weights
@ June 30, 2003

Schedule E

		<u>Cumulative</u> <u>Amount Invested</u> <u>@ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
<u>Category Status</u>							
CASH & EQUIVALENTS							
Federal Government & its Guarantees	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%				
Provincial Governments & their Guarantees	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	
Municipal Governments & their Guarantees*	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%
BA's Schedule A							
Financial Institutions & their Guarantees	Canadain Banks R-1	\$313,352	12%	\$675,105	25%	\$361,754	13%
Bank of Montreal (R-1 Mid)	Mid	\$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)	Open			\$270,042	10%	\$270,042	
National Bank of Canada (R-1 Low)	Closed			\$270,042	10%	\$270,042	
Royal Bank (R-1 Mid)	Closed	\$0 }	0%	\$270,042	10%	\$258,199	10%
Royal Bank 1 Day BA	Open	\$11,843 }					
Toronto Dominion (R-1 Mid)	Open	\$47,479	2%	\$270,042	10%	\$222,563	8%
Corporations & their Guarantees	Closed						
TOTAL CASH & EQUIVALENTS		\$2,639,837	98%				
<u>FIXED (Bonds, etc. over one year)</u>							
Federal Government & its Guarantees							
Federal Government		\$54,175	2%				
TOTAL FIXED							
<u>EQUITIES</u>							
Bank of Montreal		\$6,410	0%				
TOTAL EQUITIES							
Total Investments		\$2,700,422	100%				