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Item No. 12.2.1
Audit and Finance Standing Committee
July 18, 2018

TO: Chair and Members of Audit and Finance Standing Committee

Original Signed

SUBMITTED BY:

Jerry Blackwood, Acting Director of Finance and Asset Management/CFO

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: June 6, 2018

SUBJECT: Investment Activities– Quarter ending March 31, 2018

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 Municipal Affairs (the Minister) 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 March 31, 2018 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 June 20, 2018.

DISCUSSION

Overall Results

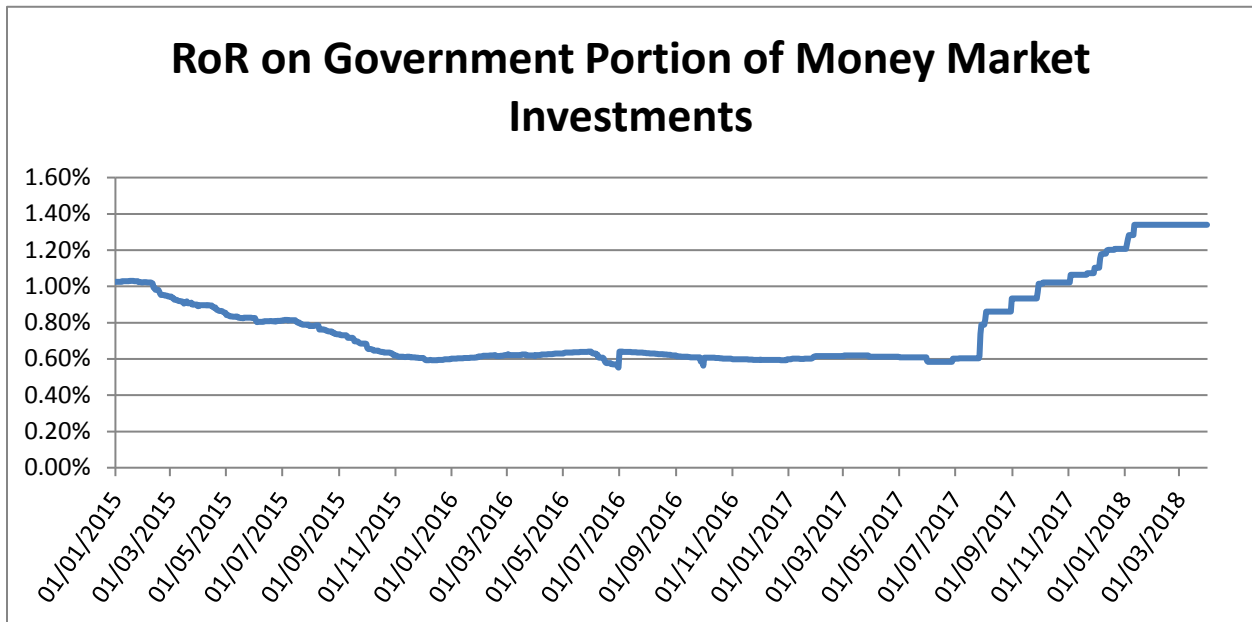
Operating fund investment income for the twelve months ending March 31, 2018 was \$2,134,000 versus a projection of \$2,100,000. Although operating cashflows were lower than forecasted the rate of return for the period was 0.43% which was over the projected rate of return of 0.35%.

HRM Investment Activities

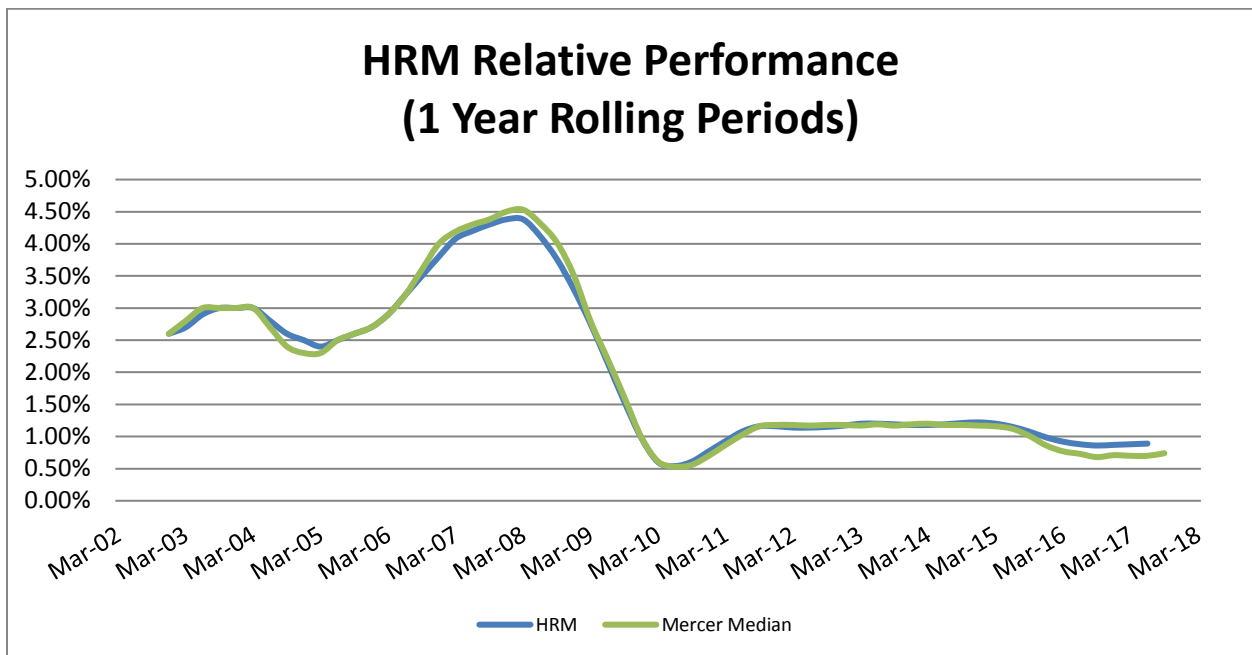
Mercer has discontinued its Investment Consulting Survey of Canadian Institutional Pooled Funds. HRM had been using this survey to compare returns with the industry. We have also been including the RBC Investor and Treasury Services Pooled Fund survey to the Investment Committee, which is very similar 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 Mar 31, 2018)	1 Year (to Mar 31, 2018)
5 th Percentile	0.38%	1.22%
1 st Quartile	0.35%	1.13%
Money Market Median	0.32%	0.98%
3 rd Quartile	0.30%	0.91%
95 th Percentile	0.23%	0.71%
HRM	0.43%	1.31%

Relative performance was again quite positive; the 3 month and one year returns were above the 5th percentile. 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.



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



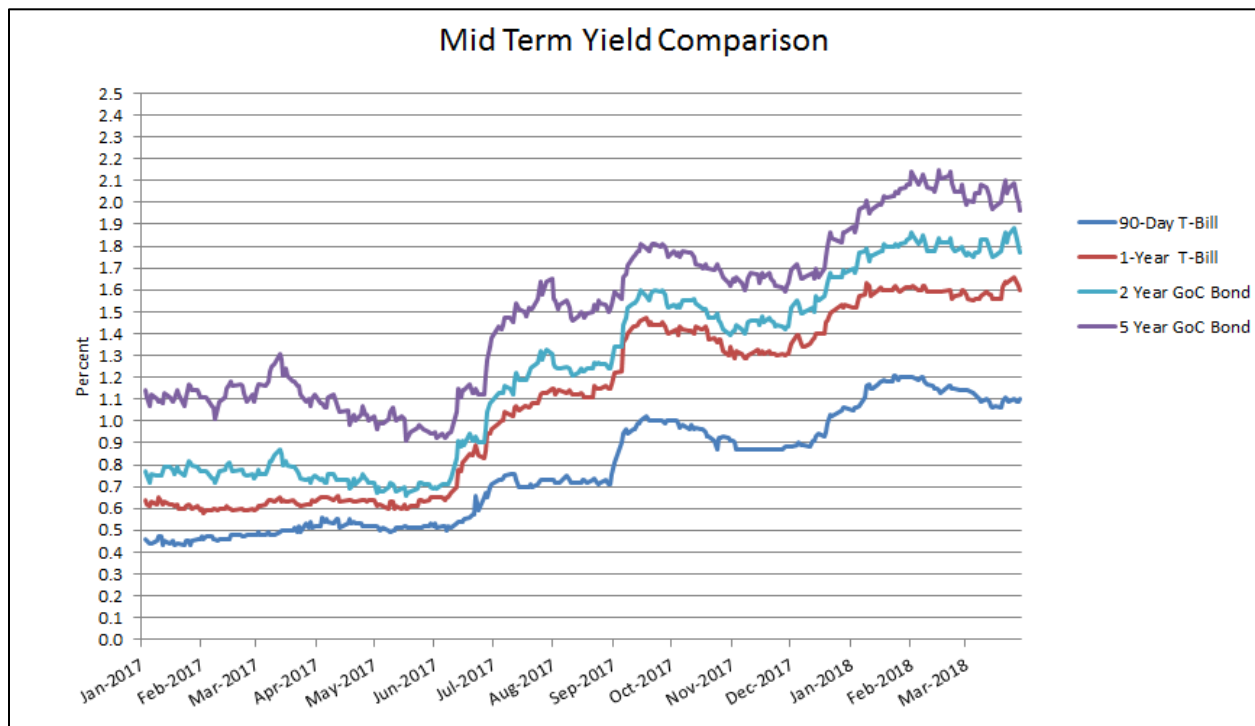
The quarter saw 2 money market investments made at a total cost of \$24,092,485 with an average term to maturity of 186 days and average individual investment cost of \$12,046,243. This compares to last year when 16 investments were made at a total cost of \$207,687,960 with an average term of 99 days and average individual investment cost of \$12,980,498. The predominant strategy is to allocate funds to the investment bank accounts and monthly rebalance the portfolio using government instruments to manage sector weights.

Funds held in the investment bank accounts, including term deposits, totaled \$189,193,000 by the end of the quarter. Incremental income over BA's and BDN's, using a rate of 1.51% as a proxy for the BA and BDN rates, was \$157,003 for the quarter.

The cumulative incremental gross investment income from the 2007 policy change that expanded the non-government sector weight was \$2,956,391 or a \$155,319 increase during the quarter.

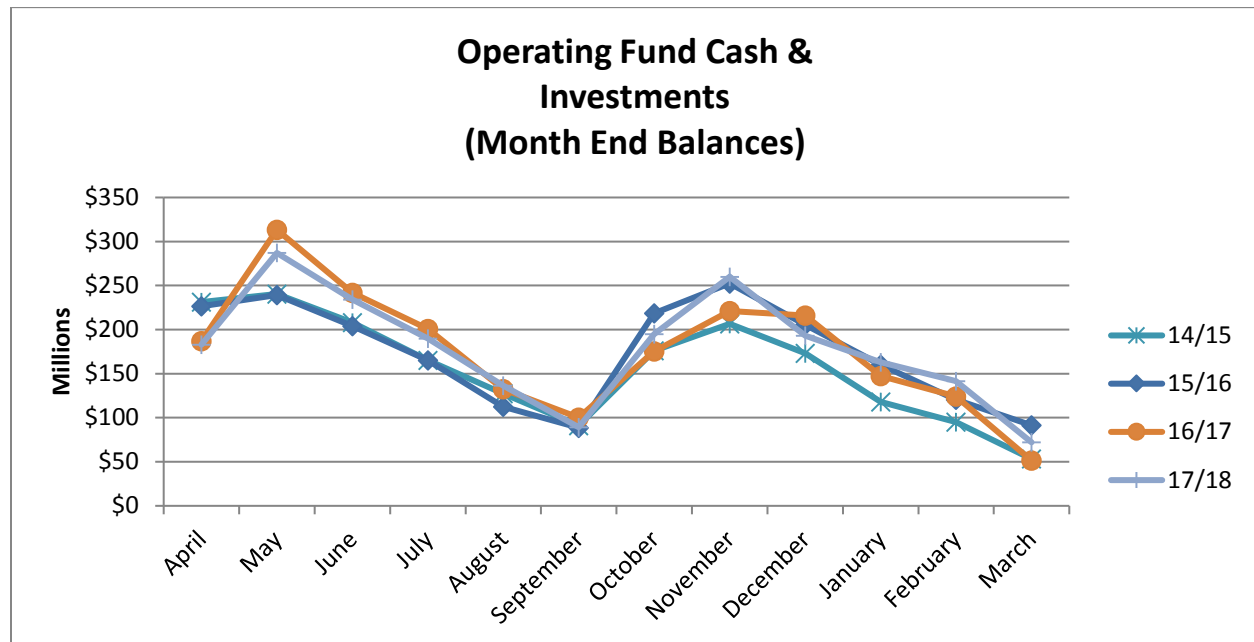
HRM Short Term Bond Pool

There was no change in the bond pool during the quarter. At the end of the quarter the bond pool consisted of \$10,000,000 of bonds with yields ranging from 1.94% to 2.58% with a simple average yield of 2.27%. The term to maturity ranges from June 2018 to December 2018. Staff will continue to look for opportunities to add to the bond portfolio.



Cash Flows

Cash available for operating is \$9,000,000 lower than the previous year due to lower than expected operating cashflows.



Subsequent to End of Reporting Quarter

On April 18, 2018 the Bank of Canada maintained its target for the overnight rate at 1.25%.

Outlook & Strategy

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

The dominant strategy will again be to maximize 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 the 5th percentile of the comparable benchmark for the quarter ending March 31, 2018 before allowing for fees that could have been paid to an external management firm. Accordingly, staff maintain that the rate of return objective of the Policy 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 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 twelve months ending March 31, 2018 was \$2,134,000 versus a projection of \$2,100,000. Although operating cashflows were lower than forecasted the rate of return for the period was 0.43% which was over the projected rate of return of 0.35%.

RISK CONSIDERATIONS

There are no significant risks associated with the recommendations in this report.

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 the Audit and Finance Committee of Council quarterly on staff's compliance with the Investment Policy. In addition, the Committee conducts an annual review of the Investment Policy and makes recommendations for any changes considered appropriate.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ March 31, 2018 (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 halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Renée Towns, CPA, CGA, CTP, Deputy Treasurer, Finance & Asset Management, 902-293-7983

**Total Portfolio
Sector Weights @ Mar 31, 2018**

SCHEDULE A

Category	Status	Cumulative Amount Invested @ Book Value	% of Portfolio	Guideline Limit \$	Limit \$ Available	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS									
Federal Government & its Guarantees	Open	0	0%			277,254,798	100%	277,254,798	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	75,634,625	27%			277,254,798	100%	201,620,173	73%
Total Alberta (R-1 High)	Open	0	0%	100,000,000	100,000,000				
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%	100,000,000	100,000,000				
Manitoba (R-1 Mid)	Open	0	0%	100,000,000	100,000,000				
New Brunswick (R-1 Mid)	Open	0	0%	100,000,000	100,000,000				
Nova Scotia (R-1 Mid)	Open	0	0%	100,000,000	100,000,000				
Ontario (R-1 Mid)	Open	51,542,139	19%	100,000,000	48,457,861				
Quebec (R-1 Mid)	Open	9,935,300	4%	100,000,000	90,064,700				
Quebec		9,935,300							
Financement Quebec		0							
Hydro Quebec		0							
Saskatchewan (R-1 High)	Open	14,157,185	5%	100,000,000	85,842,815				
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%			69,313,699	25%	69,313,699	25%
Calgary (R-1 High)	Open					27,725,480	10%	27,725,480	10%
Financial Institutions & their Guarantees /Corporations		191,600,856	69%			138,627,399	50%	-52,973,457	-19%
	BA's Schedule A Canadian Banks R-1								
Tier 1 - Financial Institutions & their Guarantees	Mid	141,825,194	51%			138,627,399	50%	-3,197,796	-1%
Bank of Montreal (R-1 High)	Open	30,128,463	11%	75,000,000	44,871,537				
BMO - Instruments		0							
BMO - Account		30,128,463							
Bank of Nova Scotia (R-1 High)	Open	12,407,857	4%	75,000,000	62,592,144				
Bank of Nova Scotia Effective Cash		2,407,857							
Bank of Nova Scotia - Notice Account		10,000,000							
Canadian Imperial Bank of Commerce (R-1 High)	Open	46,697,380	17%	75,000,000	28,302,620				
CIBC - Instruments		0							
CIBC - Account		46,697,380							
Royal Bank (R-1 High)	Open	24,591,495	9%	75,000,000	50,408,505				
RBC - Instruments		0							
RBC - Account		24,591,495							
Toronto Dominion (R-1 High)	Open	28,000,000	10%	75,000,000	47,000,000				
TD - Instruments		0							
TD - Account		28,000,000							
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	49,775,662	18%			69,313,699	25%	19,538,038	7%
National Bank of Canada (R-1 Mid)	Open	49,775,662	18%	50,000,000	224,338				
OMERS Realty Corporation (R-1 High)	Open	0	0%						
CDP Financial Inc (R-1 High)	Open	0	0%						
Desjardins Total		0	0%						
Desjardins Group (R-1 High)	Open	0							
Caisse Centale Desjardins (R-1 High)	Open	0							
Total Cash and Equivalents		267,235,481	96%						
Federal Government & its Guarantees									
Money Market		0	0%			21,987,302	20%	21,987,302	20%
Reserves - Bond Pool		0	0%			163,944,195	100%	163,944,195	100%
Canada Mortgage & Housing Corp.		0	0%			163,944,195	100%	163,944,195	100%
Provincial Government & their Guarantees		10,012,907	4%			21,987,302	20%	11,974,395	11%
Money Market		0	4%			21,987,302	20%	-788,630	-1%
Alberta		0	3%			10,993,651	10%	3,038,604	3%
Alberta		0							
Alberta Capital Finance Authority		0							
Alberta Treasury Branches		0							
British Columbia		0	1%			10,993,651	10%	8,935,791	8%
Manitoba		0	0%			10,993,651	10%	10,993,651	10%
New Brunswick		0	0%			10,993,651	10%	10,993,651	10%
Nova Scotia		0	0%			10,993,651	10%	10,993,651	10%
Ontario		0	0%			10,993,651	10%	10,993,651	10%
Quebec		0	0%			10,993,651	10%	10,993,651	10%
Quebec		0							
Financement Quebec		0							
Hydro Quebec		0							
Saskatchewan		0	0%			10,993,651	10%	10,993,651	10%
Bond Pool		10,012,907	4%			32,788,839	20%	22,775,932	14%
Alberta		7,955,047	3%			16,394,420	10%	8,439,373	5%
Alberta		7,955,047							
Alberta Capital Finance Authority		0							
Alberta Treasury Branches		0							
British Columbia		2,057,860	1%			16,394,420	10%	14,336,559	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							
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		10,012,907	4%			32,788,839	20%	22,775,932	14%
Equities									
Bank of Montreal		6,410							
Total Equities		6,410							
Total Investments		<u>277,254,798</u>							
Interest Bearing Bank Accounts - O/S Cheque Coverage		48,000,000	*						
Total Investments and O/S Cheques Coverage		<u><u>325,254,798</u></u>							

**Operating Funds
Sector Weights @ Mar 31, 2018**

SCHEDULE B

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit (%)	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	82,234,542	100%	82,234,542	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	23,274,524	28%	82,234,542	100%	58,960,017	72%
Total Alberta (R-1 High)	Open	0	0%	20,558,635	25%	20,558,635	25%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0	0%				
Alberta Treasury Branches (R-1 High)	Open	0	0%				
British Columbia (R-1 High)	Open	0	0%	20,558,635	25%	20,558,635	25%
Manitoba (R-1 Mid)	Open	0	0%	20,558,635	25%	20,558,635	25%
New Brunswick (R-1 Mid)	Open	0	0%	20,558,635	25%	20,558,635	25%
Nova Scotia (R-1 Mid)	Open	0	0%	20,558,635	25%	20,558,635	25%
Ontario (R-1 Mid)	Open	15,860,709	19%	20,558,635	25%	4,697,926	6%
Quebec (R-1 Mid)	Open	3,057,322	4%	20,558,635	25%	17,501,314	21%
Quebec		3,057,322					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan (R-1 High)	Open	4,356,494	5%	20,558,635	25%	16,202,142	20%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		20,558,635	25%	20,558,635	25%
Calgary (R-1 High)	Open			8,223,454	10%	8,223,454	10%
Financial Institutions & their Guarantees /Corporations		58,960,017	72%	41,117,271	50%	-17,842,747	-22%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	43,642,894	53%	41,117,271	50%	-2,525,624	-3%
Bank of Montreal (R-1 High)	Open	9,271,225	11%	8,223,454	10%	-1,047,771	-1%
BMO - Instruments		0					
BMO - Account		9,271,225					
Bank of Nova Scotia (R-1 High)	Open	3,818,185	5%	8,223,454	10%	4,405,270	5%
Bank of Nova Scotia Effective Cash		740,953					
Bank of Nova Scotia - Notice Account		3,077,231					
Canadian Imperial Bank of Commerce (R-1 High)	Open	14,369,865	17%	8,223,454	10%	-6,146,410	-7%
CIBC - Instruments		0					
CIBC - Account		14,369,865					
Royal Bank (R-1 High)	Open	7,567,372	9%	8,223,454	10%	656,082	1%
RBC - Instruments		0					
RBC - Account		7,567,372					
Toronto Dominion (R-1 High)	Open	8,616,248	10%	8,223,454	10%	-392,794	0%
TD - Instruments		0					
TD - Account		8,616,248					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	15,317,123	19%	20,558,635	25%	5,241,512	6%
National Bank of Canada (R-1 Mid)	Open	15,317,123	19%	4,111,727	5%	-11,205,396	-14%
OMERS Realty Corporation (R-1 High)	Open	0	0%	4,111,727	5%	4,111,727	5%
CDP Financial Inc (R-1 High)	Open	0	0%	4,111,727	5%	4,111,727	5%
Desjardins Total	Open	0	0%	4,111,727	5%	4,111,727	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		82,234,542	100%				
Federal Government & its Guarantees							
Money Market		0	0%	16,446,908	20%	16,446,908	20%
Reserves - Bond Pool		0	0%	16,446,908	100%	16,446,908	20%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	16,446,908	20%	16,446,908	20%
Money Market		0	0%	16,446,908	20%	16,446,908	20%
Alberta		0	0%	8,223,454	10%	8,223,454	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	8,223,454	10%	8,223,454	10%
Manitoba		0	0%	8,223,454	10%	8,223,454	10%
New Brunswick		0	0%	8,223,454	10%	8,223,454	10%
Nova Scotia		0	0%	8,223,454	10%	8,223,454	10%
Ontario		0	0%	8,223,454	10%	8,223,454	10%
Quebec		0	0%	8,223,454	10%	8,223,454	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	8,223,454	10%	8,223,454	10%
Bond Pool		0	0%	16,446,908	20%	16,446,908	20%
Alberta		0	0%	8,223,454	10%	8,223,454	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	8,223,454	10%	8,223,454	10%
Manitoba		0	0%	8,223,454	10%	8,223,454	10%
New Brunswick		0	0%	8,223,454	10%	8,223,454	10%
Nova Scotia		0	0%	8,223,454	10%	8,223,454	10%
Ontario		0	0%	8,223,454	10%	8,223,454	10%
Quebec		0	0%	8,223,454	10%	8,223,454	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	8,223,454	10%	8,223,454	10%
Total Fixed		0	0%	16,446,908	20%	16,446,908	20%
Total Investments		82,234,542					
Interest Bearing Bank Accounts - O/S Cheque Coverage		48,000,000	*				
Total Investments and O/S Cheques Coverage		130,234,542					

**Capital Funds
Sector Weights @ Mar 31, 2018**

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 @ Mar 31, 2018**

SCHEDULE D

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	191,438,281	100%	191,438,281	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					
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	51,348,122	27%	191,438,281	100%	140,090,159	73%
Total Alberta (R-1 High)	Open	0	0%	47,859,570	25%	39,904,523	21%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	0	0%	47,859,570	25%	45,801,710	24%
Manitoba (R-1 Mid)	Open	0	0%	47,859,570	25%	47,859,570	25%
New Brunswick (R-1 Mid)	Open	0	0%	47,859,570	25%	47,859,570	25%
Nova Scotia (R-1 Mid)	Open	0		47,859,570	25%	47,859,570	25%
Ontario (R-1 Mid)	Open	34,991,805	18%	47,859,570	25%	12,867,765	7%
Quebec (R-1 Mid)	Open	6,745,046	4%	47,859,570	25%	41,114,525	21%
Quebec		6,745,046					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan (R-1 High)	Open	9,611,271	5%	47,859,570	25%	38,248,299	20%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		47,859,570	25%	47,859,570	25%
Calgary (R-1 High)	Open			19,143,828	10%	19,143,828	10%
Financial Institutions & their Guarantees /Corporations		130,077,252	68%	95,719,141	50%	-34,358,112	-18%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	96,284,703	50%	95,719,141	50%	-565,563	0%
Bank of Montreal (R-1 High)	Open	20,454,124	11%	19,143,828	10%	-1,310,296	-1%
BMO - Instruments		0					
BMO - Account		20,454,124					
Bank of Nova Scotia (R-1 High)	Open	8,423,657	4%	19,143,828	10%	10,720,171	6%
Bank of Nova Scotia Effective Cash		1,634,687					
Bank of Nova Scotia - Notice Account		6,788,970					
Canadian Imperial Bank of Commerce (R-1 High)	Open	31,702,713	17%	19,143,828	10%	-12,558,885	-7%
CIBC - Instruments		0					
CIBC - Account		31,702,713					
Royal Bank (R-1 High)	Open	16,695,093	9%	19,143,828	10%	2,448,735	1%
RBC - Instruments		0					
RBC - Account		16,695,093					
Toronto Dominion (R-1 High)	Open	19,009,117	10%	19,143,828	10%	134,711	0%
TD - Instruments		0					
TD - Account		19,009,117					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	33,792,549	18%	47,859,570	25%	14,067,021	7%
National Bank of Canada (R-1 Mid)	Open	33,792,549	18%	9,571,914	5%	-24,220,635	-13%
OMERS Realty Corporation (R-1 High)	Open	0	0%	9,571,914	5%	9,571,914	5%
CDP Financial Inc (R-1 High)	Open	0	0%	9,571,914	5%	9,571,914	5%
Desjardins Total		0	0%	9,571,914	5%	9,571,914	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		181,425,374	95%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	191,438,281	100%	191,438,281	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		10,012,907	5%	95,719,141	50%	85,706,233	45%
Money Market		0	5%	95,719,141	50%	85,706,233	45%
Alberta		0	4%	19,143,828	10%	11,188,781	6%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	1%	19,143,828	10%	17,085,968	9%
Manitoba		0	0%	19,143,828	10%	19,143,828	10%
New Brunswick		0	0%	19,143,828	10%	19,143,828	10%
Nova Scotia		0	0%	19,143,828	10%	19,143,828	10%
Ontario		0	0%	19,143,828	10%	19,143,828	10%
Quebec		0	0%	19,143,828	10%	19,143,828	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	19,143,828	10%	19,143,828	10%
Bond Pool		10,012,907	5%	95,719,141	50%	85,706,233	45%
Alberta		7,955,047	4%	19,143,828	10%	11,188,781	6%
Alberta		7,955,047					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		2,057,860	1%	19,143,828	10%	17,085,968	9%
Manitoba		0	0%	19,143,828	10%	19,143,828	10%
New Brunswick		0	0%	19,143,828	10%	19,143,828	10%
Nova Scotia		0	0%	19,143,828	10%	19,143,828	10%
Ontario		0	0%	19,143,828	10%	19,143,828	10%
Quebec		0	0%	19,143,828	10%	19,143,828	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	19,143,828	10%	19,143,828	10%
Total Fixed		10,012,907	5%	191,438,281	100%	181,425,374	95%
Total Investments		191,438,281					

Trust Funds
Sector Weights @ Mar 31, 2018

SCHEDULE E

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	3,581,975	100%	3,581,975	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	1,011,978	28%	3,581,975	100%	2,569,997	72%
Total Alberta (R-1 High)	Open	0	0%	895,494	25%	895,494	25%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0	0%				
British Columbia (R-1 High)	Open	0	0%	895,494	25%	895,494	25%
Manitoba (R-1 Mid)	Open	0	0%	895,494	25%	895,494	25%
New Brunswick (R-1 Mid)	Open	0	0%	895,494	25%	895,494	25%
Nova Scotia (R-1 Mid)	Open	0	0%	895,494	25%	895,494	25%
Ontario (R-1 Mid)	Open	689,625	19%	895,494	25%	205,869	6%
Quebec (R-1 Mid)	Open	132,933	4%	895,494	25%	762,561	21%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open	189,421	5%	895,494	25%	706,073	20%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		895,494	25%	895,494	25%
Calgary (R-1 High)	Open			358,198	10%	358,198	10%
Financial Institutions & their Guarantees /Corporations		2,563,587	72%	1,790,988	50%	-772,599	-22%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	1,897,597	53%	1,790,988	50%	-106,609	-3%
Bank of Montreal (R-1 High)	Open	403,114	11%	358,198	10%	-44,916	-1%
BMO - Instruments		0					
BMO - Account		403,114					
Bank of Nova Scotia (R-1 High)	Open	166,015	5%	358,198	10%	192,183	5%
Bank of Nova Scotia Effective Cash		32,217					
Bank of Nova Scotia - Notice Account		133,798					
Canadian Imperial Bank of Commerce (R-1 High)	Open	624,803	17%	358,198	10%	-266,605	-7%
CIBC - Instruments		0					
CIBC - Account		624,803					
Royal Bank (R-1 High)	Open	329,030	9%	358,198	10%	29,168	1%
RBC - Instruments		0					
RBC - Account		329,030					
Toronto Dominion (R-1 High)	Open	374,635	10%	358,198	10%	-16,438	0%
TD - Instruments		0					
TD - Account		374,635					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	665,990	19%	895,494	25%	229,504	6%
National Bank of Canada (R-1 Mid)	Open	665,990	19%	179,099	5%	-486,891	-14%
OMERS Realty Corporation (R-1 High)	Open	0	0%	179,099	5%	179,099	5%
CDP Financial Inc (R-1 High)	Open	0	0%	179,099	5%	179,099	5%
Desjardins Total		0	0%	179,099	5%	179,099	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,575,565	100%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	3,581,975	100%	3,581,975	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	3,581,975	100%	3,581,975	100%
Money Market		0	100%	3,581,975	100%	3,581,975	100%
Alberta		0	0%	358,198	10%	358,198	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	358,198	10%	358,198	10%
Manitoba		0	0%	358,198	10%	358,198	10%
New Brunswick		0	0%	358,198	10%	358,198	10%
Nova Scotia		0	0%	358,198	10%	358,198	10%
Ontario		0	0%	358,198	10%	358,198	10%
Quebec		0	0%	358,198	10%	358,198	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	358,198	10%	358,198	10%
Bond Pool		0	0%	3,581,975	100%	3,581,975	100%
Alberta		0	0%	358,198	10%	358,198	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	358,198	10%	358,198	10%
Manitoba		0	0%	358,198	10%	358,198	10%
New Brunswick		0	0%	358,198	10%	358,198	10%
Nova Scotia		0	0%	358,198	10%	358,198	10%
Ontario		0	0%	358,198	10%	358,198	10%
Quebec		0	0%	358,198	10%	358,198	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	358,198	10%	358,198	10%
Total Fixed		0					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,581,975					

Appendix A

Economic Statistics	Canada			US		
	Jan	Feb	Mar	Jan	Feb	Mar
Unemployment Rate	5.9%	5.8%	5.8%	4.1%	4.1%	4.1%
Jobs Created / (Lost) ('000's)	(88)	15	32	176	324	135
CPI (year over year)	1.7%	2.2%	2.3%	2.1%	2.2%	2.4%
CPI-X (Core) (year over year)	1.2%	1.5%	1.4%	1.8%	1.8%	2.1%
GDP (annualized)	Q1: 1.7%			Q1: 2.3%		

Date	Central Bank	Central Bank Action
Jan 17, 2018	Bank of Canada	Raised overnight rate to 1.25%.
Jan 31, 2018	U.S. Federal Open Market Committee	Maintain target range of 1.25%-1.50%.
Mar 7, 2018	Bank of Canada	Maintained overnight rate at 1.25%.
Mar 21, 2018	U.S. Federal Open Market Committee	Raised target range to 1.50%-1.75%.
Apr 18, 2018	Bank of Canada	Maintained overnight rate at 1.25%.
May 2, 2018	U.S. Federal Open Market Committee	Maintain target range of 1.50%-1.75%.
<i>May 30, 2018</i>	<i>Bank of Canada</i>	
<i>Jun 13, 2018</i>	<i>U.S. Federal Open Market Committee</i>	
<i>July 11, 2018</i>	<i>Bank of Canada</i>	
<i>Aug 1, 2018</i>	<i>U.S. Federal Open Market Committee</i>	
<i>Sept 5, 2018</i>	<i>Bank of Canada</i>	
<i>Sept 26, 2018</i>	<i>U.S. Federal Open Market Committee</i>	
<i>Oct 24, 2018</i>	<i>Bank of Canada</i>	
<i>Nov 8, 2018</i>	<i>U.S. Federal Open Market Committee</i>	
<i>Dec 5, 2018</i>	<i>Bank of Canada</i>	
<i>Dec 19, 2018</i>	<i>U.S. Federal Open Market Committee</i>	

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

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.