



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

Item No. 13
Halifax Regional Council
April 26, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Linda Mosher, Chair, Audit & Finance Standing Committee

DATE: April 15, 2016

SUBJECT: Investment Activities – Quarter Ending December 31, 2015

INFORMATION REPORT

ORIGIN

April 13, 2016 meeting of the Audit & Finance Standing Committee, Item No. 12.1.3.

LEGISLATIVE AUTHORITY

The principle role of the Audit and Finance Standing Committee is to provide advice to Council on matters relating to Audit and Finance. In particular, Section 3.2.6 of the Audit and Finance Standing Committee's Terms of Reference shall 'Review as required, any other policies, procedures, forecasts, reports or process as agreed to mutually by the Municipalities CAO and the Committee".

BACKGROUND

A staff report dated December 4, 2015 pertaining to Investment Activities – Quarter Ending December 31, 2015 was before the Audit & Finance Standing Committee at its meeting held on April 13, 2016.

For further information please refer to the attached staff report dated March 24, 2016.

DISCUSSION

The Audit and Finance Standing Committee received the staff report dated March 26, 2016 at its meeting held on April 13, 2016 and forwarded it to Halifax Regional Council as an Information item.

FINANCIAL IMPLICATIONS

As outlined in the staff report dated March 24, 2016.

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are provided online in advance of the meeting

ATTACHMENTS

1. Staff report dated March 24, 2016

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521



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

Attachment 1
Audit and Finance Standing Committee
April 13, 2016

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

Original Signed

SUBMITTED BY: Amanda Whitewood, Director of Finance and Information Technology / CFO

DATE: March 24, 2016

SUBJECT: Investment Activities – Quarter Ending December 31, 2015

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 Investment Committee). The report for the Quarter ending December 31, 2015 has been reviewed by the Investment Committee. A report from the Investment Committee on compliance with the HRM Investment Policy has also been sent to the Audit and Finance Standing Committee meeting of April 13, 2016.

DISCUSSION

Overall Results

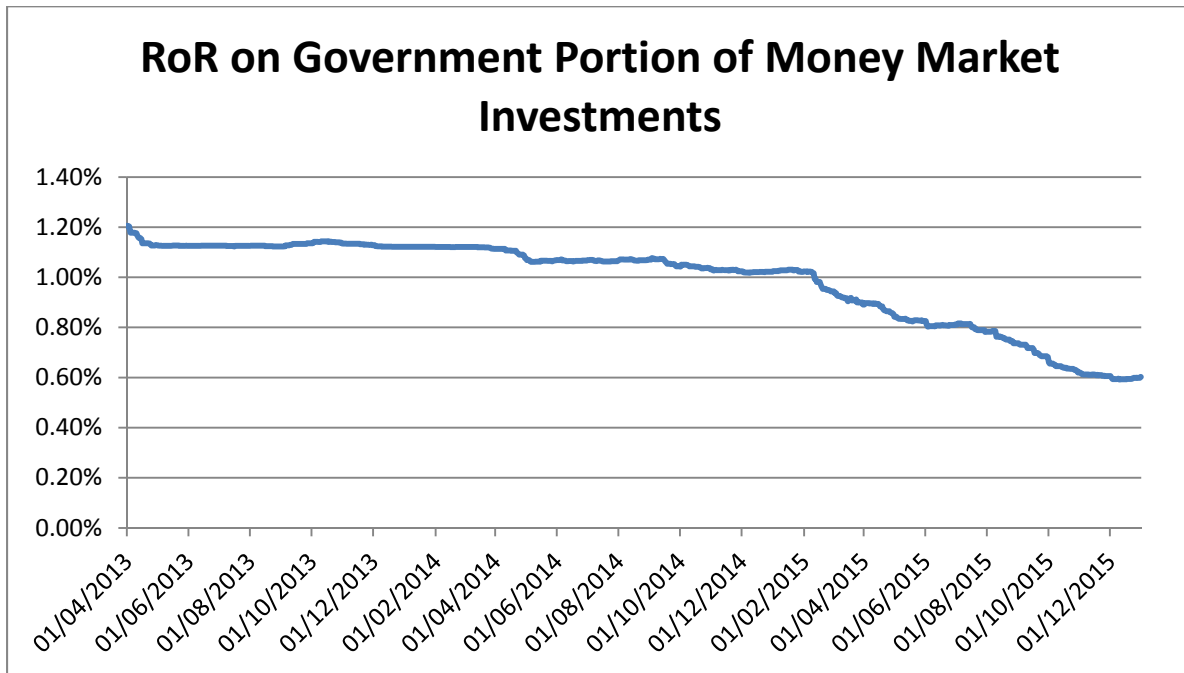
Operating Fund Investment Income for the nine months to December 31, 2015 was \$1,291,050 versus a budget of \$1,200,000 for a surplus of \$91,050. This surplus was primarily due to an increase in cash flows. The impacts of the Bank of Canada rate cut in July 2015 have had a negative influence on interest rates. The rate of return for the period was .71%, slightly below the budgeted rate of .72%. Due to the increase in cash flows Investment Income will be on budget.

HRM Investment Activities

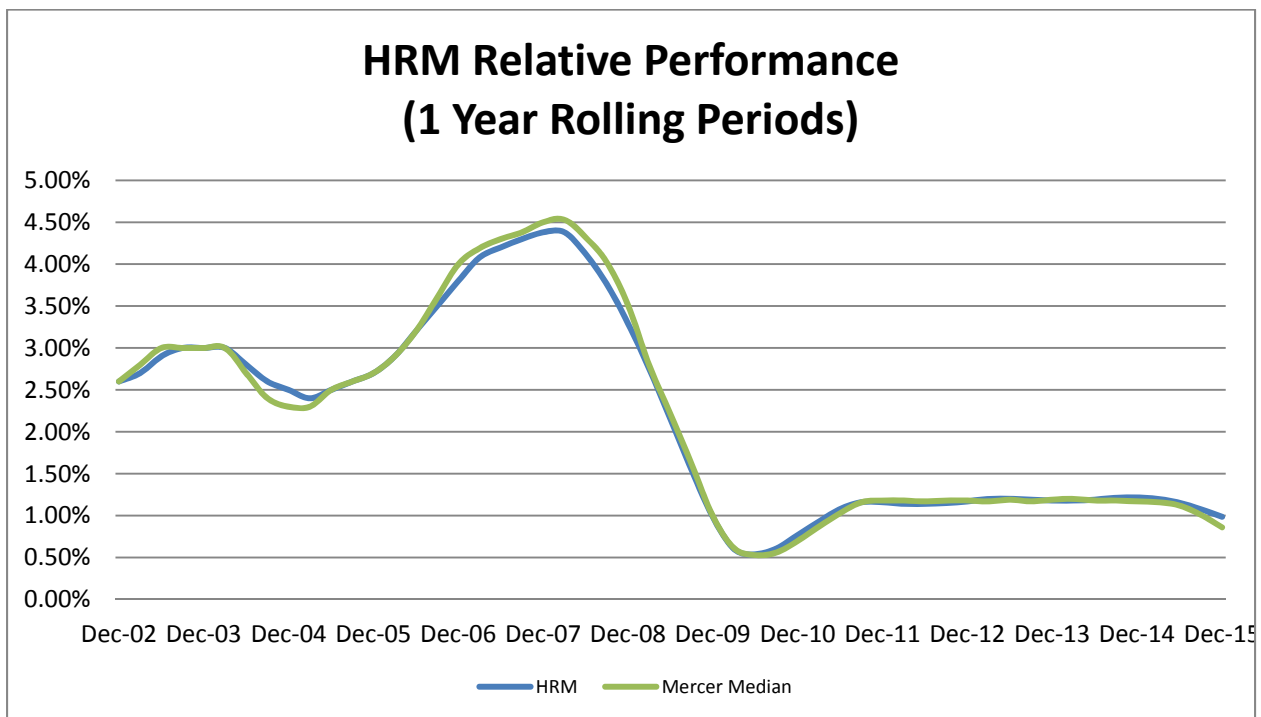
Mercer has discontinued its Investment Consulting Survey of Canadian Institutional Pooled Funds. HRM had been using this survey to compare returns with the industry. We have also been including the RBC Investor and Treasury Services Pooled Fund survey to the Investment Committee for quite some time. It is very similar to the Mercer Survey. We will be using this survey going forward. Please see the table below with the results using the RBC Survey.

Money Market Funds	3 Months (to December 31, 2015)	1 Year (to December 31,2015)
5 th Percentile	.25%	1.08%
1 st Quartile	.21%	.95%
Median	.18%	.86%
3 rd Quartile	.15%	.74%
95 th Percentile	.10%	.53%
HRM	.22%	.99%

Relative performance was again quite positive, the 3 month rate was above the 1st Quartile, and the one year return was above the 1st quartile mark. These returns are before any allowance for fees that could be paid for external management. The investment bank accounts continue to be largely responsible for this relative performance. The rate of return from the Government half of the portfolio continues to deteriorate as maturities are re-invested in the lower interest rate environment.



As shown in the graph below, over the longer term HRM investment performance closely matches the Median with fee savings also accruing to HRM.



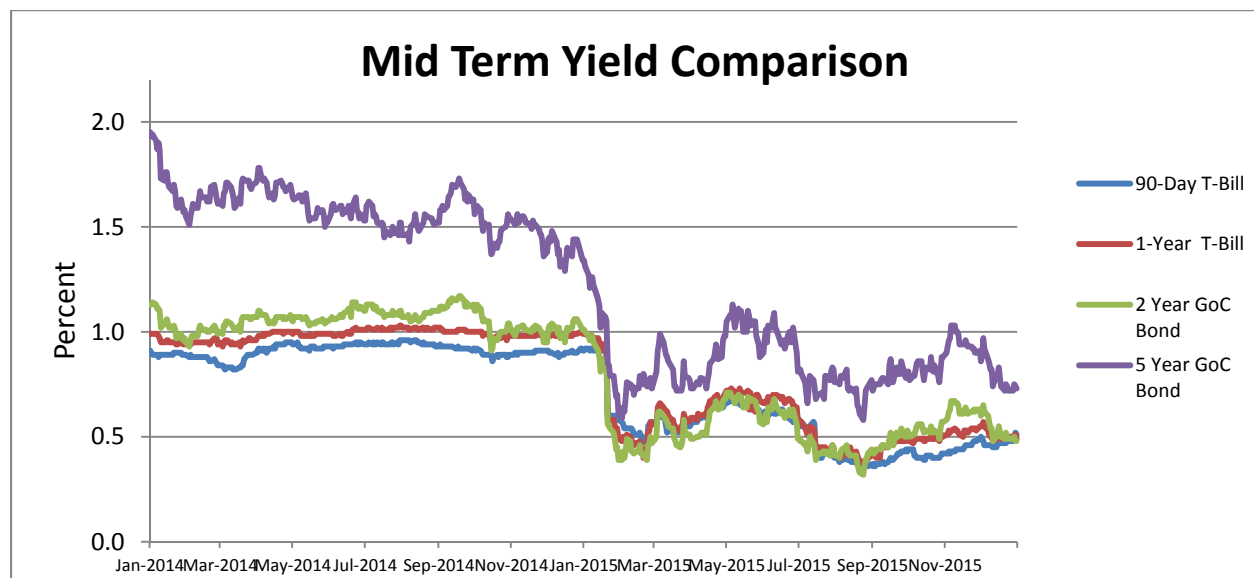
During the quarter, HRM made 54 money market investments at a cost of \$186,333,000, with an average term to maturity of 156 days. This compares to last year when 84 investments were made at a cost of \$195,717,000 with an average term of 140 days. Similar to last year our predominant strategy was to allocate funds to the investment bank accounts and when necessary use Government instruments to manage sector weights and cover cash needs.

Funds held in the investment bank accounts, including Term Deposits, totaled \$182,097,000 by the end of the Quarter. Incremental income over BA's and BDN's, using a rate of .74% as a proxy for the BA and BDN rates, was \$143,376 for the Quarter.

The cumulative incremental gross investment income from the 2007 Policy change that expanded the Non-Government Sector Weight was \$1,654,677 or a \$132,963 increase during the Quarter.

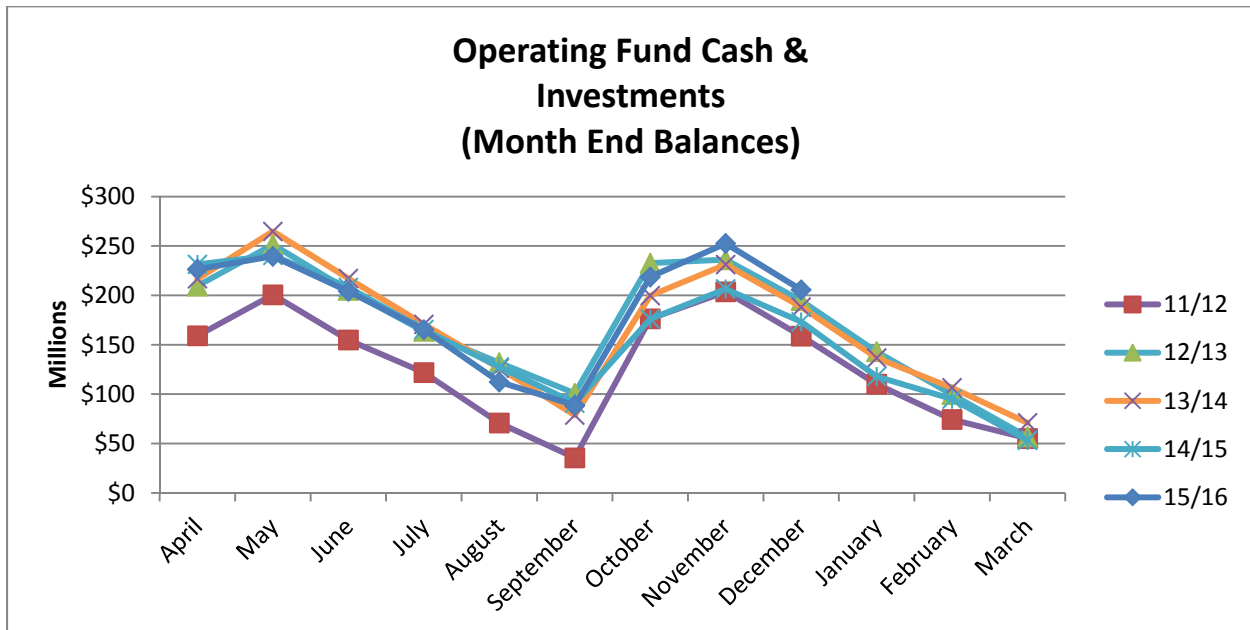
HRM Short Term Bond Pool

There were no additions or maturities in the Bond Pool during the Quarter. At the end of the Quarter the Bond Pool consisted of \$12,000,000 of bonds with yields ranging from 1.59% to 2.78% with a simple average yield of 2.20%. The term to maturity ranges from June 2017 to December 2018.



Cash Flows

Operating Fund Cash and Investment balances are running higher than the previous year. At the end of the Quarter these balances were some \$32,000,000 above the previous year's level. The majority of the increase was due to a 22 million increase in tax revenue collected over the previous year, a 6 million increase in PILT revenue collected and a 4 million increase in Deed Transfer Tax.



There were two days when amounts exceeded the Sector Weight guidelines. Each of these instances was discussed with the Investment Committee and they agreed with staff that these minor temporary variances did not create any material increase in risk to the portfolio.

Subsequent to End of Reporting Quarter

On January 20th The Bank of Canada maintained interest rates as it sees risks to financial stability evolving as expected. The decline in oil prices represents a setback to the Canadian economy. The Bank of Canada now expects the economies' return to above potential growth to be delayed until the second quarter of 2016. In the United States the Federal Reserve raised interest rates for the first time in almost a decade. Rates rose from 0-.25% to .25-.5%. The Central Bank indicated that future rate increases would be gradual and be dependent on economic conditions.

The investment bank accounts, which are for the most part linked to the commercial bank prime rates, are continuing to provide significantly better returns than are available from BA's and Government's

Outlook & Strategy

The dominant strategy will again be to maximize the returns from the investment bank accounts, keeping in mind that their liquidity adds a safety factor, while looking for opportunities in the Government half of the portfolio.

Policy Compliance

Objectives:

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

Liquidity – Overdraft charges were not 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 above median for the year ending December 31, 2015 before allowing for fees that could have been paid to an external management firm. 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

As discussed above Operating Fund Investment Income for the nine months to December 31, 2015 was \$1,291,050 versus a budget of \$1,200,000 for a surplus of \$91,050. This surplus was primarily due to an increase in cash flows. Due to the increase in cash flows investment income will be on budget.

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 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, 2015 (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/index.php> 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: Shawn Williams, Deputy Treasurer, 490-2023
Original Signed

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

Original Signed

Financial Approval by: Amanda Whitewood, Director of Finance & ICT/CFO, 490-6308

Appendix A

Economic Statistics

	Canada	US
Unemployment Rate	Oct 7.0%, Nov 7.1%, Dec 7.1%	Oct 5.0%, Nov 5.0%, Dec 5.0%
Jobs Created / (Lost) ('000's)	Oct 44, Nov (36), Dec 23	Oct 295, Nov 280, Dec 262
CPI (year over year)	Oct 1.0%, Nov 1.4%, Dec 1.6%	Oct .2%, Nov .5%, Dec .7%
CPI-X (Core) (year over year)	Oct 2.1%, Nov 2.0%, Dec 1.9%	Oct 1.0%, Nov 2.0%, Dec 2.1%
GDP	Q4: N/A	Q4 .7%

Central Bank Activities

- Oct 21st Bank of Canada lowers overnight rate to .50%
- Oct 28th U.S. Federal Open Market Committee maintains Target Range of 0% to .25%
- Dec 2nd Bank of Canada Maintains overnight rate at .50%
- Dec 16 U.S. Federal Open Market Committee increases Target Range to .25% to .5%

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
The Province of Nova Scotia

Municipal Governments & Their Guarantees:

The Municipality of Calgary & 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
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.

**Total Portfolio
Sector Weights @ December 31, 2015**

SCHEDULE A

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	455,745,790	100%	454,743,747	100%
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	217,434,917	48%	455,745,790	100%	238,310,873	52%
Total Alberta (R-1 High)	Open	2,873,456	1%	113,936,447	25%	100,140,121	22%
Alberta (R-1 High)	Open	1,997,240					
Alberta Capital Finance Authority (R-1 High)	Open	876,216					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	13,223,981	3%	113,936,447	25%	98,596,952	22%
Manitoba (R-1 Mid)	Open	6,384,129	1%	113,936,447	25%	107,552,319	24%
New Brunswick (R-1 Mid)	Open	4,993,450	1%	113,936,447	25%	108,942,997	24%
Nova Scotia (R-1 Mid)	Open	8,290,078	2%	113,936,447	25%	105,646,369	23%
Ontario (R-1 Mid)	Open	76,789,140	17%	113,936,447	25%	37,147,307	8%
Quebec (R-1 Mid)	Open	89,916,573	20%	113,936,447	25%	24,019,874	5%
Quebec		79,950,014					
Financement Quebec		0					
Hydro Quebec		9,966,560					
Saskatchewan (R-1 High)	Open	14,964,110	3%	113,936,447	25%	98,972,337	22%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%	113,936,447	25%	113,936,447	25%
Calgary (R-1 High)	Open			45,574,579	10%	45,574,579	10%
Financial Institutions & their Guarantees /Corporations		224,264,034	49%	227,872,895	50%	3,608,860	1%
	BA's Schedule A Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	201,685,347	44%	227,872,895	50%	26,187,548	6%
Bank of Montreal (R-1 High)	Open	45,238,069	10%	45,574,579	10%	336,510	0%
BMO - Instruments		0					
BMO - Account		45,238,069					
Bank of Nova Scotia (R-1 High)	Open	42,166,933	9%	45,574,579	10%	3,407,646	1%
Bank of Nova Scotia Effective Cash		7,166,933					
Bank of Nova Scotia - Notice Account		35,000,000					
Canadian Imperial Bank of Commerce (R-1 High)	Open	45,238,967	10%	45,574,579	10%	335,612	0%
CIBC - Instruments		0					
CIBC - Account		45,238,967					
Royal Bank (R-1 High)	Open	30,041,378	7%	45,574,579	10%	15,533,201	3%
RBC - Instruments		0					
RBC - Account		30,041,378					
Toronto Dominion (R-1 High)	Open	39,000,000	9%	45,574,579	10%	6,574,579	1%
TD - Instruments		0					
TD - Account		39,000,000					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	22,578,688	5%	113,936,447	25%	91,357,760	20%
National Bank of Canada (R-1 Mid)	Open	22,578,688	5%	22,787,289	5%	208,602	0%
OMERS Realty Corporation (R-1 High)	Open	0	0%	22,787,289	5%	22,787,289	5%
CDP Financial Inc (R-1 High)	Open	0	0%	22,787,289	5%	22,787,289	5%
Desjardins Total		0	0%	22,787,289	5%	22,787,289	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		441,698,952	97%				
Federal Government & its Guarantees							
Money Market		0	0%	57,685,501	20%	57,685,501	20%
Reserves - Bond Pool		1,002,043	0%	163,944,195	100%	162,942,152	99%
Canada Mortgage & Housing Corp.		1,002,043	0%	163,944,195	100%	162,942,152	99%
Provincial Government & their Guarantees		13,038,385	3%	57,685,501	20%	44,647,115	15%
Money Market		1,998,662	3%	57,685,501	20%	35,936,385	12%
Alberta		1,998,662	2%	28,842,750	10%	17,919,880	6%
Alberta		1,998,662					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	28,842,750	10%	26,727,236	9%
Manitoba		0	0%	28,842,750	10%	28,842,750	10%
New Brunswick		0	0%	28,842,750	10%	28,842,750	10%
Nova Scotia		0	0%	28,842,750	10%	28,842,750	10%
Ontario		0	0%	28,842,750	10%	28,842,750	10%
Quebec		0	0%	28,842,750	10%	28,842,750	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	28,842,750	10%	28,842,750	10%
Bond Pool		11,039,723	3%	32,788,839	20%	19,750,454	12%
Alberta		8,924,208	2%	16,394,420	10%	5,471,549	3%
Alberta		7,887,659					
Alberta Capital Finance Authority		1,036,549					
Alberta Treasury Branches		0					
British Columbia		2,115,514	0%	16,394,420	10%	14,278,905	9%
Manitoba		0	0%	16,394,420	10%	16,394,420	10%
New Brunswick		0	0%	16,394,420	10%	16,394,420	10%
Nova Scotia		0	0%	16,394,420	10%	16,394,420	10%
Ontario		0	0%	16,394,420	10%	16,394,420	10%
Quebec		0	0%	16,394,420	10%	16,394,420	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	16,394,420	10%	16,394,420	10%
Total Fixed		14,040,428	3%	32,788,839	20%	18,748,411	11%
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		455,745,790					
Interest Bearing Bank Accounts - O/S Cheque Coverage		13,131,717	*				
Total Investments and O/S Cheques Coverage		468,877,507					

**Operating Funds
Sector Weights @ December 31, 2015**

SCHEDULE B

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	267,159,629	100%	267,159,629	100%
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	130,922,119	49%	267,159,629	100%	136,237,510	51%
Total Alberta (R-1 High)	Open	1,730,168	1%	66,789,907	25%	63,856,303	24%
Alberta (R-1 High)	Open	1,202,580					
Alberta Capital Finance Authority (R-1 High)	Open	527,588	0%				
Alberta Treasury Branches (R-1 High)	Open	0	0%				
British Columbia (R-1 High)	Open	7,962,436	3%	66,789,907	25%	58,827,471	22%
Manitoba (R-1 Mid)	Open	3,844,018	1%	66,789,907	25%	62,945,890	24%
New Brunswick (R-1 Mid)	Open	3,006,661	1%	66,789,907	25%	63,783,246	24%
Nova Scotia (R-1 Mid)	Open	4,991,630	2%	66,789,907	25%	61,798,278	23%
Ontario (R-1 Mid)	Open	46,236,350	17%	66,789,907	25%	20,553,557	8%
Quebec (R-1 Mid)	Open	54,140,652	20%	66,789,907	25%	12,649,255	5%
Quebec		48,139,578					
Financement Quebec		0					
Hydro Quebec		6,001,075					
Saskatchewan (R-1 High)	Open	9,010,204	3%	66,789,907	25%	57,779,703	22%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		66,789,907	25%	66,789,907	25%
Calgary (R-1 High)	Open			26,715,963	10%	26,715,963	10%
Financial Institutions & their Guarantees /Corporations		135,034,074	51%	133,579,815	50%	-1,454,259	-1%
	BA's Schedule A Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	121,438,973	45%	133,579,815	50%	12,140,842	5%
Bank of Montreal (R-1 High)	Open	27,238,789	10%	26,715,963	10%	-522,826	0%
BMO - Instruments		0					
BMO - Account		27,238,789					
Bank of Nova Scotia (R-1 High)	Open	25,389,594	10%	26,715,963	10%	1,326,369	0%
Bank of Nova Scotia Effective Cash		4,315,361					
Bank of Nova Scotia - Notice Account		21,074,233					
Canadian Imperial Bank of Commerce (R-1 High)	Open	27,239,330	10%	26,715,963	10%	-523,367	0%
CIBC - Instruments		0					
CIBC - Account		27,239,330					
Royal Bank (R-1 High)	Open	18,088,543	7%	26,715,963	10%	8,627,420	3%
RBC - Instruments		0					
RBC - Account		18,088,543					
Toronto Dominion (R-1 High)	Open	23,482,717	9%	26,715,963	10%	3,233,246	1%
TD - Instruments		0					
TD - Account		23,482,717					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	13,595,101	5%	66,789,907	25%	53,194,806	20%
National Bank of Canada (R-1 Mid)	Open	13,595,101	5%	13,357,981	5%	-237,119	0%
OMERS Realty Corporation (R-1 High)	Open	0	0%	13,357,981	5%	13,357,981	5%
CDP Financial Inc (R-1 High)	Open	0	0%	13,357,981	5%	13,357,981	5%
Desjardins Total		0	0%	13,357,981	5%	13,357,981	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		265,956,193	100%				
Federal Government & its Guarantees							
Money Market		0	0%	53,431,926	20%	53,431,926	20%
Reserves - Bond Pool		0	0%	53,431,926	100%	53,431,926	20%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		1,203,436	0%	53,431,926	20%	52,228,490	20%
Money Market		1,203,436	0%	53,431,926	20%	52,228,490	20%
Alberta		1,203,436	0%	26,715,963	10%	25,512,527	10%
Alberta		1,203,436					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	26,715,963	10%	26,715,963	10%
Manitoba		0	0%	26,715,963	10%	26,715,963	10%
New Brunswick		0	0%	26,715,963	10%	26,715,963	10%
Nova Scotia		0	0%	26,715,963	10%	26,715,963	10%
Ontario		0	0%	26,715,963	10%	26,715,963	10%
Quebec		0	0%	26,715,963	10%	26,715,963	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	26,715,963	10%	26,715,963	10%
Bond Pool		0	0%	53,431,926	20%	52,228,490	20%
Alberta		0	0%	26,715,963	10%	25,512,527	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	26,715,963	10%	26,715,963	10%
Manitoba		0	0%	26,715,963	10%	26,715,963	10%
New Brunswick		0	0%	26,715,963	10%	26,715,963	10%
Nova Scotia		0	0%	26,715,963	10%	26,715,963	10%
Ontario		0	0%	26,715,963	10%	26,715,963	10%
Quebec		0	0%	26,715,963	10%	26,715,963	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	26,715,963	10%	26,715,963	10%
Total Fixed		1,203,436	0%	53,431,926	20%	52,228,490	20%
Total Investments		267,159,629					
Interest Bearing Bank Accounts - O/S Cheque Coverage		13,131,717	*				
Total Investments and O/S Cheques Coverage		280,291,346					

Capital Funds
Sector Weights @ December 31, 2015

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						
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%
Nova Scotia (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%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open		0%	0	25%	0	0%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		0	25%	0	0%
Calgary (R-1 High)	Open			0	10%	0	0%
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%
BMO - Instruments		0					
BMO - Account		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%
CIBC - Instruments		0					
CIBC - Account		0					
Royal Bank (R-1 High)	Open	0	0%	0	10%	0	0%
RBC - Instruments		0					
RBC - Account		0					
Toronto Dominion (R-1 High)	Open	0	0%	0	10%	0	0%
TD - Instruments		0					
TD - Account		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%
Desjardins Total		0	0%	0	5%	0	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		0	0%				
Federal Government & its Guarantees							
Money Market		0	0		20%	0	20%
Reserves - Bond Pool		0	0%	0	100%	0	0%
Canada Mortgage & Housing Corp.		0			100%		
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%
Nova Scotia							
Ontario		0	0%	0	10%	0	0%
Quebec		0	0%	0	10%	0	0%
Quebec		0					
Financement Quebec		0					
Hydro Quebec							
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%
Nova Scotia							
Ontario		0	0%	0	10%	0	0%
Quebec		0	0%	0	10%	0	0%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	0	10%	0	0%
Total Fixed		0	0%	0	20%	0	0%
Total Investments		0					
Interest Bearing Bank Accounts - O/S Cheque Coverage		0	*				
Total Investments and O/S Cheques Coverage		0					

**Reserve Funds
Sector Weights @ December 31, 2015**

SCHEDULE D

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	185,183,971	100%	184,181,928	99%
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					
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	84,848,690	46%	185,183,971	100%	100,335,281	54%
Total Alberta (R-1 High)	Open	1,121,296	1%	46,295,993	25%	35,470,559	19%
Alberta (R-1 High)	Open	779,374					
Alberta Capital Finance Authority (R-1 High)	Open	341,922					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	5,160,337	3%	46,295,993	25%	39,020,142	21%
Manitoba (R-1 Mid)	Open	2,491,251	1%	46,295,993	25%	43,804,742	24%
New Brunswick (R-1 Mid)	Open	1,948,572	1%	46,295,993	25%	44,347,420	24%
Nova Scotia (R-1 Mid)	Open	3,235,001		46,295,993	25%	43,060,991	23%
Ontario (R-1 Mid)	Open	29,965,095	16%	46,295,993	25%	16,330,898	9%
Quebec (R-1 Mid)	Open	35,087,756	19%	46,295,993	25%	11,208,236	6%
Quebec		31,198,549					
Financement Quebec		0					
Hydro Quebec		3,889,208					
Saskatchewan (R-1 High)	Open	5,839,380	3%	46,295,993	25%	40,456,613	22%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		46,295,993	25%	46,295,993	25%
Calgary (R-1 High)	Open			18,518,397	10%	18,518,397	10%
Financial Institutions & their Guarantees /Corporations		87,513,587	47%	92,591,986	50%	5,078,399	3%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	78,702,803	42%	92,591,986	50%	13,889,183	8%
Bank of Montreal (R-1 High)	Open	17,653,057	10%	18,518,397	10%	865,340	0%
BMO - Instruments		0					
BMO - Account		17,653,057					
Bank of Nova Scotia (R-1 High)	Open	16,454,621	9%	18,518,397	10%	2,063,777	1%
Bank of Nova Scotia Effective Cash		2,796,722					
Bank of Nova Scotia - Notice Account		13,657,899					
Canadian Imperial Bank of Commerce (R-1 High)	Open	17,653,407	10%	18,518,397	10%	864,990	0%
CIBC - Instruments		0					
CIBC - Account		17,653,407					
Royal Bank (R-1 High)	Open	11,722,917	6%	18,518,397	10%	6,795,480	4%
RBC - Instruments		0					
RBC - Account		11,722,917					
Toronto Dominion (R-1 High)	Open	15,218,802	8%	18,518,397	10%	3,299,595	2%
TD - Instruments		0					
TD - Account		15,218,802					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	8,810,784	5%	46,295,993	25%	37,485,209	20%
National Bank of Canada (R-1 Mid)	Open	8,810,784	5%	9,259,199	5%	448,415	0%
OMERS Realty Corporation (R-1 High)	Open	0	0%	9,259,199	5%	9,259,199	5%
CDP Financial Inc (R-1 High)	Open	0	0%	9,259,199	5%	9,259,199	5%
Desjardins Total		0	0%	9,259,199	5%	9,259,199	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		172,362,277	93%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		1,002,043	1%	185,183,971	100%	184,181,928	99%
Canada Mortgage & Housing Corp.		1,002,043					
Provincial Government & their Guarantees		11,819,652	6%	92,591,986	50%	80,772,334	44%
Money Market		779,929	6%	92,591,986	50%	80,772,334	44%
Alberta		779,929	5%	18,518,397	10%	8,814,260	5%
Alberta		779,929					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	1%	18,518,397	10%	16,402,883	9%
Manitoba		0	0%	18,518,397	10%	18,518,397	10%
New Brunswick		0	0%	18,518,397	10%	18,518,397	10%
Nova Scotia		0	0%	18,518,397	10%	18,518,397	10%
Ontario		0	0%	18,518,397	10%	18,518,397	10%
Quebec		0	0%	18,518,397	10%	18,518,397	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	18,518,397	10%	18,518,397	10%
Bond Pool		11,039,722	6%	92,591,986	50%	80,772,334	44%
Alberta		8,924,208	5%	18,518,397	10%	8,814,260	5%
Alberta		7,887,659					
Alberta Capital Finance Authority		1,036,549					
Alberta Treasury Branches		0					
British Columbia		2,115,514	1%	18,518,397	10%	16,402,883	9%
Manitoba		0	0%	18,518,397	10%	18,518,397	10%
New Brunswick		0	0%	18,518,397	10%	18,518,397	10%
Nova Scotia		0	0%	18,518,397	10%	18,518,397	10%
Ontario		0	0%	18,518,397	10%	18,518,397	10%
Quebec		0	0%	18,518,397	10%	18,518,397	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	18,518,397	10%	18,518,397	10%
Total Fixed		12,821,694	7%	185,183,971	100%	172,362,277	93%
Total Investments		185,183,971					

**Trust Funds
Sector Weights @ December 31, 2015**

SCHEDULE E

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	3,402,188	100%	3,402,188	100%
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%				
		0					
Provincial Governments & their Guarantees	R-1 Mid or Greater	1,664,108	49%	3,402,188	100%	1,738,080	51%
Total Alberta (R-1 High)	Open	21,992	1%	850,547	25%	813,259	24%
Alberta (R-1 High)	Open	15,286					
Alberta Capital Finance Authority (R-1 High)	Open	6,706					
Alberta Treasury Branches (R-1 High)	Open	0	0%				
British Columbia (R-1 High)	Open	101,208	3%	850,547	25%	749,339	22%
Manitoba (R-1 Mid)	Open	48,860	1%	850,547	25%	801,687	24%
New Brunswick (R-1 Mid)	Open	38,217	1%	850,547	25%	812,330	24%
Nova Scotia (R-1 Mid)	Open	63,447	2%	850,547	25%	787,100	23%
Ontario (R-1 Mid)	Open	587,695	17%	850,547	25%	262,852	8%
Quebec (R-1 Mid)	Open	688,164	20%	850,547	25%	162,383	5%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open	114,526	3%	850,547	25%	736,021	22%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		850,547	25%	850,547	25%
Calgary (R-1 High)	Open			340,219	10%	340,219	10%
Financial Institutions & their Guarantees /Corporations		1,716,374	50%	1,701,094	50%	-15,280	0%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	1,543,571	45%	1,701,094	50%	157,523	5%
Bank of Montreal (R-1 High)	Open	346,223	10%	340,219	10%	-6,004	0%
BMO - Instruments		0					
BMO - Account		346,223					
Bank of Nova Scotia (R-1 High)	Open	322,719	9%	340,219	10%	17,500	1%
Bank of Nova Scotia Effective Cash		54,851					
Bank of Nova Scotia - Notice Account		267,868					
Canadian Imperial Bank of Commerce (R-1 High)	Open	346,230	10%	340,219	10%	-6,011	0%
CIBC - Instruments		0					
CIBC - Account		346,230					
Royal Bank (R-1 High)	Open	229,918	7%	340,219	10%	110,301	3%
RBC - Instruments		0					
RBC - Account		229,918					
Toronto Dominion (R-1 High)	Open	298,481	9%	340,219	10%	41,738	1%
TD - Instruments		0					
TD - Account		298,481					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	172,803	5%	850,547	25%	677,744	20%
National Bank of Canada (R-1 Mid)	Open	172,803	5%	170,109	5%	-2,693	0%
OMERS Realty Corporation (R-1 High)	Open	0	0%	170,109	5%	170,109	5%
CDP Financial Inc (R-1 High)	Open	0	0%	170,109	5%	170,109	5%
Desjardins Total		0	0%	170,109	5%	170,109	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,380,482	99%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	3,402,188	100%	3,402,188	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		15,296	0%	3,402,188	100%	3,386,892	100%
Money Market		15,296	100%	3,402,188	100%	3,386,892	100%
Alberta		15,296	0%	340,219	10%	324,922	10%
Alberta		15,296					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	340,219	10%	340,219	10%
Manitoba		0	0%	340,219	10%	340,219	10%
New Brunswick		0	0%	340,219	10%	340,219	10%
Nova Scotia		0	0%	340,219	10%	340,219	10%
Ontario		0	0%	340,219	10%	340,219	10%
Quebec		0	0%	340,219	10%	340,219	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	340,219	10%	340,219	10%
Bond Pool		0	0%	3,402,188	100%	3,386,892	100%
Alberta		0	0%	340,219	10%	324,922	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	340,219	10%	340,219	10%
Manitoba		0	0%	340,219	10%	340,219	10%
New Brunswick		0	0%	340,219	10%	340,219	10%
Nova Scotia		0	0%	340,219	10%	340,219	10%
Ontario		0	0%	340,219	10%	340,219	10%
Quebec		0	0%	340,219	10%	340,219	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	340,219	10%	340,219	10%
Total Fixed		15,296					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,402,188					