SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Financial Statements

MARCH 31, 2006

AUDITOR'S REPORT

To the Minister of Finance

I have audited the balance sheet of the Supplementary Retirement Plan Reserve Fund as at March 31, 2006 and the statement of changes in net assets for the year then ended. These financial statements are the responsibility of the management of the Fund. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2006 and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original Signed]
Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
May 26, 2006

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

BALANCE SHEET

As At March 31, 2006

	2006	2005
	($ thousands)	
Assets		
Investments (Note 3)	$ 23,997	$ 19,812
Accrued interest	-	11
Receivable from participating employers	81	224
	24,078	20,047
Liabilities		
Amounts owing to the Supplementary Retirement Plan for Public Service Managers (Notes 2(f) and 6)	24,078	20,047
Net Assets	$ -	$ -

STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31, 2006

	2006	2005
	($ thousands)	
Increase in assets		
Contributions from participating employers	$ 1,074	$ 1,043
Net investment income (Note 7)	2,957	1,233
	4,031	2,276
Decrease in assets		
Increase in amounts owing to the Supplementary Retirement Plan for Public Service Managers	4,031	2,276
Increase in net assets	-	-
Net assets at beginning of year	-	-
Net assets at end of year	$ -	$ -

The accompanying notes and schedules are part of these financial statements.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2006

NOTE 1 AUTHORITY AND PURPOSE

The Supplementary Retirement Plan Reserve Fund (Reserve Fund) operates under the authority of the *Financial Administration Act*, Chapter F-12, Revised Statutes of Alberta 2000 and *Treasury Board Directive 05/99*.

The Reserve Fund is established to collect contributions from participating employers and to invest the funds, which are reserved to meet future benefit payments of the Supplementary Retirement Plan for Public Service Managers (SRP). The SRP is established effective July 1, 1999 to provide additional pension benefits to eligible public service managers whose pensionable earnings are in excess of the *maximum pensionable salary limit* under the federal *Income Tax Act*.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Reserve Fund to meet future benefit payments of the SRP.

The Reserve Fund's investments are held in pooled investment funds administered by Alberta Finance or external managers appointed by Alberta Finance. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine the fair value of investments held either by the Reserve Fund or by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by investment managers of Alberta Finance.

The fair value of alternative investments including investments in partnership interests, private investment funds, private equities and securities with limited marketability is estimated by Alberta Finance or external managers appointed by Alberta Finance. This is done using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Note 2 (continued)

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as replacement cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

Due to their short-term nature, the fair values of deposits, receivables, accrued investment income and accrued liabilities are estimated to approximate their book values.

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange except for hedged foreign currency transactions, which are translated at rates of exchange established by the terms of the forward exchange contracts. At year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of net investment income.

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts, credit default swaps and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated fair value of derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.

Cross-currency interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields and year-end exchange rates.

Income and expense from derivative contracts are accrued as earned and included in net investment income. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Note 2 (continued)

(f) Liabilities

Accrued liabilities of the Reserve Fund are funded by investment income and contributions from participating employers. Contribution rates are set by the Minister of Finance, taking into account recommendations of the SRP's actuary.

The rate in effect at March 31, 2006 was 5.8% (2005 6.8%) of the pensionable salaries of eligible public service managers that were in excess of the *maximum pensionable salary limit*.

These amounts represent assets held by the Reserve Fund, which are available to meet future benefit payments of the SRP over the long term.

(g) Measurement Uncertainty

In preparing these financial statements, estimates and assumptions are used in circumstances where the actual values are unknown. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty exists in the valuation of the Fund's private and alternative investments and real estate. Uncertainty arises because the estimated fair values of the Fund's private and alternative investments and real estate may differ significantly from the values that would have been used had a ready market existed for these investments.

While best estimates have been used in the valuation of the Fund's private and alternative investments and real estate, management considers that it is possible, based on existing knowledge that changes in future conditions in the short term could require a material change in the recognized amounts.

Differences between the estimated fair values and the amount ultimately realized are included in net investment income in the year when the ultimate realizable values are known.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

NOTE 3 INVESTMENTS (SCHEDULES A TO E)

	2006		2005	
	Fair Value		Fair Value	
	($ thousands)	%	($ thousands)	%
Fixed Income Securities (Schedule A)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 240	1.0	65	0.3
Canadian Dollar Public Bond Pool (b)	5,963	24.8	6,544	33.0
Private Mortgage Pool (c)	1,243	5.2	1,122	5.7
Tactical Asset Allocation Pool (l)	45	0.2	39	0.2
External Managers Currency Alpha Pool	11	0.1	-	-
Real rate of return bonds	-	-	1,096	5.5
Total fixed income securities	7,502	31.3	8,866	44.7
Canadian Equities (Schedule B)				
Domestic Passive Equity Pooled Fund (d)	2,045	8.5	2,351	11.9
Canadian Pooled Equities Fund (e)	1,264	5.3	33	0.2
External Managers				
Canadian Equity Enhanced Index Pool (f)	616	2.6	362	1.8
Canadian Large Cap Equity Pool (g)	442	1.8	235	1.2
Growing Equity Income Pool (h)	259	1.1	-	-
Canadian Multi-Cap Pool (i)	228	0.9	153	0.8
Tactical Asset Allocation Pool (l)	(233)	(1.0)	(201)	(1.0)
	4,621	19.2	2,933	14.9
United States Equities (Schedule C)				
S&P 500 Pooled Index Fund (j)	4,631	19.3	3,080	15.6
External Managers				
US Mid/Small Cap Equity Pool (k)	492	2.1	398	2.0
Growing Equity Income Pool (h)	80	0.3	-	-
Tactical Asset Allocation Pool (l)	235	1.0	202	1.0
	5,438	22.7	3,680	18.6
Non-North American Equities (Schedule D)				
External Managers				
EAFE Active Equity Pool (m)	3,782	15.8	-	-
EAFE Passive Equity Pool (n)	984	4.1	818	4.1
Emerging Markets Equity Pool (o)	319	1.3	203	1.0
EAFE Core and Plus Equity Pools	-	-	2,719	13.7
EAFE Structured Equity Pooled Fund (n)	194	0.8	-	-
	5,279	22.0	3,740	18.8
Alternative Investments - Equities				
Timberlands Pool (p)	132	0.5	-	-
Private Income Pool	2	-	-	-
	134	0.5	-	-
Real Estate Equities (Schedule E)				
Private Real Estate Pool (q)	1,023	4.3	593	3.0
Total equities	16,495	68.7	10,946	55.3
Total investments	$ 23,997	100.0	19,812	100.0

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Note 3 (continued)

(a) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years.

(b) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(c) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. To limit investment risk, the pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage and geographic location.

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the total return of the Toronto Stock Exchange S&P/TSX Composite Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the S&P/TSX Composite Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations and is designed to reduce risk by prudent security selection while remaining sector neutral.

(f) The External Managers Canadian Equity Enhanced Index Pool consists of a single portfolio of publicly traded Canadian equities in the large cap market and is designed to generate a consistent level of investment return above the total return of the S&P/TSX Composite Index over a four-year period with relatively low risk.

(g) The External Managers Canadian Large Cap Equity Pool consists of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap equity market. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period while reducing return volatility through multiple managers each of whom has a different investment style and market capitalization focus.

(h) The Growing Equity Income Pool is managed with the objective of providing returns higher than the return of S&P/TSX Custom Dividend Index over a four-year period. The pool is intended to provide a steady stream of dividend income with potential for capital appreciation by investing in dividend-paying Canadian and US companies that exhibit attractive valuation, growth and quality financial characteristics.

(i) The Canadian Multi-Cap Pool consists of a single portfolio with multiple components. The large cap component is internally managed and provides exposure to the Canadian equity market through structured investments replicating the S&P/TSX 60 Index. The small/mid cap component is managed by an external manager with expertise in the Canadian small/mid cap markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period.

(j) The S&P 500 Pooled Index Fund is passively managed. The portfolio is comprised of publicly traded United States equities similar in weights to the Standard & Poor's S&P 500 Index. The performance objective is to provide investment returns comparable to the total return of the S&P 500 Index. The pool utilizes a combination of pure security replication and synthetic replication strategies to obtain exposure to the benchmark. To enhance investment returns with no substantial increase in risks, the pool also invests in futures, swaps and other structured investments.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Note 3 (continued)

(k) The External Managers US Mid/Small Cap Equity Pool consists of multiple portfolios of publicly traded United States equities. The portfolios are actively managed by external managers with expertise in the US mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the Russell 2500 Index and/or the S&P 500 Total Return Index over a four-year period while reducing return volatility through multiple manager investment styles and unique market capitalization focus.

(l) The Tactical Asset Allocation Pool is managed with the objective of providing a quick, efficient and economical way to earn excess returns, on an opportunistic basis, by taking positions that effectively alter a portfolio's broad asset mix, or capitalize on significant anomalies in the market. The pool is comprised of synthetic instruments that increase the effective weight of a portfolio in one broad asset category while simultaneously decrease the effective weight in another broad asset category. As the pool is notionally a zero net investment portfolio, it has an absolute return of zero as its benchmark.

(m) The External Managers EAFE (Europe, Australasia and Far East) Active Equity Pool consists of multiple portfolios of publicly traded Non-North American equities. Each portfolio is actively managed by an external manager and has constraints on foreign currency management, country allocation, stock selection and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the Morgan Stanley Capital International (MSCI) EAFE Index over a four-year period while reducing return volatility through multiple manager investment styles and market diversification.

(n) The External Managers EAFE Passive Equity Pool and the EAFE Structured Equity Pooled Fund's performance objective is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The External Managers EAFE Passive Equity Pool consists of a single portfolio of Non-North American publicly traded equities similar in weights to the MSCI EAFE index. The EAFE Structured Equity Pooled Fund is internally managed and provides exposure to foreign markets in Europe, Australasia and the Far East through the use of structured investments such as foreign equity index swaps. The pooled fund also invests in the Floating Rate Note Pool to generate the floating rate cash flows needed for its equity swap obligations.

(o) The External Managers Emerging Markets Equity Pool consists of publicly traded equities in emerging markets around the world. The portfolios are actively managed by external managers with expertise in emerging markets. The performance objective is to provide returns higher than the total return of the Morgan Stanley Capital International Emerging Markets Free (MSCI EMF) Index over a four-year period.

(p) The Timberland Pool's performance objective is to provide a rate of return higher than the Consumer Price Index plus 4% over the long term.

(q) The Private Real Estate Pool is managed with the objective of providing investment returns higher than the Investment Property Databank (IPD) Large Institutional All Property Index over the long term. Real estate is held through limited partnerships and intermediate companies, which have issued to the pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The pool is intended to provide diversification from the securities market.

NOTE 4 INVESTMENT RISK MANAGEMENT

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Note 4 (continued)

Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

In order to earn the best possible return at an acceptable level of risk, the Minister has established a long-term policy asset mix of 43% fixed income instruments and 57% equities to the combined investments held by the Reserve Fund and the SRP (see Note 6). Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments, and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts may be used to manage currency exposure in connection with securities purchased in a foreign currency (see Note 5).

NOTE 5 DERIVATIVE CONTRACTS

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Reserve Fund uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to credit, interest and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. For credit default swaps, parties buy and sell insurance against credit risks inherent in bonds. Periodic payments, based on a notional amount, are exchanged for a contingent payment following a defined credit event of a reference entity.

Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies. There are underlying securities supporting all swaps. Leveraging is not allowed.

Forward foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Equity index futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

Note 5 (continued)

The following is a summary of the Reserve Fund's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2006:

	Maturity			2006		2005	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value	Notional Amount	Net Fair Value
		%			($ thousands)		
Equity index swap contracts	67	33	-	$ 4,288	$ 76	$ 2,867	$ 24
Credit default swap contracts	2	5	93	2,044	5	290	3
Interest rate swap contracts	41	43	16	1,916	(4)	1,127	(29)
Cross-currency interest rate swap contracts	11	33	56	1,420	110	1,278	9
Equity index futures contracts	100	-	-	1,267	22	439	6
Forward foreign exchange contracts	100	-	-	778	-	414	3
Bond index swap contracts	100	-	-	414	50	127	1
				$ 12,127	$ 259	$ 6,542	$ 17

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Reserve Fund attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

NOTE 6 SUPPLEMENTARY RETIREMENT PLAN FOR PUBLIC SERVICE MANAGERS (SRP)

An actuarial valuation of the SRP was carried out as at December 31, 2002 by Aon Consulting Inc. and was then extrapolated to December 31, 2005.

As at December 31, 2005, the SRP reported an actuarial surplus of $10.0 million (2004 $9.4 million), taking into account the amounts owing from the Reserve Fund.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

NOTE 7 NET INVESTMENT INCOME

Net investment income is comprised of the following:

	2006	2005
	($ thousands)	
Net realized and unrealized gains on investments, including those arising from derivative transactions	$ 2,136	$ 499
Interest income	597	568
Dividend income	201	167
Real estate operating income	43	21
Security lending income	7	3
Administration expenses	(27)	(25)
	$ 2,957	$ 1,233

The following is a summary of the Fund's proportionate share of net investment income by type of investments:

	2006	2005
	($ thousands)	
Fixed Income Securities	$ 583	$ 591
Canadian Equities	917	457
Foreign Equities		
United States	361	(117)
Non-North American	944	232
Alternative investments	(11)	-
Real Estate	163	70
	$ 2,957	$ 1,233

NOTE 8 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Deputy Minister of Finance.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

SCHEDULES TO THE FINANCIAL STATEMENTS

SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES — Schedule A

March 31, 2006

	Reserve Fund's Share 2006	2005
	($ thousands)	
Deposits and short-term securities	$ 296	$ 125
Fixed income securities (a)		
Government of Canada, direct and guaranteed	1,650	3,077
Provincial, direct and guaranteed		
Alberta	35	4
Other	1,123	1,580
Municipal	30	83
Corporate, public and private	4,278	3,944
	7,116	8,688
Receivable from sale of investments and accrued investment income	151	91
Liabilities for investment purchases	(61)	(38)
	90	53
	$ 7,502	$ 8,866

(a) Fixed income securities held as at March 31, 2006 had an average effective market yield of 4.78% (2005 4.15%) per annum. The following term structure of these securities as at March 31, 2006 was based on principal amount:

	2006	2005
	%	
under 1 year	3	2
1 to 5 years	31	32
6 to 10 years	35	30
11 to 20 years	12	17
over 20 years	19	19
	100	100

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES

Schedule B

March 31, 2006

	Reserve Fund's Share 2006	Reserve Fund's Share 2005
	($ thousands)	
Deposits and short-term securities	$ 23	$ 7
Public equities (a) (b)		
Consumer discretionary	241	179
Consumer staples	137	123
Energy	1,289	592
Financials	1,375	911
Health care	49	41
Industrials	277	155
Information technology	188	169
Materials	681	435
Telecommunication services	216	184
Utilities	46	45
	4,499	2,834
Small Cap pooled fund	69	47
Receivable from sale of investments and accrued investment income	105	55
Liabilities for investment purchases	(75)	(10)
	30	45
	$ 4,621	$ 2,933

(a) The Reserve Fund's net investment in Canadian public equities includes the notional amount of Canadian equity index swap contracts and equity index futures contracts totalling $1,764,000 (2005 $1,938,000).

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Toronto Stock Exchange S&P/TSX Composite Index.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES — Schedule C

March 31, 2006

	Reserve Fund's Share	
	2006	2005
	($ thousands)	
Deposits and short-term securities	$ 14	$ 24
Public equities (a) (b)		
Consumer discretionary	567	436
Consumer staples	469	350
Energy	513	320
Financials	1,145	714
Health care	690	478
Industrials	659	455
Information technology	832	559
Materials	183	143
Telecommunication services	162	103
Utilities	170	128
	5,390	3,686
Receivable from sale of investments and accrued investment income	210	14
Liabilities for investment purchases	(176)	(44)
	34	(30)
	$ 5,438	$ 3,680

(a) The Reserve Fund's net investment in United States public equities includes the notional amount of US equity index swap contracts and equity index futures contracts totalling $2,518,000 (2005 $1,368,000).

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index.

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITIES

Schedule D

March 31, 2006

	Reserve Fund's Share 2006	Reserve Fund's Share 2005
	($ thousands)	
Deposits and short-term securities	$ 118	$ 69
Public equities (a)		
Consumer discretionary	606	482
Consumer staples	300	213
Energy	380	316
Financials	1,472	952
Health care	353	221
Industrials	676	434
Information technology	340	184
Materials	408	314
Telecommunications services	276	306
Utilities	222	158
	5,033	3,580
Emerging market pooled funds	124	84
Receivable from sale of investments and accrued investment income	63	45
Liabilities for investment purchases	(59)	(38)
	4	7
	$ 5,279	$ 3,740

(a) The sector classification conforms to the Global Industry Classification Standard followed by Standard & Poor's. The following is a summary of the Reserve Fund's investment in Non-North American public equities by country based on geographic location of stock exchange on which stocks were purchased.

	Reserve Fund's Share 2006	Reserve Fund's Share 2005
	($ thousands)	
Japan	$ 1,177	$ 625
United Kingdom	1,001	779
France	510	353
Germany	343	254
Switzerland	339	227
Netherlands	256	193
Australia	190	163
Italy	162	138
Spain	141	105
Sweden	104	95
Other	810	648
	$ 5,033	$ 3,580

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

SCHEDULE OF INVESTMENTS IN REAL ESTATE

Schedule E

March 31, 2006

	Reserve Fund's Share	
	2006	**2005**
	($ thousands)	
Real estate (a)		
Office	$ 507	$ 270
Retail	338	240
Industrial	106	47
Residential	46	27
	997	584
Passive index	24	8
Receivable from sale of investments and accrued investment income	2	1
	$ 1,023	$ 593

(a) The following is a summary of the Plan's investment in real estate by geographic locations:

	Reserve Fund's Share	
	2006	**2005**
	($ thousands)	
Ontario	$ 607	$ 389
Alberta	279	121
Quebec	91	61
British Columbia	20	13
	$ 997	$ 584

SUPPLEMENTARY RETIREMENT PLAN RESERVE FUND

SCHEDULE OF INVESTMENT RETURNS

Schedule F

Year Ended March 31, 2006

The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total return received from an investment dollar initially invested. Total return includes cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

	2006	**2005**	**2 Year Compound Annualized Return**
Time-weighted rates of return			
Short-term fixed income	**3.0**	**3.0**	**2.8**
Scotia Capital 91-day T-Bill Index	*2.8*	*2.2*	*2.5*
Long-term fixed income	**6.3**	**5.6**	**6.5**
Combined benchmark	*5.6*	*5.0*	*5.4*
Canadian equities	**29.0**	**14.7**	**21.3**
S&P/TSX Composite Index	*28.4*	*13.9*	*21.0*
United States Equities	**8.3**	**(1.3)**	**2.4**
Standard & Poor's 1500 Index	*9.1*	*(1.0)*	*3.9*
Non-North American equities	**23.6**	**7.0**	**14.3**
MSCI EAFE Index	*20.0*	*6.2*	*12.9*
Real Estate	**21.3**	**13.9**	***17.5***
IPD Large Institutional All Property Index	*18.1*	*17.6*	*17.8*
Overall	**13.3**	**6.7**	**10.0**
Policy Benchmark	12.4	6.2	9.4

The current sector benchmark indices are as of March 31, 2006. Benchmark indices may have been different in prior years, therefore the benchmark returns may be a blend of different indices.