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Item No. 12.2.1 (i)
Audit & Finance Standing Committee
August 14, 2019

TO: Chair and Members of Audit and Finance Standing Committee

Original Signed

SUBMITTED BY:

Jacques Dubé, Chief Administrative Officer

Original Signed

Jane Fraser, CFO / Director, Finance, Asset Management & ICT

DATE: June 3, 2019

SUBJECT: Investment Activities– Quarter ending March 31, 2019

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 Halifax Regional Municipality Investment Policy (the Policy) was adopted by Council April 23, 2002 and was approved by the Minister of Service Nova Scotia and Municipal Relations on May 14, 2002. This Ministerial position was later reorganized and now has the title the Minister of Municipal Affairs (the Minister).

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

Amendments to the Policy, as recommended by the Investment Policy Advisory Committee (the Committee) were approved by Council and the Minister in 2005, 2007, 2008, 2010, and 2017. Subsequent to this reporting period, a 2018 review was granted ministerial approval. Reviews of the Policy by the Committee in 2012, 2014 and 2015 did not result in any recommended changes.

DISCUSSION

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

The three objectives and three strategies of the Policy, stated in order of priority of importance, are as follows:

Objective:

1. Preservation of Capital
2. Liquidity
3. Competitive Return on Investments

Strategies:

4. Diversification of Investment Portfolio
5. Regular Review of Performance
6. Risk Management Approach

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

At the Investment Policy Advisory Committee meeting of June 3rd, the Committee reviewed the information provided by staff in the Treasurer's report to the Committee for the Quarter ending March 31, 2019 and accepts the report and the findings contained in the report that the investment activities reported comply with the Policy.

Overall Results

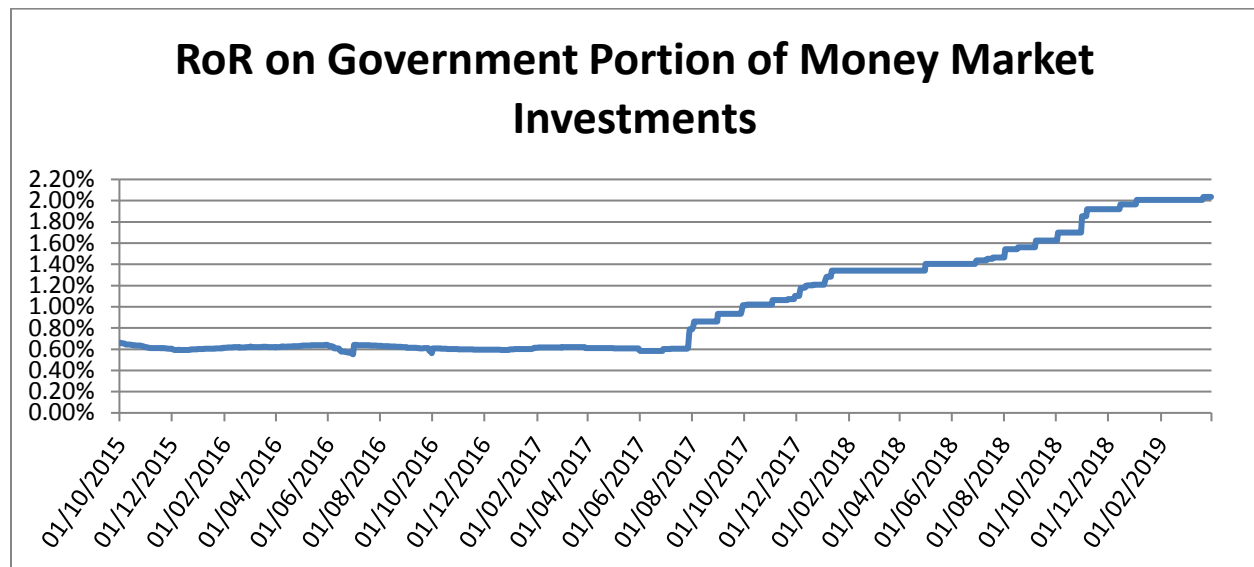
Operating fund investment income for the twelve months ending March 31, 2019 was \$3,730,459. The actual rate of return was 0.58% for the period.

HRM Investment Activities

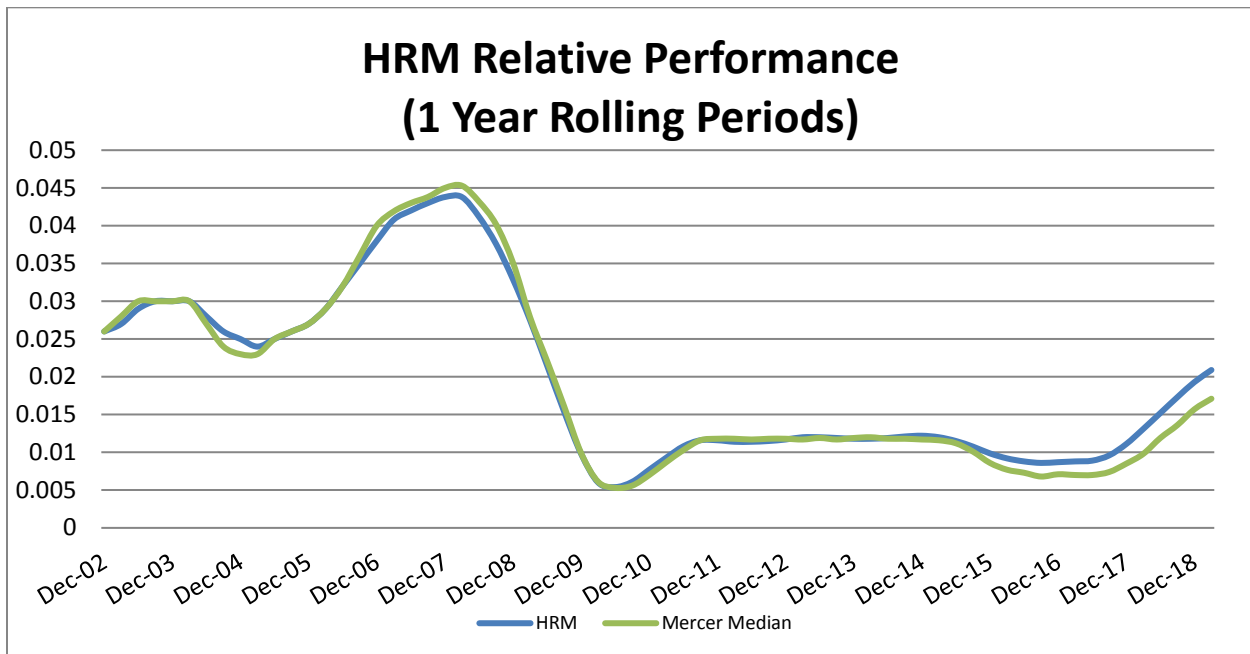
Mercer has discontinued its Investment Consulting Survey of Canadian Institutional Pooled Funds. HRM had been using this survey to compare returns with the industry. We have also been including the RBC Investor and Treasury Services Pooled Fund survey to the Investment Committee, which is very similar 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 Mar 31, 2019)	1 Year (to Mar 31, 2019)
5 th Percentile	0.57%	2.00%
1 st Quartile	0.52%	1.87%
Money Market Median	0.47%	1.71%
3 rd Quartile	0.45%	1.65%
95 th Percentile	0.38%	1.36%
HRM	0.58%	2.09%

Relative performance continues to be positive; the 3 month and one-year returns exceed 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.



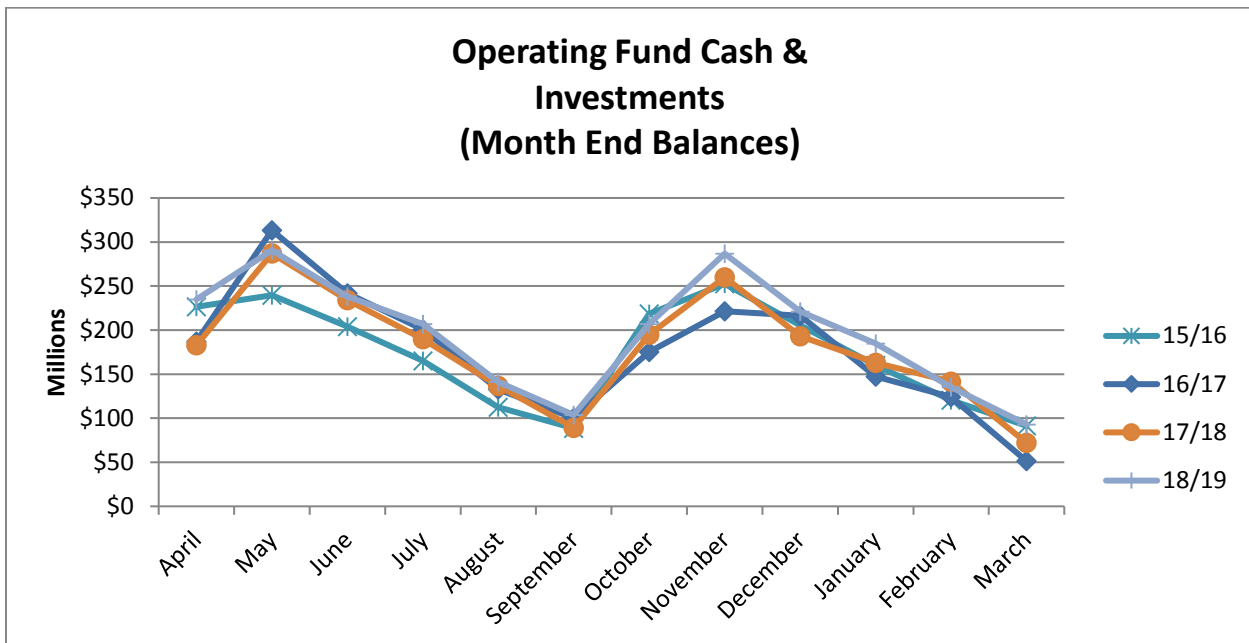
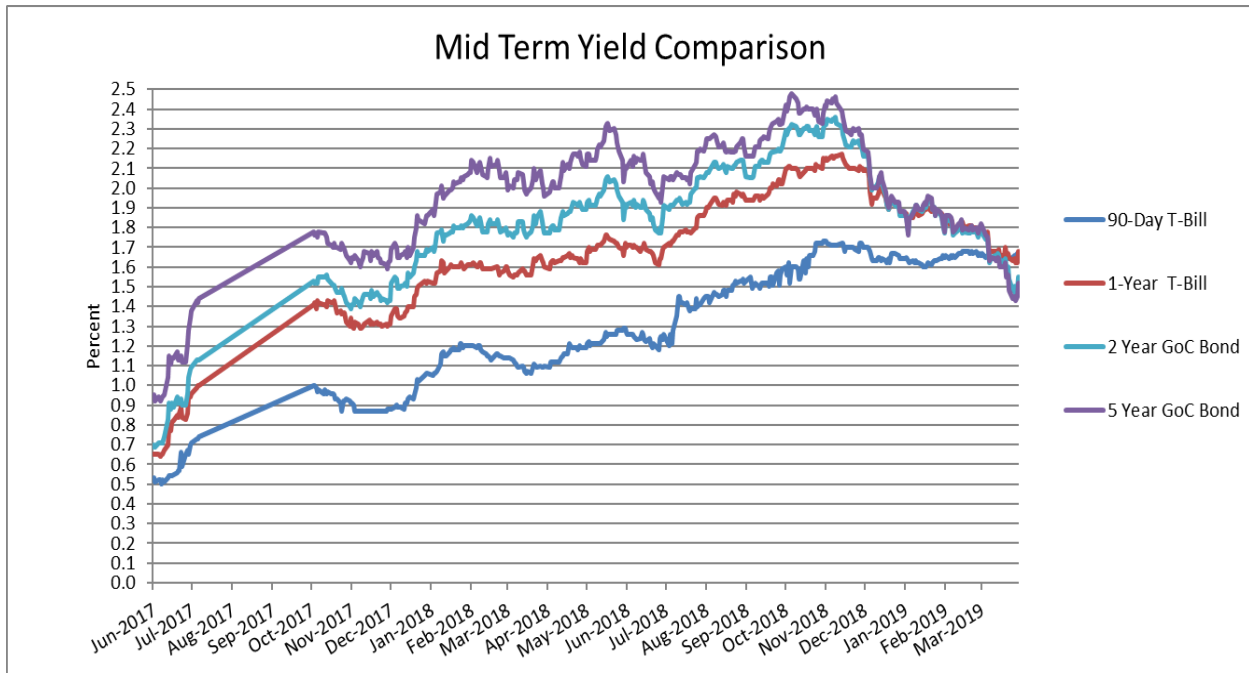
During the quarter, there were no additional money market investments made as we carried six investments into the quarter for a total of \$121,658,720. Of those investments, \$20,209,260 matured early in the quarter, leaving \$101,449,460 remaining in the portfolio at an average cost of \$25,362,365 and an average term of 153 days. This compares to last year when 2 investments were made at a total cost of \$24,092,485 with an average term of 186 days and average individual investment cost of \$12,046,243. The predominant strategy is to allocate funds to the investment bank accounts and rebalance the portfolio using government instruments to manage sector weights.

Funds held in the investment bank accounts, including term deposits, totaled \$267,676,250 by the end of the quarter. Incremental income over BA's and BDN's, using a rate of 2.00% as a proxy for the BA and BDN rates, was \$197,536 for the quarter.

The cumulative incremental gross investment income from the 2007 policy change that expanded the non-government sector weight was \$3,568,682 or a \$113,662 increase during the quarter.

HRM Short Term Bond Pool

Currently, the portfolio does not contain any bonds. Staff will continue to look for opportunities to add to the bond portfolio.



Subsequent to End of Reporting Quarter

The updated Investment Policy for HRM was recently approved by the Minister of Municipal Affairs. The change in policy will see funds required for operation excluded from the portfolio sector weights.

Both the Bank of Canada and the Federal Reserve have maintained their respective key rates. Current guidance in Canada suggests there will be little variation in the overnight rate for the remainder of 2019. Meanwhile, the Bank of Canada has stated it will rely on the economic data to guide monetary policy

Outlook & Strategy

The investment bank accounts continue to provide effective rates of return when compared to instruments with similar risk. Specifically, these accounts 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 March 31, 2019 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 twelve months ending March 31, 2019 was \$3,730,459 versus a projected amount of \$4,000,000. The actual rate of return was 0.58% 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

Attachment 1 - Sector Weight Schedules @ March 31, 2019 (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: Vicki Robertson, CPA, CGA, Deputy Treasurer, 902-817-1479

**Total Portfolio
Sector Weights @ March 31, 2019**

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%			328,816,850	100%	328,816,850	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	51,828,961	16%			328,816,850	100%	276,987,889	84%
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	38,958,051	12%	100,000,000	61,041,949				
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	0	0%	100,000,000	100,000,000				
Quebec		0							
Financement Quebec		0							
Hydro Quebec		0							
Saskatchewan (R-1 High)	Open	12,870,910	4%	100,000,000	87,129,090				
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0	0%			82,204,213	25%	82,204,213	25%
Calgary (R-1 High)	Open					32,881,685	10%	32,881,685	10%
Financial Institutions & their Guarantees /Corporations		276,981,479	84%			164,408,425	50%	-112,573,054	-34%
	BA's Schedule A								
	Canadian Banks R-1								
Tier 1 - Financial Institutions & their Guarantees	Mid	227,324,652	69%			164,408,425	50%	-62,916,227	-19%
Bank of Montreal (R-1 High)	Open	30,032,111	9%	75,000,000	44,967,889				
BMO - Instruments		0							
BMO - Account		30,032,111							
Bank of Nova Scotia (R-1 High)	Open	19,305,230	6%	75,000,000	55,694,770				
Bank of Nova Scotia Effective Cash		9,305,230							
Bank of Nova Scotia - Notice Account		10,000,000							
Canadian Imperial Bank of Commerce (R-1 High)	Open	74,074,182	23%	75,000,000	925,818				
CIBC - Instruments		0							
CIBC - Account		74,074,182							
Royal Bank (R-1 High)	Open	64,878,130	20%	75,000,000	10,121,870				
RBC - Instruments		0							
RBC - Account		64,878,130							
Toronto Dominion (R-1 High)	Open	39,035,000	12%	75,000,000	35,965,000				
TD - Instruments		0							
TD - Account		39,035,000							
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	49,656,826	15%			82,204,213	25%	32,547,386	10%
National Bank of Canada (R-1 Mid)	Open	49,656,826	15%	50,000,000	343,174				
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		328,810,440	100%						
Federal Government & its Guarantees									
Money Market		0	0%			32,299,713	20%	32,299,713	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		0	0%			32,299,713	20%	32,299,713	20%
Money Market		0	0%			32,299,713	20%	-489,126	0%
Alberta		0	0%			16,149,856	10%	16,149,856	10%
Alberta		0							
Alberta Capital Finance Authority		0							
Alberta Treasury Branches		0							
British Columbia		0	0%			16,149,856	10%	16,149,856	10%
Manitoba		0	0%			16,149,856	10%	16,149,856	10%
New Brunswick		0	0%			16,149,856	10%	16,149,856	10%
Nova Scotia		0	0%			16,149,856	10%	16,149,856	10%
Ontario		0	0%			16,149,856	10%	16,149,856	10%
Quebec		0	0%			16,149,856	10%	16,149,856	10%
Quebec		0							
Financement Quebec		0							
Hydro Quebec		0							
Saskatchewan		0	0%			16,149,856	10%	16,149,856	10%
Bond Pool		0	0%			32,788,839	20%	32,788,839	20%
Alberta		0	0%			16,394,420	10%	16,394,419	10%
Alberta		0							
Alberta Capital Finance Authority		0							
Alberta Treasury Branches		0							
British Columbia		0	0%			16,394,420	10%	16,394,420	10%
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%	16,394,419	10%
Quebec		0	0%			16,394,420	10%	16,394,420	10%
Quebec		0	0%			16,394,420	10%	16,394,420	10%
Financement Quebec		0	0%			16,394,420	10%	16,394,420	10%
Hydro Quebec		0	0%			16,394,420	10%	16,394,420	10%
Saskatchewan		0	0%			16,394,420	10%	16,394,420	10%
Total Fixed		0	0%			32,788,839	20%	32,788,839	20%
Equities									
Bank of Montreal		6,410							
Total Equities		6,410							
Total Investments		328,816,850							
Interest Bearing Bank Accounts - O/S Cheque Coverage		36,518,794	*						
Total Investments and O/S Cheques Coverage		365,335,644							

**Operating Funds
Sector Weights @ March 31, 2019**

SCHEDULE B

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit (%)	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	111,801,316	100%	111,801,316	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	17,622,756	16%	111,801,316	100%	94,178,560	84%
Total Alberta (R-1 High)	Open	0	0%	27,950,329	25%	27,950,329	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%	27,950,329	25%	27,950,329	25%
Manitoba (R-1 Mid)	Open	0	0%	27,950,329	25%	27,950,329	25%
New Brunswick (R-1 Mid)	Open	13,246,420	12%	27,950,329	25%	14,703,909	13%
Nova Scotia (R-1 Mid)	Open	0	0%	27,950,329	25%	27,950,329	25%
Ontario (R-1 Mid)	Open	0	0%	27,950,329	25%	27,950,329	25%
Quebec (R-1 Mid)	Open	0	0%	27,950,329	25%	27,950,329	25%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan (R-1 High)	Open	4,376,335	4%	27,950,329	25%	23,573,994	21%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		27,950,329	25%	27,950,329	25%
Calgary (R-1 High)	Open			11,180,132	10%	11,180,132	10%
Financial Institutions & their Guarantees /Corporations		94,178,560	84%	55,900,658	50%	-38,277,902	-34%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	77,294,368	69%	55,900,658	50%	-21,393,710	-19%
Bank of Montreal (R-1 High)	Open	10,211,444	9%	11,180,132	10%	968,687	1%
BMO - Instruments		0					
BMO - Account		10,211,444					
Bank of Nova Scotia (R-1 High)	Open	6,564,117	6%	11,180,132	10%	4,616,015	4%
Bank of Nova Scotia Effective Cash		3,163,941					
Bank of Nova Scotia - Notice Account		3,400,175					
Canadian Imperial Bank of Commerce (R-1 High)	Open	25,186,521	23%	11,180,132	10%	-14,006,389	-13%
CIBC - Instruments		0					
CIBC - Account		25,186,521					
Royal Bank (R-1 High)	Open	22,059,702	20%	11,180,132	10%	-10,879,570	-10%
RBC - Instruments		0					
RBC - Account		22,059,702					
Toronto Dominion (R-1 High)	Open	13,272,585	12%	11,180,132	10%	-2,092,453	-2%
TD - Instruments		0					
TD - Account		13,272,585					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	16,884,192	15%	27,950,329	25%	11,066,137	10%
National Bank of Canada (R-1 Mid)	Open	16,884,192	15%	5,590,066	5%	-11,294,126	-10%
OMERS Realty Corporation (R-1 High)	Open	0	0%	5,590,066	5%	5,590,066	5%
CDP Financial Inc (R-1 High)	Open	0	0%	5,590,066	5%	5,590,066	5%
Desjardins Total		0	0%	5,590,066	5%	5,590,066	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		111,801,316	100%				
Federal Government & its Guarantees							
Money Market		0	0%	22,360,263	20%	22,360,263	20%
Reserves - Bond Pool		0	0%	22,360,263	100%	22,360,263	20%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	22,360,263	20%	22,360,263	20%
Money Market		0	0%	22,360,263	20%	22,360,263	20%
Alberta		0	0%	11,180,132	10%	11,180,132	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	11,180,132	10%	11,180,132	10%
Manitoba		0	0%	11,180,132	10%	11,180,132	10%
New Brunswick		0	0%	11,180,132	10%	11,180,132	10%
Nova Scotia		0	0%	11,180,132	10%	11,180,132	10%
Ontario		0	0%	11,180,132	10%	11,180,132	10%
Quebec		0	0%	11,180,132	10%	11,180,132	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	11,180,132	10%	11,180,132	10%
Bond Pool		0	0%	22,360,263	20%	22,360,263	20%
Alberta		0	0%	11,180,132	10%	11,180,132	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	11,180,132	10%	11,180,132	10%
Manitoba		0	0%	11,180,132	10%	11,180,132	10%
New Brunswick		0	0%	11,180,132	10%	11,180,132	10%
Nova Scotia		0	0%	11,180,132	10%	11,180,132	10%
Ontario		0	0%	11,180,132	10%	11,180,132	10%
Quebec		0	0%	11,180,132	10%	11,180,132	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	11,180,132	10%	11,180,132	10%
Total Fixed		0	0%	22,360,263	20%	22,360,263	20%
Total Investments		111,801,316					
Interest Bearing Bank Accounts - O/S Cheque Coverage		36,518,794	*				
Total Investments and O/S Cheques Coverage		148,320,110					

**Capital Funds
Sector Weights @ March 31, 2019**

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	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 @ March 31, 2019**

SCHEDULE D

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	213,419,280	100%	213,419,280	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	33,640,354	16%	213,419,280	100%	179,778,926	84%
Total Alberta (R-1 High)	Open	0	0%	53,354,820	25%	53,354,820	25%
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%	53,354,820	25%	53,354,820	25%
Manitoba (R-1 Mid)	Open	0	0%	53,354,820	25%	53,354,820	25%
New Brunswick (R-1 Mid)	Open	25,286,299	12%	53,354,820	25%	28,068,521	13%
Nova Scotia (R-1 Mid)	Open	0		53,354,820	25%	53,354,820	25%
Ontario (R-1 Mid)	Open	0	0%	53,354,820	25%	53,354,820	25%
Quebec (R-1 Mid)	Open	0	0%	53,354,820	25%	53,354,820	25%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan (R-1 High)	Open	8,354,055	4%	53,354,820	25%	45,000,766	21%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		53,354,820	25%	53,354,820	25%
Calgary (R-1 High)	Open			21,341,928	10%	21,341,928	10%
Financial Institutions & their Guarantees /Corporations		179,778,926	84%	106,709,640	50%	-73,069,286	-34%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	147,548,428	69%	106,709,640	50%	-40,838,788	-19%
Bank of Montreal (R-1 High)	Open	19,492,786	9%	21,341,928	10%	1,849,142	1%
BMO - Instruments		0					
BMO - Account		19,492,786					
Bank of Nova Scotia (R-1 High)	Open	12,530,345	6%	21,341,928	10%	8,811,583	4%
Bank of Nova Scotia Effective Cash		6,039,697					
Bank of Nova Scotia - Notice Account		6,490,648					
Canadian Imperial Bank of Commerce (R-1 High)	Open	48,078,943	23%	21,341,928	10%	-26,737,015	-13%
CIBC - Instruments		0					
CIBC - Account		48,078,943					
Royal Bank (R-1 High)	Open	42,110,110	20%	21,341,928	10%	-20,768,182	-10%
RBC - Instruments		0					
RBC - Account		42,110,110					
Toronto Dominion (R-1 High)	Open	25,336,244	12%	21,341,928	10%	-3,994,316	-2%
TD - Instruments		0					
TD - Account		25,336,244					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	32,230,498	15%	53,354,820	25%	21,124,322	10%
National Bank of Canada (R-1 Mid)	Open	32,230,498	15%	10,670,964	5%	-21,559,534	-10%
OMERS Realty Corporation (R-1 High)	Open	0	0%	10,670,964	5%	10,670,964	5%
CDP Financial Inc (R-1 High)	Open	0	0%	10,670,964	5%	10,670,964	5%
Desjardins Total		0	0%	10,670,964	5%	10,670,964	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		213,419,280	100%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	213,419,280	100%	213,419,280	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	106,709,640	50%	106,709,640	50%
Money Market		0	0%	106,709,640	50%	106,709,640	50%
Alberta		0	0%	21,341,928	10%	21,341,928	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	21,341,928	10%	21,341,928	10%
Manitoba		0	0%	21,341,928	10%	21,341,928	10%
New Brunswick		0	0%	21,341,928	10%	21,341,928	10%
Nova Scotia		0	0%	21,341,928	10%	21,341,928	10%
Ontario		0	0%	21,341,928	10%	21,341,928	10%
Quebec		0	0%	21,341,928	10%	21,341,928	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	21,341,928	10%	21,341,928	10%
Bond Pool		0	0%	106,709,640	50%	106,709,640	50%
Alberta		0	0%	21,341,928	10%	21,341,928	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	21,341,928	10%	21,341,928	10%
Manitoba		0	0%	21,341,928	10%	21,341,928	10%
New Brunswick		0	0%	21,341,928	10%	21,341,928	10%
Nova Scotia		0	0%	21,341,928	10%	21,341,928	10%
Ontario		0	0%	21,341,928	10%	21,341,928	10%
Quebec		0	0%	21,341,928	10%	21,341,928	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	21,341,928	10%	21,341,928	10%
Total Fixed		0	0%	213,419,280	100%	213,419,280	100%
Total Investments		213,419,280					

Trust Funds
Sector Weights @ March 31, 2019

SCHEDULE E

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	3,596,254	100%	3,596,254	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	565,852	16%	3,596,254	100%	3,030,403	84%
Total Alberta (R-1 High)	Open	0	0%	899,064	25%	899,064	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%	899,064	25%	899,063	25%
Manitoba (R-1 Mid)	Open	0	0%	899,064	25%	899,063	25%
New Brunswick (R-1 Mid)	Open	425,331	12%	899,064	25%	473,732	13%
Nova Scotia (R-1 Mid)	Open	0	0%	899,064	25%	899,064	25%
Ontario (R-1 Mid)	Open	0	0%	899,064	25%	899,064	25%
Quebec (R-1 Mid)	Open	0	0%	899,064	25%	899,064	25%
Quebec							
Financement Quebec							
Hydro Quebec							
Saskatchewan (R-1 High)	Open	140,520	4%	899,064	25%	758,543	21%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		899,064	25%	899,064	25%
Calgary (R-1 High)	Open			359,625	10%	359,625	10%
Financial Institutions & their Guarantees /Corporations		3,023,992	84%	1,798,127	50%	-1,225,865	-34%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	2,481,856	69%	1,798,127	50%	-683,729	-19%
Bank of Montreal (R-1 High)	Open	327,881	9%	359,625	10%	31,745	1%
BMO - Instruments		0					
BMO - Account		327,881					
Bank of Nova Scotia (R-1 High)	Open	210,768	6%	359,625	10%	148,857	4%
Bank of Nova Scotia Effective Cash		101,591					
Bank of Nova Scotia - Notice Account		109,177					
Canadian Imperial Bank of Commerce (R-1 High)	Open	808,718	22%	359,625	10%	-449,092	-12%
CIBC - Instruments		0					
CIBC - Account		808,718					
Royal Bank (R-1 High)	Open	708,318	20%	359,625	10%	-348,693	-10%
RBC - Instruments		0					
RBC - Account		708,318					
Toronto Dominion (R-1 High)	Open	426,171	12%	359,625	10%	-66,546	-2%
TD - Instruments		0					
TD - Account		426,171					
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	542,137	15%	899,064	25%	356,927	10%
National Bank of Canada (R-1 Mid)	Open	542,137	15%	179,813	5%	-362,324	-10%
OMERS Realty Corporation (R-1 High)	Open	0	0%	179,813	5%	179,813	5%
CDP Financial Inc (R-1 High)	Open	0	0%	179,813	5%	179,813	5%
Desjardins Total		0	0%	179,813	5%	179,813	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,589,844	100%				
Federal Government & its Guarantees							
Money Market		0	0%	0	20%	0	0%
Reserves - Bond Pool		0	0%	3,596,254	100%	3,596,254	100%
Canada Mortgage & Housing Corp.		0					
Provincial Government & their Guarantees		0	0%	3,596,254	100%	3,596,254	100%
Money Market		0	100%	3,596,254	100%	3,596,254	100%
Alberta		0	0%	359,625	10%	359,625	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	359,625	10%	359,625	10%
Manitoba		0	0%	359,625	10%	359,625	10%
New Brunswick		0	0%	359,625	10%	359,625	10%
Nova Scotia		0	0%	359,625	10%	359,625	10%
Ontario		0	0%	359,625	10%	359,625	10%
Quebec		0	0%	359,625	10%	359,625	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	359,625	10%	359,625	10%
Bond Pool		0	0%	3,596,254	100%	3,596,254	100%
Alberta		0	0%	359,625	10%	359,625	10%
Alberta		0					
Alberta Capital Finance Authority		0					
Alberta Treasury Branches		0					
British Columbia		0	0%	359,625	10%	359,625	10%
Manitoba		0	0%	359,625	10%	359,625	10%
New Brunswick		0	0%	359,625	10%	359,625	10%
Nova Scotia		0	0%	359,625	10%	359,625	10%
Ontario		0	0%	359,625	10%	359,625	10%
Quebec		0	0%	359,625	10%	359,625	10%
Quebec		0					
Financement Quebec		0					
Hydro Quebec		0					
Saskatchewan		0	0%	359,625	10%	359,625	10%
Total Fixed		0					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,596,254					

Appendix A

Economic Statistics	Canada			US		
	Jan	Feb	Mar	Jan	Feb	Mar
Unemployment Rate	6.2%	6.1%	6.2%	4.0%	3.8%	3.8%
Jobs Created / (Lost) ('000's)	66.8	55.9	(7.2)	156.7	157	156.6
Core CPI (year over year)	1.4%	1.5%	1.9%	1.6%	1.5%	1.9%
GDP (annualized)	Q1: 0.1%			Q3: 3.2%		

Date	Central Bank	Central Bank Action
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	Maintained target range of 2.00%-2.25%.
Dec 5, 2018	Bank of Canada	Maintained overnight rate at 1.75%.
Dec 19, 2018	U.S. Federal Open Market Committee	Raised target range to 2.25% - 2.5%
Jan 9, 2019	Bank of Canada	Maintained overnight rate at 1.75%.
Jan 30, 2019	U.S. Federal Open Market Committee	Maintained target range to 2.25% - 2.5%
Mar 6, 2019	Bank of Canada	Maintained overnight rate at 1.75%.
Mar 20, 2019	U.S. Federal Open Market Committee	Maintained target range to 2.25% - 2.5%

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.