



Report to: General Committee

Report Date: Feb 4, 2013

SUBJECT: 2012 Investment Performance Review
PREPARED BY: Mark Visser, Senior Manager of Financial Strategy & Investments x.4260

RECOMMENDATION:

- 1) THAT the report dated February 4, 2013 entitled "2012 Investment Performance Review" be received;
- 2) AND THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable

FINANCIAL CONSIDERATIONS:

Not Applicable

PURPOSE:

Pursuant to Regulation 74/97 Section 8, the Municipal Act requires the Treasurer to "prepare and provide to the Council, each year or more frequently as specified by Council, an investment report".

The investment report shall contain,

- (a) a statement about the performance of the portfolio of investments of the municipality during the period covered by the report;
- (b) a description of the estimated portion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;
- (c) a statement by the Treasurer as to whether or not, in his opinion, all investments were made in accordance with the investment policies and goals adopted by the municipality;
- (d) a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security;
- (e) such other information that the Council may require or that, in the opinion of the Treasurer, should be included.

BACKGROUND:

For the year ending December 31, 2012, the City of Markham's Income Earned on Investments was \$10.138 million, compared to a budget of \$9.745 million, representing a \$0.393 million favourable variance.

The 2012 budget assumed an average general fund portfolio balance of \$243.6 million to be invested at an average rate of return of 4.00%. Both the actual average portfolio balance and the average rate of return were higher than budgeted levels. The details of these two factors will be discussed below.

Interest Rate

Throughout 2012, the Bank of Canada Prime Rate was at 3.00%, with short-term money market rates in the 1.00-1.35% range. As well, bond rates continued to be at historically low levels as investors sought out less risky investments. 10-year Canada bonds dipped as low as 1.6% in July (in comparison, the low point in 2011 was 2.0%). The City was able to take advantage of these low rates by selling some of its bond holdings and realizing Capital Gains.

In 2012, the City's investments had an average interest rate of 3.93%, 7 basis points lower than the forecast. However, through active bond trading, the City realized \$0.523 million of Capital Gains, thereby increasing the actual rate of return to 4.14%; 14 points higher than the 4.00% forecasted rate. The difference in the rate of return accounts for a favourable variance of \$0.354 million.

Portfolio Balance

The budgeted average portfolio balance for 2012 was \$243.6 million. The actual average general fund portfolio balance (including cash balances) for 2012 was \$244.6 million. The higher portfolio balance accounts for a favourable variance of \$0.039 million.

Variance Summary

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Portfolio Balance	\$243.6m	\$244.6m	\$1.0m
Interest Rate	4.00%	4.14%	0.14%
Investment Income	\$9.745m	\$10.138m	\$0.393m
Portfolio Balance Variance Impact			\$0.039m
Interest Rate Variance Impact			\$0.354m

Portfolio Composition

All investments made in 2012 adhered to the City of Markham investment policy. At December 31, 2012, 51% of the City's portfolio was comprised of government issued securities and 49% of the portfolio was made up of instruments issued by Schedule A Banks. All of these levels are within the targets established in the City's Investment Policy. (Exhibit 1).

The December 31, 2012 investment portfolio was comprised of the following instruments: Bonds 70%; GICs 24%; T-Bills 6% (Exhibit 2).

At December 31, 2012, the City's portfolio balance for all funds was \$355.8 million (including bank balances). DCA investments represented \$70.2 million of this amount. The City's portfolio (all funds excluding DCA) of \$285.6 million was broken down into the following investment terms (Exhibit 3):

	<u>2012</u>	<u>2011</u>
Under 1 month	13.1%	24.9%
1 month to 3 months	4.5%	0.3%
3 months to 1 year	21.5%	14.0%
Over 1 year	60.8%	60.7%
Weighted average investment term	1,980.5 days	1,836.3 days
Weighted average days to maturity	1,216.2 days	1,280.5 days

Since December 31, 2011, the weighted average days to maturity has decreased from 1,280.5 days to 1,216.2 days. This reflects the strategy of not investing heavily in long term investments as long term rates are at historically low levels.

Money Market Performance

The City of Markham uses the 3-month T-bill rates to gauge the performance of investments in the money market. The average 3-month T-bill rate for 2012 was 0.95% (source: Bank of Canada). Non-DCA Fund money market investments held by the City of Markham in 2012 (including bank balances) had an average return of 1.27%. Therefore, the City's money market investments outperformed 3-month T-Bills by 32 basis points. See Exhibit 4 for all Money Market securities held by the City of Markham in 2012.

Bond Market Performance

The 2012 highlights of the bond portfolio are as follows:

- 14 bonds were purchased with a face value of \$63.6 million
- 9 bonds matured with a face value of \$43.0 million
- 3 bonds were sold with a combined face value of \$13.9 million
- \$523,000 of Capital Gains were realized

At December 31, 2012, the City held 78 bonds (up from 75 in 2011) in the general fund portfolio. The amortized value of these bonds at year-end was \$236.5 million (an increase of \$8.8 million over 2011). The market value of these bonds at December 31, 2012 was \$250.4 million. This translates into \$13.9 million of unrealized gains at year end (down from \$14.3 million at the end of 2011).

In 2012, the City's bond holdings were fairly stable. With the prime rate remaining unchanged throughout the year, the bond market was more stable than in previous years. While the low interest rates created an opportunity to realize capital gains, there was no real re-investment opportunity. Therefore most of 2012 was marked by a "Hold" strategy as indicated by only 3 bonds being sold during the year (resulting in \$523,000 in Capital Gains). See Appendix 5 for all 2012 bond transactions.

In November, 2009, Council granted approval to establish a Capital Gains Reserve to be funded through surpluses in the Capital Gains account. As the budget for Capital Gains is \$200,000/year (incorporated into the \$9.745 million budget), up to \$323,000 can be transferred to the Capital Gains Reserve to offset fluctuations in returns in future years. The exact amount of this transfer will be brought forward to Council in the Year End Results of Operations report later in the first quarter of 2012.

The current balance of the Capital Gains Reserve is \$3.1 million.

Reserve Funds and Other Interest

The following table outlines the interest earned on investments for all major City funds and reserves.

	<u>Average Balance</u>	<u>Interest Earned</u>	<u>Average Rate</u>
General Portfolio	\$244,600,000	\$10,138,000	4.14%
Reserve Funds	\$130,300,000	\$1,645,000	1.26%
Trust Funds	\$2,300,000	\$89,000	3.85%
Powerstream Promissory Note	\$67,900,000	\$3,787,000	5.58%
MEC/District Energy Loans	\$16,800,000	\$892,000	5.19%
Development Charge Reserves	\$75,200,000	\$1,073,000	1.23%

Because of the large swing in portfolio balances throughout the year (due to the timing of the collection and disbursement of taxes), there will always need to be a significant portion of the City's funds invested in the money market.

The City's Interest Allocation Policy (as approved by Council) stipulates that money market rates be allocated to the interest bearing reserves and bond interest be allocated to the general portfolio. The reasons for this are 1) over the long term, bond rates generally outperform money market rates, therefore the City is able to achieve higher rates of return in its general portfolio and thereby reducing the immediate need for tax increases; 2) bond market rates are more stable which allows for smoother budgeting; and 3)

reserves and reserve funds can more easily absorb these money market rate fluctuations as the requirements for these funds are longer term in nature.

The average rate earned for the Development Charge Reserves is also low as the majority of investments need to be kept short term, as it is forecasted that the reserves will be depleted by 2014.

OPTIONS/ DISCUSSION:

Outlook

Short term interest rates remained stable in the 1.00-1.35% range for all of 2012. However, long term rates hit historic lows in 2012. The forecast for 2013 indicates not much movement in long term rates. The City's strategy for early 2013 will be to continue with a "Hold" strategy.

Although rates have been low for a sustained period of time, the City is still well positioned to weather the current environment. At the beginning of 2013, the City's amortized bond and long term accrual investments balance was approximately \$236.5 million, with approximately 70-75% of that amount locked in until at least 2015 at comparatively attractive rates.

The Investment Income budget for 2013 is \$10.345 million (an increase of \$0.6 million over the 2012 budget). This is comprised of an estimated \$258.6 million general portfolio balance invested at an average rate of 4.00%.

FINANCIAL TEMPLATE (Separate Attachment):

Not applicable

ENVIRONMENTAL CONSIDERATIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

Not applicable

ENGAGE 21ST CONSIDERATIONS:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

RECOMMENDED BY:

X 

Joel Lustig
Treasurer

X 

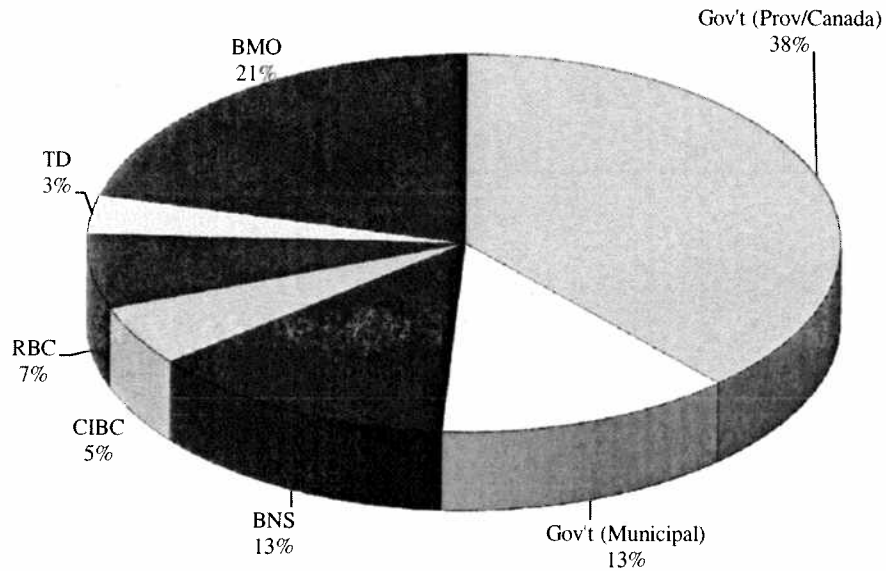
Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Attachment 1:

- Exhibit 1 – Investment Portfolio by Issuer
- Exhibit 2 – Investment Portfolio by Instrument
- Exhibit 3 – Investment Terms
- Exhibit 4 – 2012 Money Market Investments
- Exhibit 5 – 2012 Bond Market Investments
- Exhibit 6 – 2012 DCA Fund Investments

EXHIBIT 1 - INVESTMENT PORTFOLIO BY ISSUER AT DECEMBER 31, 2012

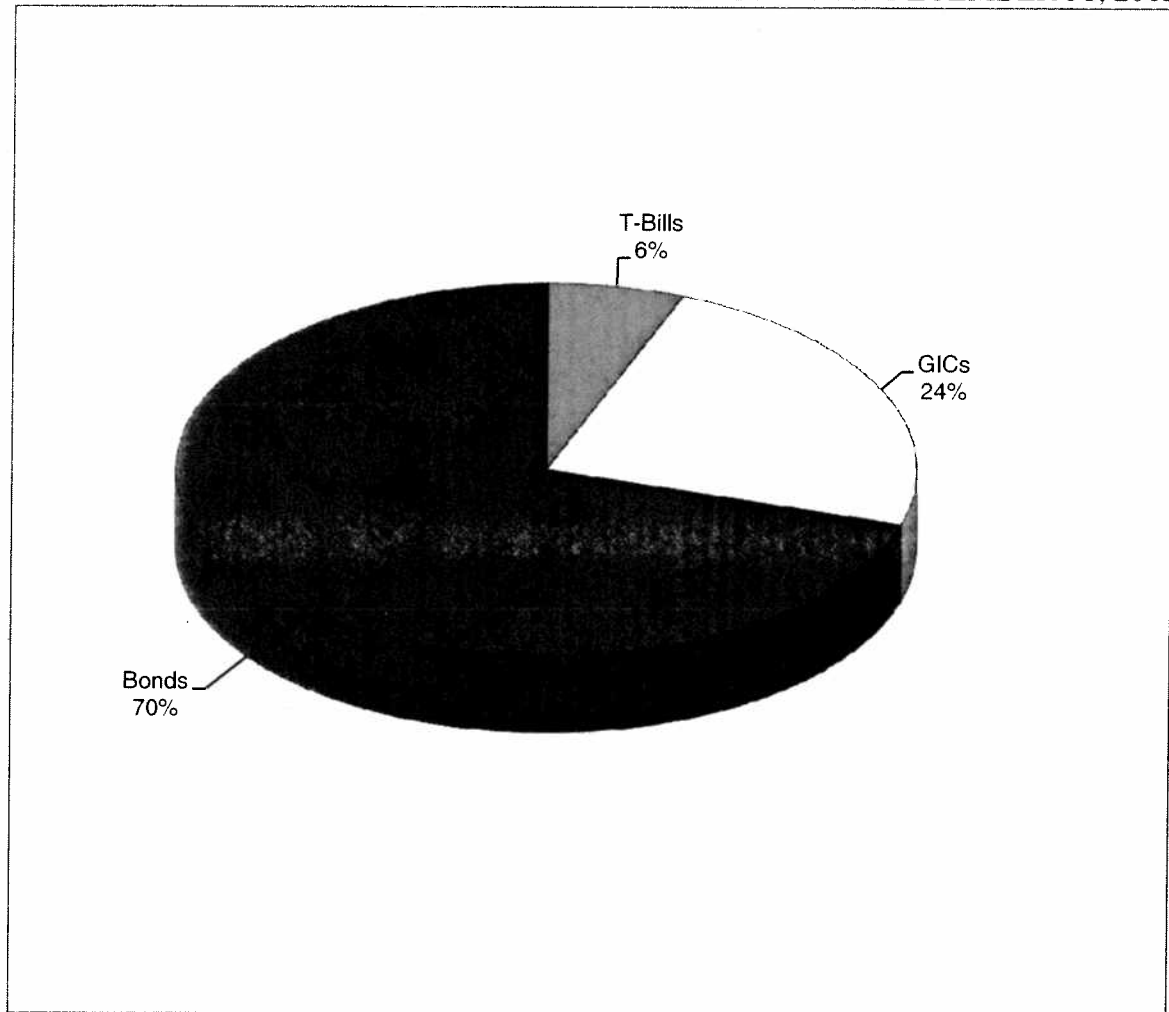


Year-End Portfolio Balance (All Funds; excluding bank balances): \$336.4m

	Investment Policy Targets	Portfolio at Dec 31/12
Government (Federal/Provincial)	>40%, no max	38% *
Government (Municipal)	max 30%	13%
Schedule A Banks:		
Bank of Nova Scotia	max 20%	13%
Bank of Montreal	max 20%	21% *
CIBC	max 20%	5%
Royal Bank of Canada	max 20%	7%
Toronto Dominion	max 20%	3%
Schedule A Banks Total	max 60%	49%
Schedule B Banks:	max 15%	0%
		<u>100%</u>

* Under the Town of Markham Investment Policy, deviations of +/- 5% from the above targets are allowed in order to take advantage of changing capital market conditions.

EXHIBIT 2 - INVESTMENT PORTFOLIO BY INSTRUMENT AT DECEMBER 31, 2012



Year-End Portfolio Balance (All Funds; excluding bank balances): \$336.4m

EXHIBIT 3 - INVESTMENT TERMS

INSTRUMENT	ISSUER	INT RATE	DATE BGT	DATE SOLD	BOUGHT	SOLD	BANK	LENGTH	W AVG LENGTH	DAYS to MAT	W AVG MAT			
BANK BALANCE as of Dec 31, 2011					1.25	31-Dec-2012	01-Jan-2013	37,410,861.60	37,412,142.79	TD	1	37,410,862	1	37,410,862
					Less than 1 month		37,410,862	13.1%						
GIC	CIBC	1.40	14-Mar-2012	14-Mar-2013	10,000,000.00	10,140,000.00	WG	365	7,300,000,000	73	1,520,000,000			
BOND	BNS	5.17	16-Jan-2009	27-Mar-2013	2,988,000.00	3,000,000.00	WG	1,531	7,300,000,000	86	1,520,000,000			
					Between 1 and 3 months		12,988,000	4.5%						
BOND	BCMFA	5.03	22-Apr-2004	22-Apr-2013	998,900.00	1,000,000.00	CAN	3,287	3,283,384,300	112	111,876,800			
BOND	BCMFA	4.01	29-Sep-2008	12-May-2013	3,000,000.00	2,500,000.00	BMO	1,686	5,058,000,000	132	396,000,000			
BOND	CIBC	5.35	13-Jun-2008	06-Jun-2013	1,988,700.00	2,000,000.00	BMO	1,819	3,617,445,300	157	312,225,900			
BOND	RBC	1.73	08-Feb-2012	06-Jun-2013	9,775,600.00	10,000,000.00	WG	484	4,731,390,400	157	1,534,769,200			
BOND	ONT	3.00	21-Jun-2012	21-Jun-2013	1,000,000.00	1,000,000.00	WG	365	365,000,000	172	172,000,000			
BOND	ONT	0.80	03-Jul-2012	21-Jun-2013	2,215,400.00	2,200,000.00	WG	353	782,036,200	172	381,048,800			
BOND	ONT	1.50	03-Jul-2012	21-Jun-2013	4,395,300.00	4,200,000.00	WG	353	1,551,540,900	172	755,991,600			
BOND	ONT	3.50	21-Jun-2012	21-Jun-2013	7,200,000.00	7,200,000.00	WG	365	2,628,000,000	172	1,238,400,000			
BOND	NIAGARA	3.25	05-Aug-2009	05-Aug-2013	1,096,931.00	1,100,000.00	WG	1,461	1,602,616,191	217	238,034,027			
BOND	ONT	2.77	29-Apr-2009	07-Aug-2013	4,715,940.00	5,300,000.00	RBC	1,561	7,361,582,340	219	1,032,790,860			
BOND	BMO	2.52	01-Sep-2012	01-Sep-2013	6,000,000.00	6,000,000.00	BMO	365	2,190,000,000	244	1,464,000,000			
BOND	BNS	4.66	27-May-2008	27-Sep-2013	1,960,700.00	2,500,000.00	WG	1,949	3,821,404,300	270	529,389,000			
BOND	YORK	4.04	27-Sep-2005	27-Sep-2013	1,986,000.00	2,000,000.00	WG	2,922	5,803,092,000	270	536,220,000			
BOND	BMO	2.52	04-Oct-2012	04-Oct-2013	5,000,000.00	5,000,000.00	BMO	365	1,825,000,000	277	1,385,000,000			
GIC	BMO	1.40	17-Dec-2012	17-Dec-2013	10,000,000.00	10,140,000.00	BMO	365	3,650,000,000	351	3,510,000,000			
					Between three months and one year		61,333,471	21.5%						
BOND	BNS	4.46	29-Apr-2009	15-Apr-2014	2,047,000.00	2,000,000.00	WG	1,812	3,709,164,000	470	962,090,000			
BOND	BNS	3.16	17-Mar-2010	15-Apr-2014	3,206,100.00	3,000,000.00	BMO	1,490	4,777,089,000	470	1,506,867,000			
BOND	HALTON	3.50	24-Mar-2009	23-Nov-2014	1,060,000.00	1,000,000.00	WG	2,070	2,194,200,000	692	733,520,000			
BOND	CIBC	2.73	22-Nov-2010	22-Dec-2014	2,156,600.00	2,000,000.00	WG	1,491	3,215,490,600	721	1,554,908,800			
BOND	ONT	4.28	22-Jul-2005	08-Mar-2015	1,021,050.00	1,000,000.00	WG	3,516	3,590,011,600	797	813,776,850			
BOND	TD	5.33	10-Sep-2008	02-Apr-2015	2,024,000.00	2,000,000.00	BMO	2,395	4,847,480,000	822	1,663,728,000			
BOND	TD	5.10	08-Aug-2008	02-Apr-2015	4,098,860.00	4,000,000.00	BMO	2,428	9,952,080,640	822	3,369,279,360			
BOND	BMO	4.19	27-Apr-2010	22-Apr-2015	3,260,000.00	4,000,000.00	WG	1,821	5,936,460,000	842	2,744,920,000			
BOND	BMO	5.71	22-Oct-2008	10-Jun-2015	3,901,600.00	4,000,000.00	BMO	2,422	9,449,675,200	891	3,478,325,600			
BOND	ONT	3.71	21-May-2009	13-Jul-2015	3,996,500.00	5,000,000.00	RBC	2,244	8,968,146,000	924	3,692,766,000			
BOND	RBC	2.34	24-Jul-2012	02-Nov-2015	3,080,100.00	3,000,000.00	BMO	1,196	3,683,799,600	1,036	3,190,983,600			
BOND	RBC	3.81	18-Feb-2011	02-Nov-2015	3,898,000.00	4,000,000.00	WG	1,718	6,696,764,000	1,036	4,038,328,000			
BOND	RBC	2.43	02-Aug-2012	02-Nov-2015	4,625,000.00	5,000,000.00	WG	1,187	5,489,875,000	1,036	4,791,500,000			
BOND	TD	3.70	07-Feb-2011	02-Nov-2015	1,480,500.00	1,500,000.00	WG	1,729	2,559,784,500	1,036	1,533,798,000			
BOND	BC	3.93	05-Aug-2009	09-Dec-2015	2,348,730.00	3,000,000.00	BMO	2,317	5,442,007,410	1,073	2,520,187,290			
BOND	BC	3.93	05-Aug-2009	18-Dec-2015	2,346,510.00	3,000,000.00	BMO	2,326	5,457,982,280	1,082	2,538,923,820			
BOND	BNS	6.23	27-Jan-2009	22-Jan-2016	5,144,200.00	5,000,000.00	BMO	2,551	13,122,854,200	1,117	5,746,071,400			
BOND	BMO	3.67	16-Feb-2011	21-Apr-2016	829,660.00	1,000,000.00	BMO	1,891	1,568,887,060	1,207	1,001,399,620			
BOND	ONT	3.72	27-Mar-2009	02-Jun-2016	3,076,960.00	4,000,000.00	WG	2,624	8,073,943,040	1,249	3,843,123,040			
BOND	HALTON	3.35	21-Jan-2011	29-Jun-2016	4,584,600.00	4,500,000.00	WG	1,986	9,105,015,600	1,276	5,849,949,600			
BOND	BMO	2.87	16-Jan-2012	08-Jul-2016	1,762,200.00	2,000,000.00	WG	1,635	2,881,197,000	1,285	2,264,427,000			
BOND	OTTAWA	3.54	13-Aug-2010	13-Aug-2016	1,997,320.00	2,000,000.00	WG	2,192	4,378,125,440	1,321	2,638,459,720			
BOND	ONT	4.57	26-Nov-2008	08-Mar-2017	1,970,560.00	2,000,000.00	RBC	3,024	5,956,973,440	1,528	3,011,015,680			
BOND	YORK REGION	4.38	27-May-2009	27-May-2017	1,148,226.09	1,151,000.00	WG	2,922	3,355,116,635	1,608	1,846,347,553			
BOND	YORK	4.94	25-Sep-2008	30-May-2017	1,470,000.00	1,500,000.00	WG	3,169	4,658,430,000	1,611	2,388,170,000			
BOND	YORK REGION	4.39	07-Mar-2008	30-May-2017	1,529,250.00	1,500,000.00	WG	3,371	5,155,101,750	1,611	2,463,621,750			
BOND	YORK REGION	4.66	30-May-2007	30-May-2017	1,999,200.00	2,000,000.00	WG	3,653	7,303,077,600	1,611	3,220,711,200			
BOND	BNS	2.67	21-Sep-2012	03-Aug-2017	4,044,000.00	4,000,000.00	WG	1,777	7,186,188,000	1,678	6,777,744,000			
BOND	BNS	2.70	29-Aug-2012	03-Aug-2017	5,050,650.00	5,000,000.00	BMO	1,800	9,091,170,000	1,678	8,464,889,400			
BOND	OTTAWA	3.82	13-Aug-2010	13-Aug-2017	2,993,610.00	3,000,000.00	WG	2,557	7,654,660,770	1,686	5,047,226,460			
BOND	BMO	4.11	16-Feb-2011	26-Sep-2017	2,299,200.00	3,000,000.00	BMO	2,414	5,550,288,800	1,730	3,977,616,000			
BOND	BCMFA	4.33	27-Mar-2009	01-Dec-2017	3,100,800.00	3,000,000.00	CAN	3,171	9,832,636,600	1,796	5,569,036,800			
BOND	ONT	4.73	29-Oct-2008	08-Mar-2018	1,928,840.00	2,000,000.00	RBC	3,417	6,590,162,680	1,893	3,650,915,520			
BOND	BMO	4.57	10-Sep-2009	28-Mar-2018	2,232,000.00	2,000,000.00	WG	3,121	6,966,072,000	1,913	4,269,816,000			
BOND	BMO	4.04	17-Aug-2010	28-Mar-2018	3,698,300.00	5,000,000.00	WG	2,780	10,281,274,000	1,913	7,074,847,900			
BOND	BMO	5.63	09-Sep-2008	02-May-2018	1,552,500.00	1,500,000.00	WG	3,522	5,467,905,000	1,948	3,024,270,000			
BOND	ONT	4.29	15-Jul-2009	02-Jun-2018	1,994,000.00	2,000,000.00	WG	3,244	6,468,536,000	1,979	3,946,126,000			
BOND	ONT	5.11	05-Nov-2008	02-Jun-2018	2,999,999.57	4,835,979.00	BMO	3,496	10,487,998,497	1,979	5,936,999,149			
BOND	CIBC	4.23	08-Feb-2011	06-Jun-2018	1,113,500.00	1,000,000.00	WG	2,675	2,978,612,500	1,983	2,208,070,500			
BOND	CIBC	4.21	07-Feb-2011	06-Jun-2018	2,229,000.00	2,000,000.00	WG	2,678	5,964,804,000	1,983	4,420,107,000			
BOND	TORONTO	5.05	27-Jun-2008	27-Jun-2018	996,960.00	1,000,000.00	WG	3,652	3,640,897,920	2,004	1,997,907,840			
BOND	TD	4.18	31-Jan-2011	09-Jul-2018	3,654,420.00	3,300,000.00	BMO	2,716	9,925,404,720	2,016	7,367,310,720			
BOND	ONT	4.39	24-Feb-2009	02-Dec-2018	1,972,500.00	3,000,000.00	WG	3,568	7,037,680,000	2,162	4,264,545,000			
BOND	TORONTO	4.57	27-Mar-2009	18-Dec-2018	4,336,800.00	4,000,000.00	BMO	3,553	15,408,650,400	2,178	9,445,550,400			
BOND	BC	4.71	01-May-2009	09-Jan-2019	2,168,745.25	3,387,500.00	BMO	3,540	7,677,358,185	2,200	4,771,239,550			
BOND	YORK	5.09	29-Apr-2009	29-Apr-2019	997,590.00	1,000,000.00	BMO	3,652	3,643,198,680	2,310	2,304,432,900			
BOND	YORK	5.09	29-Apr-2009	29-Apr-2019	997,590.00	1,000,000.00	WG	3,652	3,643,198,680	2,310	2,304,432,900			
BOND	ONT	4.78	09-Mar-2009	02-Jun-2019	1,680,000.00	3,000,000.00	WG	3,737	6,950,820,000	2,344	4,359,640,000			
BOND	ONT	4.48	30-Jan-2009	02-Jun-2019	3,223,410.00	3,000,000.00	RBC	3,775	12,168,372,750					

APPENDIX 4 - 2012 MONEY MARKET INVESTMENTS (All Funds excluding DCA)

ISSUER	INT RATE	PURCHASE DATE	MATURITY DATE	COST	MATURITY VALUE
CASH	1.25	31-Dec-12	01-Jan-13	37,410,861.60	37,412,142.79
GOV CAN	0.78	12-Mar-12	12-Apr-12	19,986,800.00	20,000,000.00
TD	1.40	12-Mar-12	28-Jun-12	40,000,000.00	40,165,698.63
TD	1.75	08-May-12	13-Dec-12	15,000,000.00	15,157,500.00
CIBC	1.40	14-Mar-12	14-Mar-13	10,000,000.00	10,140,000.00
BMO	1.40	17-Dec-12	17-Dec-13	10,000,000.00	10,140,000.00

APPENDIX 5 - 2012 BOND MARKET INVESTMENTS

BONDS THAT MATURED IN 2012:

ISSUER	COUPON RATE	YIELD	PURCHASE DATE	MATURITY DATE	COST	FACE VALUE
HALTON	4.60	4.68	15-Feb-04	12-Feb-12	989,018.00	991,000.00
ONT	2.00	2.02	25-Aug-11	21-Jun-12	1,024,000.00	1,000,000.00
ONT	2.50	2.50	21-Jun-11	21-Jun-12	7,200,000.00	7,200,000.00
BMO	2.25	2.26	01-Sep-11	01-Sep-12	6,000,000.00	6,000,000.00
BMO	2.25	2.26	04-Oct-11	04-Oct-12	5,000,000.00	5,000,000.00
BNS	-	5.40	12-Dec-08	01-Nov-12	2,445,510.00	3,000,000.00
BNS	-	1.65	30-Sep-11	01-Nov-12	6,695,140.00	6,815,085.50
BNS	-	1.71	03-Oct-11	01-Nov-12	9,819,000.00	10,000,000.00
TD	5.38	5.00	08-Apr-08	01-Nov-12	3,053,550.00	3,000,000.00

BONDS SOLD IN 2012:

ISSUER	COUPON RATE	YIELD	PURCHASE DATE	DATE SOLD	COST	FACE VALUE	SALE PROCEEDS
ONT	-	4.02	23-Sep-10	03-Jan-12	4,999,817.20	7,357,000.00	5,609,712.50
BMO	5.05	3.26	27-Mar-09	02-Aug-12	5,372,000.00	5,000,000.00	5,201,500.00
TD	3.37	3.70	07-Feb-11	24-Dec-12	1,480,500.00	1,500,000.00	1,548,150.00

CAPITAL GAIN(LOSS)
353,054.69
110,393.28
59,913.16
523,361.12

APPENDIX 6 - 2012 DCA FUND INVESTMENTS

ISSUER	INT RATE	PURCHASE DATE	MATURITY DATE	COST	MATURITY VALUE
CASH BALANCE	1.25	31-Dec-12	01-Jan-13	51,966,598.35	51,968,378.03
GOV CAN	0.78	12-Mar-12	12-Apr-12	19,986,800.00	20,000,000.00
BMO	1.30	29-Oct-12	13-Dec-12	30,000,000.00	30,048,082.19
VAN CITY	2.06	27-Mar-12	27-Mar-13	10,000,000.00	10,206,000.00
BMO	1.40	17-Dec-12	17-Dec-13	20,000,000.00	20,280,000.00
BOND GOV CAN 5.25%	4.62	08-Apr-04	01-Jun-13	2,101,600.00	2,000,000.00
BOND GOV CAN 5.0%	4.66	07-Apr-04	01-Jun-14	2,063,540.00	2,000,000.00
BOND GOV CAN 4.0%	3.70	06-Jun-08	01-Jun-17	4,102,800.00	4,000,000.00