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Item No. 12.3.2
Audit and Finance Standing Committee
January 9, 2019

TO: Chair and Members of Audit and Finance Standing Committee

SUBMITTED BY: Original Signed

Jane Fraser, Director of Finance and Asset Management & ICT, CFO

Original Signed

Brad Anguish, A/Chief Administrative Officer

DATE: December 18, 2018

SUBJECT: **Investment Activities– Quarter ending September 30, 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 September 30, 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 January 9, 2019.

DISCUSSION

Overall Results

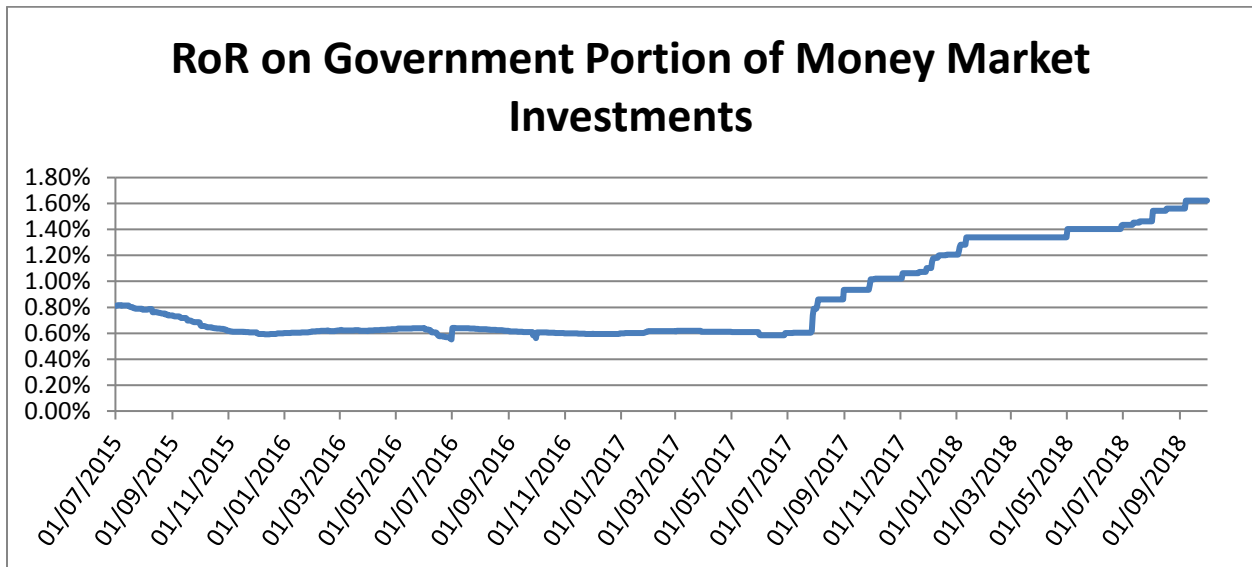
Operating fund investment income for the six months ending September 30, 2018 was \$1,692,682 versus a projection of \$1,600,000 due to higher cashflows. The actual rate of return matched the projected rate and was 0.50% for the period.

HRM Investment Activities

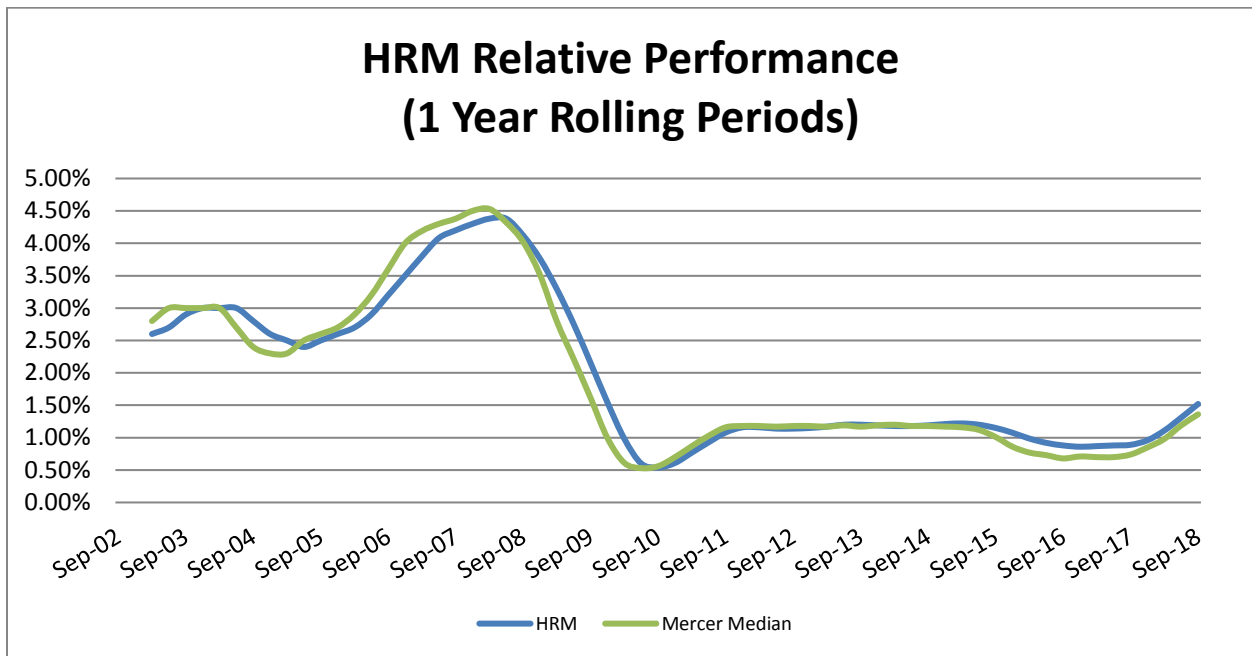
Mercer has discontinued its Investment Consulting Survey of Canadian Institutional Pooled Funds. HRM had been using this survey to compare returns with the industry. We have also been including the RBC Investor and Treasury Services Pooled Fund survey to the Investment Committee, which is very similar 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 Sept 30, 2018)	1 Year (to Sept 30, 2018)
5 th Percentile	0.46%	1.64%
1 st Quartile	0.43%	1.51%
Money Market Median	0.40%	1.36%
3 rd Quartile	0.38%	1.28%
95 th Percentile	0.27%	1.03%
HRM	0.50%	1.73%

Relative performance was again quite positive; the 3 month and one year returns were over 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.



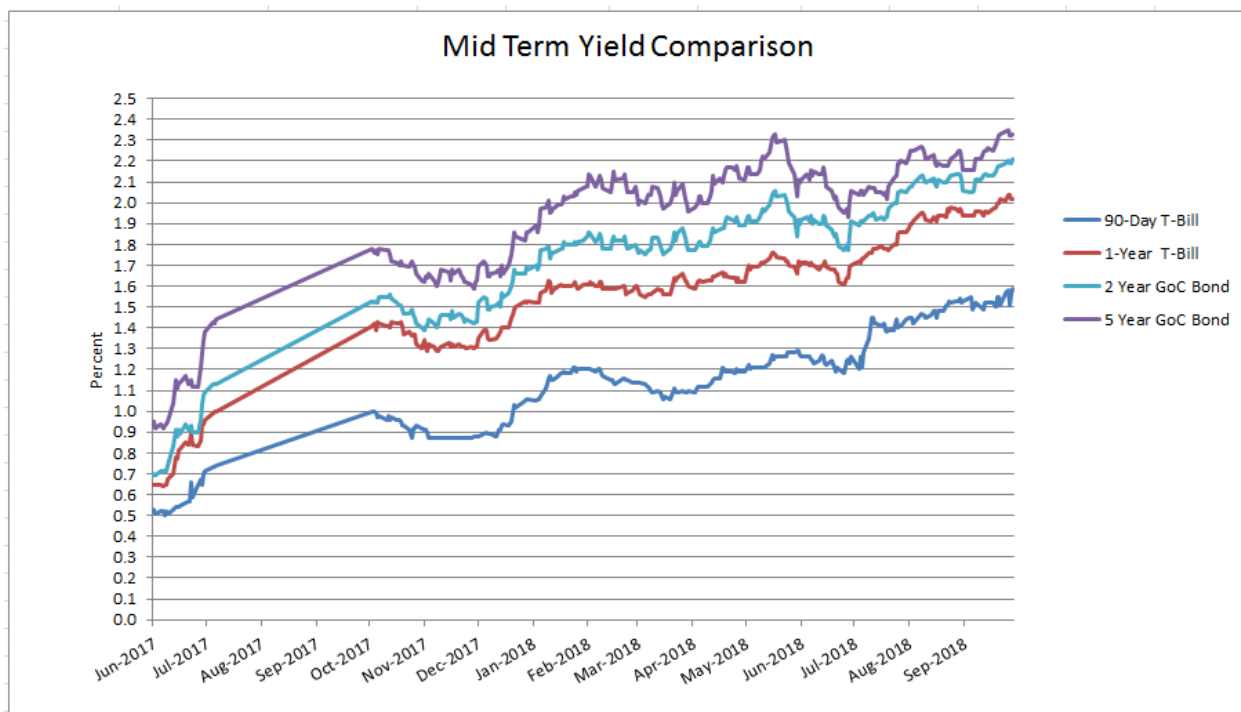
The quarter saw 2 money market investments made at a total cost of \$20,209,259 with an average term to maturity of 153 days and average individual investment cost of \$10,104,629. This compares to last year when 15 investments were made at a total cost of \$158,429,971 with an average term of 111 days and average individual investment cost of \$8,801,665. 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 \$241,085,450 by the end of the quarter. Incremental income over BA's and BDN's, using a rate of 1.75% as a proxy for the BA and BDN rates, was \$163,097 for the quarter.

The cumulative incremental gross investment income from the 2007 policy change that expanded the non-government sector weight was \$3,315,880 or a \$181,288 increase during the quarter.

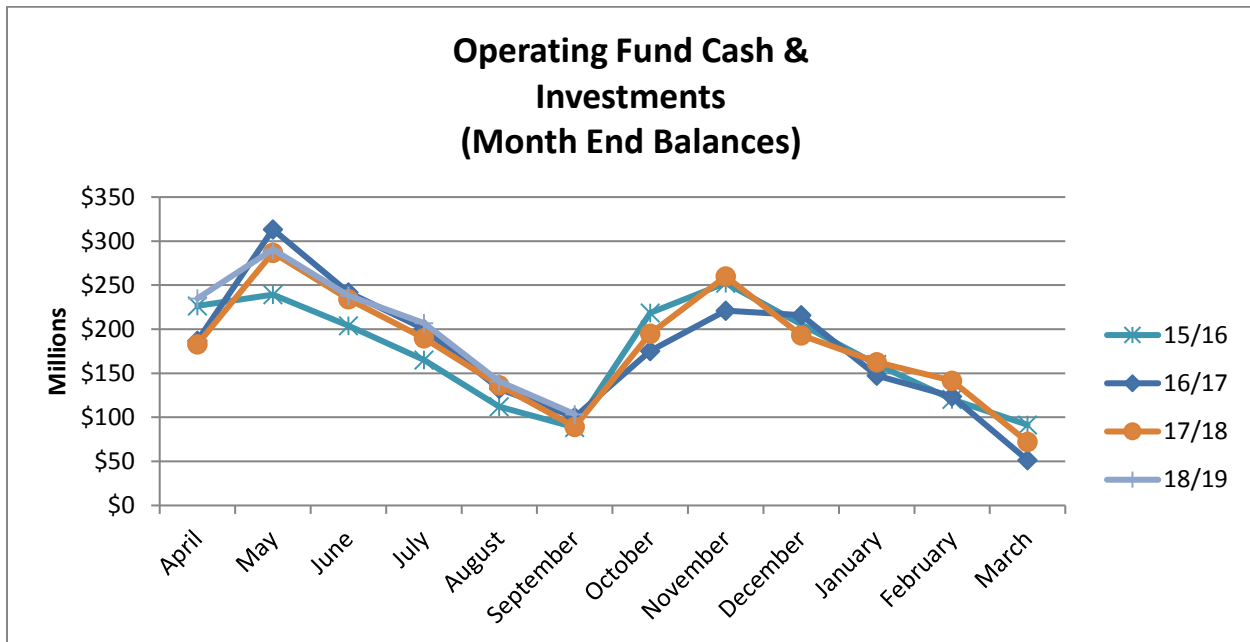
HRM Short Term Bond Pool

There were no maturities in the bond pool during the quarter. At the end of the quarter the bond pool consisted of \$2,000,000 of bonds with a simple average yield of 2.58%. The bonds mature in December 2018. Staff will continue to look for opportunities to add to the bond portfolio.



Cash Flows

Cash available for operating is \$14,000,000 higher than the previous year due mainly to the timing of funds received.



Subsequent to End of Reporting Quarter

On October 24, 2018 the Bank of Canada raised its target for the overnight rate from 1.50% to 1.75%. On November 8, 2018 the Federal Open Market Committee maintained its target range for the federal funds rate at 2.00%-2.25%. On December 5, 2018 the Bank of Canada maintained its target for the overnight rate at 1.75%.

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 - No overdraft charges were incurred and sufficient cash was available to meet all requirements.

Competitive Return on Investments - The rate of return was above the 5th percentile for the quarter ending September 30, 2018 before allowing for fees that could have been paid to an external management firm. As a result, staff maintains that the rate of return objective of the Investment Policy has been 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 income for the six months ending September 30, 2018 was \$1,692,682 versus a projection of \$1,600,000 due to higher cashflows. The actual rate of return matched the projected rate and was 0.50% for the period.

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 @ September 30, 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, 902-293-7983

Appendix A

Economic Statistics	Canada			US		
	Jul	Aug	Sept	Jul	Aug	Sept
Unemployment Rate	5.8%	6.0%	5.9%	3.9%	3.9%	3.7%
Jobs Created / (Lost) ('000's)	54	(52)	63	165	286	118
CPI (year over year)	3.0%	2.8%	2.2%	2.9%	2.7%	2.3%
CPI-X (Core) (year over year)	1.6%	1.7%	1.5%	2.4%	2.2%	2.2%
GDP (annualized)	Q3: 2.9%			Q3: 4.2%		

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%.
May 30, 2018	Bank of Canada	Maintained overnight rate at 1.25%.
Jun 13, 2018	U.S. Federal Open Market Committee	Raised target range to 1.75%-2.00%.
July 11, 2018	Bank of Canada	Raised overnight rate to 1.50%.
Aug 1, 2018	U.S. Federal Open Market Committee	Maintained target range at 1.75%-2.00%.
Sept 5, 2018	Bank of Canada	Maintained overnight rate at 1.50%.
Sept 26, 2018	U.S. Federal Open Market Committee	Raised target range to 2.00%-2.25%.
Oct 24, 2018	Bank of Canada	Raised overnight rate to 1.75%.
Nov 8, 2018	U.S. Federal Open Market Committee	Maintain target range of 2.00%-2.25%.
Dec 5, 2018	Bank of Canada	Maintained overnight rate at 1.75%.

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 @ September 30, 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%			344,224,388	100%	344,224,388	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	64,902,210	19%			344,224,388	100%	279,322,178	81%
Total Alberta (R-1 High)	Open	45,052,009	13%	100,000,000	54,947,991				
Alberta (R-1 High)	Open	45,052,009							
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	0	0%	100,000,000	100,000,000				
Quebec (R-1 Mid)	Open	19,850,200	6%	100,000,000	80,149,800				
Quebec		19,850,200							
Financement Quebec		0							
Hydro Quebec		0							
Saskatchewan (R-1 High)	Open	0	0%	100,000,000	100,000,000				
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%			86,056,097	25%	86,056,097	25%
Calgary (R-1 High)	Open					34,422,439	10%	34,422,439	10%
Financial Institutions & their Guarantees /Corporations		277,257,908	81%			172,112,194	50%	-105,145,714	-31%
	BA's Schedule A								
	Canadian Banks R-1								
Tier 1 - Financial Institutions & their Guarantees	Mid	232,166,794	67%			172,112,194	50%	-60,054,600	-17%
Bank of Montreal (R-1 High)	Open	39,532,235	11%	75,000,000	35,467,765				
BMO - Instruments		0							
BMO - Account		39,532,235							
Bank of Nova Scotia (R-1 High)	Open	46,172,458	13%	75,000,000	28,827,542				
Bank of Nova Scotia Effective Cash		36,172,458							
Bank of Nova Scotia - Notice Account		10,000,000							
Canadian Imperial Bank of Commerce (R-1 High)	Open	53,317,753	15%	75,000,000	21,682,247				
CIBC - Instruments		0							
CIBC - Account		53,317,753							
Royal Bank (R-1 High)	Open	45,144,348	13%	75,000,000	29,855,652				
RBC - Instruments		0							
RBC - Account		45,144,348							
Toronto Dominion (R-1 High)	Open	48,000,000	14%	75,000,000	27,000,000				
TD - Instruments		0							
TD - Account		48,000,000							
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	45,091,114	13%			86,056,097	25%	40,964,983	12%
National Bank of Canada (R-1 Mid)	Open	45,091,114	13%	50,000,000	4,908,886				
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		342,160,118	99%						
Federal Government & its Guarantees									
Money Market		0	0%			35,381,220	20%	35,381,220	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		2,057,860	1%			35,381,220	20%	33,323,360	19%
Money Market		0	1%			35,381,220	20%	4,650,241	3%
Alberta		0	0%			17,690,610	10%	17,690,610	10%
Alberta		0							
Alberta Capital Finance Authority		0							
Alberta Treasury Branches		0							
British Columbia		0	1%			17,690,610	10%	15,632,750	9%
Manitoba		0	0%			17,690,610	10%	17,690,610	10%
New Brunswick		0	0%			17,690,610	10%	17,690,610	10%
Nova Scotia		0	0%			17,690,610	10%	17,690,610	10%
Ontario		0	0%			17,690,610	10%	17,690,610	10%
Quebec		0	0%			17,690,610	10%	17,690,610	10%
Quebec		0							
Financement Quebec		0							
Hydro Quebec		0							
Saskatchewan		0	0%			17,690,610	10%	17,690,610	10%
Bond Pool		2,057,860	1%			32,788,839	20%	30,730,979	19%
Alberta		0	0%			16,394,420	10%	16,394,420	10%
Alberta		0							
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				16,394,420	10%	16,394,420	10%
Hydro Quebec		0				16,394,420	10%	16,394,420	10%
Saskatchewan		0	0%			16,394,420	10%	16,394,420	10%
Total Fixed		2,057,860	1%			32,788,839	20%	30,730,979	19%
Equities									
Bank of Montreal		6,410							
Total Equities		6,410							
Total Investments		344,224,388							
Interest Bearing Bank Accounts - O/S Cheque Coverage		29,000,000	*						
Total Investments and O/S Cheques Coverage		373,224,388							

**Operating Funds
Sector Weights @ September 30, 2018**

SCHEDULE B

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit (%)	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	141,511,296	100%	141,511,296	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	26,842,391	19%	141,511,296	100%	114,668,905	81%
Total Alberta (R-1 High)	Open	18,632,704	13%	35,377,824	25%	16,745,120	12%
Alberta (R-1 High)	Open	18,632,704					
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%	35,377,824	25%	35,377,824	25%
Manitoba (R-1 Mid)	Open	0	0%	35,377,824	25%	35,377,824	25%
New Brunswick (R-1 Mid)	Open	0	0%	35,377,824	25%	35,377,824	25%
Nova Scotia (R-1 Mid)	Open	0	0%	35,377,824	25%	35,377,824	25%
Ontario (R-1 Mid)	Open	0	0%	35,377,824	25%	35,377,824	25%
Quebec (R-1 Mid)	Open	8,209,687	6%	35,377,824	25%	27,168,137	19%
Quebec		8,209,687					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan (R-1 High)	Open	0	0%	35,377,824	25%	35,377,824	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		35,377,824	25%	35,377,824	25%
Calgary (R-1 High)	Open			14,151,130	10%	14,151,130	10%
Financial Institutions & their Guarantees /Corporations		114,668,905	81%	70,755,648	50%	-43,913,257	-31%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	96,020,028	68%	70,755,648	50%	-25,264,380	-18%
Bank of Montreal (R-1 High)	Open	16,349,825	12%	14,151,130	10%	-2,198,695	-2%
BMO - Instruments		0					
BMO - Account		16,349,825					
Bank of Nova Scotia (R-1 High)	Open	19,096,102	13%	14,151,130	10%	-4,944,972	-3%
Bank of Nova Scotia Effective Cash		14,960,281					
Bank of Nova Scotia - Notice Account		4,135,821					
Canadian Imperial Bank of Commerce (R-1 High)	Open	22,051,267	16%	14,151,130	10%	-7,900,138	-6%
CIBC - Instruments		0					
CIBC - Account		22,051,267					
Royal Bank (R-1 High)	Open	18,670,894	13%	14,151,130	10%	-4,519,764	-3%
RBC - Instruments		0					
RBC - Account		18,670,894					
Toronto Dominion (R-1 High)	Open	19,851,940	14%	14,151,130	10%	-5,700,811	-4%
TD - Instruments		0					
TD - Account		19,851,940					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	18,648,877	13%	35,377,824	25%	16,728,947	12%
National Bank of Canada (R-1 Mid)	Open	18,648,877	13%	7,075,565	5%	-11,573,312	-8%
OMERS Realty Corporation (R-1 High)	Open	0	0%	7,075,565	5%	7,075,565	5%
CDP Financial Inc (R-1 High)	Open	0	0%	7,075,565	5%	7,075,565	5%
Desjardins Total		0	0%	7,075,565	5%	7,075,565	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		141,511,296	100%				
Federal Government & its Guarantees							
Money Market		0	0%	28,302,259	20%	28,302,259	20%
Reserves - Bond Pool		0	0%	28,302,259	100%	28,302,259	20%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	28,302,259	20%	28,302,259	20%
Money Market		0	0%	28,302,259	20%	28,302,259	20%
Alberta		0	0%	14,151,130	10%	14,151,130	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	14,151,130	10%	14,151,130	10%
Manitoba		0	0%	14,151,130	10%	14,151,130	10%
New Brunswick		0	0%	14,151,130	10%	14,151,130	10%
Nova Scotia		0	0%	14,151,130	10%	14,151,130	10%
Ontario		0	0%	14,151,130	10%	14,151,130	10%
Quebec		0	0%	14,151,130	10%	14,151,130	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	14,151,130	10%	14,151,130	10%
Bond Pool		0	0%	28,302,259	20%	28,302,259	20%
Alberta		0	0%	14,151,130	10%	14,151,130	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	14,151,130	10%	14,151,130	10%
Manitoba		0	0%	14,151,130	10%	14,151,130	10%
New Brunswick		0	0%	14,151,130	10%	14,151,130	10%
Nova Scotia		0	0%	14,151,130	10%	14,151,130	10%
Ontario		0	0%	14,151,130	10%	14,151,130	10%
Quebec		0	0%	14,151,130	10%	14,151,130	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	14,151,130	10%	14,151,130	10%
Total Fixed		0	0%	28,302,259	20%	28,302,259	20%
Total Investments		141,511,296					
Interest Bearing Bank Accounts - O/S Cheque Coverage		29,000,000	*				
Total Investments and O/S Cheques Coverage		170,511,296					

**Capital Funds
Sector Weights @ September 30, 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	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 @ September 30, 2018

SCHEDULE D

Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%	
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	199,126,098	100%	199,126,098	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	37,380,640	19%	199,126,098	100%	161,745,459	81%
Total Alberta (R-1 High)	Open	25,947,852	13%	49,781,525	25%	23,833,673	12%
Alberta (R-1 High)	Open	25,947,852					
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%	49,781,525	25%	47,723,664	24%
Manitoba (R-1 Mid)	Open	0	0%	49,781,525	25%	49,781,525	25%
New Brunswick (R-1 Mid)	Open	0	0%	49,781,525	25%	49,781,525	25%
Nova Scotia (R-1 Mid)	Open	0		49,781,525	25%	49,781,525	25%
Ontario (R-1 Mid)	Open	0	0%	49,781,525	25%	49,781,524	25%
Quebec (R-1 Mid)	Open	11,432,788	6%	49,781,525	25%	38,348,737	19%
Quebec		11,432,788					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan (R-1 High)	Open	0	0%	49,781,525	25%	49,781,525	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		49,781,525	25%	49,781,525	25%
Calgary (R-1 High)	Open			19,912,610	10%	19,912,610	10%
Financial Institutions & their Guarantees /Corporations		159,687,599	80%	99,563,049	50%	-60,124,549	-30%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	133,717,224	67%	99,563,049	50%	-34,154,175	-17%
Bank of Montreal (R-1 High)	Open	22,768,720	11%	19,912,610	10%	-2,856,110	-1%
BMO - Instruments		0					
BMO - Account		22,768,720					
Bank of Nova Scotia (R-1 High)	Open	26,593,178	13%	19,912,610	10%	-6,680,568	-3%
Bank of Nova Scotia Effective Cash		20,833,645					
Bank of Nova Scotia - Notice Account		5,759,533					
Canadian Imperial Bank of Commerce (R-1 High)	Open	30,708,534	15%	19,912,610	10%	-10,795,924	-5%
CIBC - Instruments		0					
CIBC - Account		30,708,534					
Royal Bank (R-1 High)	Open	26,001,035	13%	19,912,610	10%	-6,088,425	-3%
RBC - Instruments		0					
RBC - Account		26,001,035					
Toronto Dominion (R-1 High)	Open	27,645,757	14%	19,912,610	10%	-7,733,147	-4%
TD - Instruments		0					
TD - Account		27,645,757					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	25,970,374	13%	49,781,525	25%	23,811,150	12%
National Bank of Canada (R-1 Mid)	Open	25,970,374	13%	9,956,305	5%	-16,014,070	-8%
OMERS Realty Corporation (R-1 High)	Open	0	0%	9,956,305	5%	9,956,305	5%
CDP Financial Inc (R-1 High)	Open	0	0%	9,956,305	5%	9,956,305	5%
Desjardins Total		0	0%	9,956,305	5%	9,956,305	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		197,068,238	99%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	199,126,098	100%	199,126,098	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		2,057,860	1%	99,563,049	50%	97,505,189	49%
Money Market		0	1%	99,563,049	50%	97,505,189	49%
Alberta		0	0%	19,912,610	10%	19,912,610	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	1%	19,912,610	10%	17,854,750	9%
Manitoba		0	0%	19,912,610	10%	19,912,610	10%
New Brunswick		0	0%	19,912,610	10%	19,912,610	10%
Nova Scotia		0	0%	19,912,610	10%	19,912,610	10%
Ontario		0	0%	19,912,610	10%	19,912,610	10%
Quebec		0	0%	19,912,610	10%	19,912,610	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	19,912,610	10%	19,912,610	10%
Bond Pool		2,057,860	1%	99,563,049	50%	97,505,189	49%
Alberta		0	0%	19,912,610	10%	19,912,610	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		2,057,860	1%	19,912,610	10%	17,854,750	9%
Manitoba		0	0%	19,912,610	10%	19,912,610	10%
New Brunswick		0	0%	19,912,610	10%	19,912,610	10%
Nova Scotia		0	0%	19,912,610	10%	19,912,610	10%
Ontario		0	0%	19,912,610	10%	19,912,610	10%
Quebec		0	0%	19,912,610	10%	19,912,610	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	19,912,610	10%	19,912,610	10%
Total Fixed		2,057,860	1%	199,126,098	100%	197,068,238	99%
Total Investments		199,126,098					

Trust Funds
Sector Weights @ September 30, 2018

SCHEDULE E

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	3,586,993	100%	3,586,993	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	679,178	19%	3,586,993	100%	2,907,815	81%
Total Alberta (R-1 High)	Open	471,453	13%	896,748	25%	425,295	12%
Alberta (R-1 High)	Open	471,453					
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%	896,748	25%	896,748	25%
Manitoba (R-1 Mid)	Open	0	0%	896,748	25%	896,748	25%
New Brunswick (R-1 Mid)	Open	0	0%	896,748	25%	896,748	25%
Nova Scotia (R-1 Mid)	Open	0	0%	896,748	25%	896,748	25%
Ontario (R-1 Mid)	Open	0	0%	896,748	25%	896,748	25%
Quebec (R-1 Mid)	Open	207,725	6%	896,748	25%	689,023	19%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open	0	0%	896,748	25%	896,748	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		896,748	25%	896,748	25%
Calgary (R-1 High)	Open			358,699	10%	358,699	10%
Financial Institutions & their Guarantees /Corporations		2,901,405	81%	1,793,497	50%	-1,107,908	-31%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	2,429,543	68%	1,793,497	50%	-636,046	-18%
Bank of Montreal (R-1 High)	Open	413,691	12%	358,699	10%	-54,991	-2%
BMO - Instruments		0					
BMO - Account		413,691					
Bank of Nova Scotia (R-1 High)	Open	483,178	13%	358,699	10%	-124,479	-3%
Bank of Nova Scotia Effective Cash		378,532					
Bank of Nova Scotia - Notice Account		104,646					
Canadian Imperial Bank of Commerce (R-1 High)	Open	557,951	16%	358,699	10%	-199,252	-6%
CIBC - Instruments		0					
CIBC - Account		557,951					
Royal Bank (R-1 High)	Open	472,419	13%	358,699	10%	-113,720	-3%
RBC - Instruments		0					
RBC - Account		472,419					
Toronto Dominion (R-1 High)	Open	502,303	14%	358,699	10%	-143,604	-4%
TD - Instruments		0					
TD - Account		502,303					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	471,862	13%	896,748	25%	424,886	12%
National Bank of Canada (R-1 Mid)	Open	471,862	13%	179,350	5%	-292,513	-8%
OMERS Realty Corporation (R-1 High)	Open	0	0%	179,350	5%	179,350	5%
CDP Financial Inc (R-1 High)	Open	0	0%	179,350	5%	179,350	5%
Desjardins Total		0	0%	179,350	5%	179,350	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,580,583	100%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	3,586,993	100%	3,586,993	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	3,586,993	100%	3,586,993	100%
Money Market		0	100%	3,586,993	100%	3,586,993	100%
Alberta		0	0%	358,699	10%	358,699	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	358,699	10%	358,699	10%
Manitoba		0	0%	358,699	10%	358,699	10%
New Brunswick		0	0%	358,699	10%	358,699	10%
Nova Scotia		0	0%	358,699	10%	358,699	10%
Ontario		0	0%	358,699	10%	358,699	10%
Quebec		0	0%	358,699	10%	358,699	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	358,699	10%	358,699	10%
Bond Pool		0	0%	3,586,993	100%	3,586,993	100%
Alberta		0	0%	358,699	10%	358,699	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	358,699	10%	358,699	10%
Manitoba		0	0%	358,699	10%	358,699	10%
New Brunswick		0	0%	358,699	10%	358,699	10%
Nova Scotia		0	0%	358,699	10%	358,699	10%
Ontario		0	0%	358,699	10%	358,699	10%
Quebec		0	0%	358,699	10%	358,699	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	358,699	10%	358,699	10%
Total Fixed		0					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,586,993					