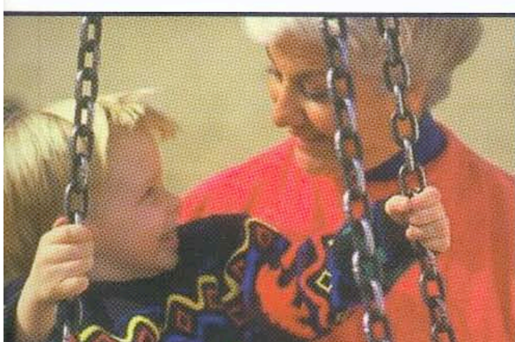
THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

2003 ANNUAL REPORT



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PROFILE

This is the first annual report of *The Winnipeg Civic Employees' Benefits Program* which superseded the former *Employee Benefits Program* of the City of Winnipeg, effective January 1, 2003.

The Winnipeg Civic Employees' Benefits Program is comprised of

- The *Winnipeg Civic Employees' Pension Plan*;
- The *Winnipeg Civic Employees' Long Term Disability Plan*; and
- The *Winnipeg Civic Employees' Early Retirement Benefits Arrangement*.

Governance Structure

The Board of Trustees

The Winnipeg Civic Employees' Benefits Program is governed by two Boards – The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program (Pension Fund)* in respect of the *Winnipeg Civic Employees' Pension Plan* and the *Winnipeg Civic Employees' Early Retirement Benefits Arrangement*, and The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program (Disability Fund)* for the *Winnipeg Civic Employees' Long Term Disability Plan*.

The Program operates under a jointly-trusteed governance structure pursuant to the terms and conditions of the Pension Trust Agreement and the Disability Plan Trust Agreement, entered into by the City of Winnipeg and civic unions. The 14-member Board of Trustees of *The Winnipeg Civic Employees' Benefits Program (Pension Fund)* is appointed equally by the City of Winnipeg and the civic unions. The individuals who comprise The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program (Disability Fund)* include the same individuals as those of The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program (Pension Fund)* with the exception of one of the seven Employer Trustees and the Member Trustee who represents pensioners and deferred members.

The new jointly-trusteed governance structure embodies both joint governance and surplus and risk sharing between Participating Employers and Program Members.

The Board of Trustees is responsible for ensuring that the Program is administered in accordance with the Trust Agreement, Program Text and applicable legislation, adopting and reviewing the investment policy, monitoring investment performance, and adopting and reviewing the funding policy for the Program. The Board is also responsible for ensuring adequate financial records are maintained and for reporting annually on the results of operations of the Program to Participating Employers, Unions, and Plan Members.

The Board has established various committees to provide a process to assist in its decisions.

Investment Committee

The Investment Committee is responsible for determining the asset mix of the Program (within the parameters of the Program's Statement of Investment Policies and Procedures), for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers.

The Committee consists of three members appointed by Employer Trustees and three members appointed by Member Trustees.

Audit Committee

The Audit Committee oversees the Program's financial reporting and accounting systems and makes recommendations to the Board in this regard.

Benefits Committee

The Benefits Committee adjudicates long term disability claims with the assistance of the Board's Medical Consultant and the Case Management Team. The Committee makes recommendations to the Board for approval of new claims and the continuance of disability benefits.

Transition Committee

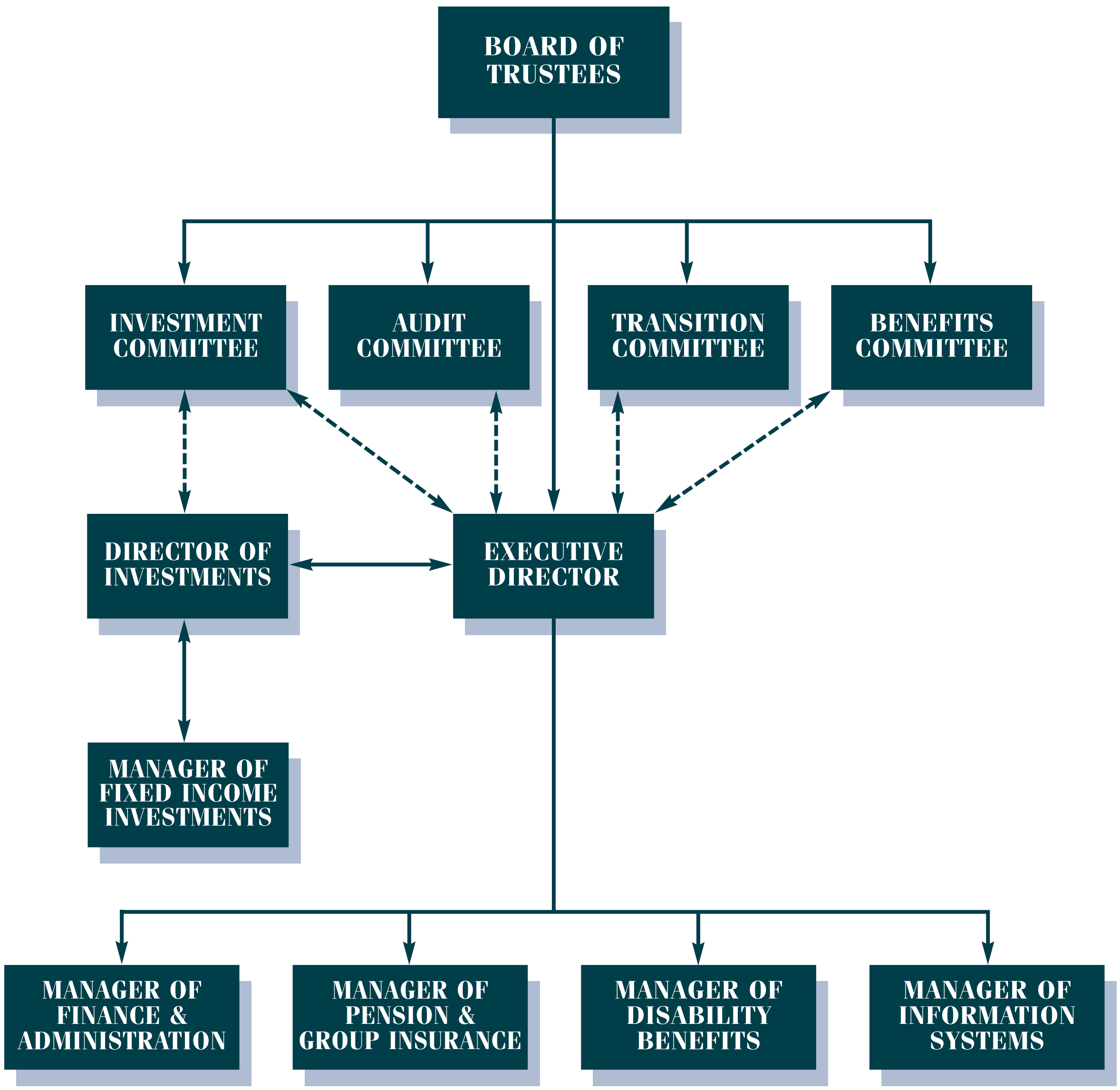
The Transition Committee was instrumental in addressing policy matters arising from the change in governance structure, effective January 1, 2003. It is expected that a standing Governance Committee will ultimately replace the Transition Committee.

Administration

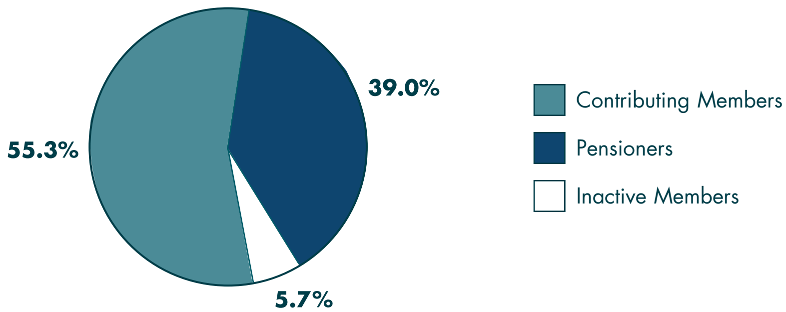
The day-to-day administration of the Program is carried out under the direction of the Executive Director. The areas of responsibility include investments, pension and group insurance benefits, disability benefits, finance and administration, and information systems.

PARTICIPATING EMPLOYERS
City of Winnipeg
Riverview Health Centre
Manitoba Hydro (former Winnipeg Hydro employees)
Winnipeg Enterprises
Winnipeg Convention Centre
Highlander Sportsplex

THE BOARD OF TRUSTEES OF THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

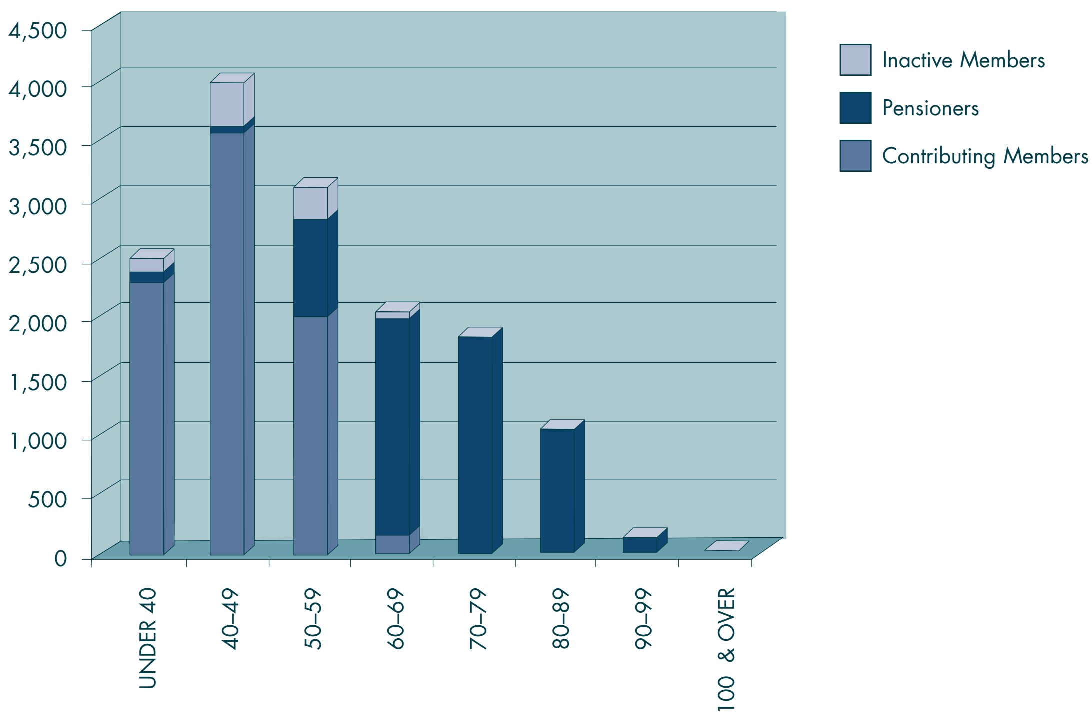


THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM MEMBERSHIP PROFILE AS AT DECEMBER 31, 2003

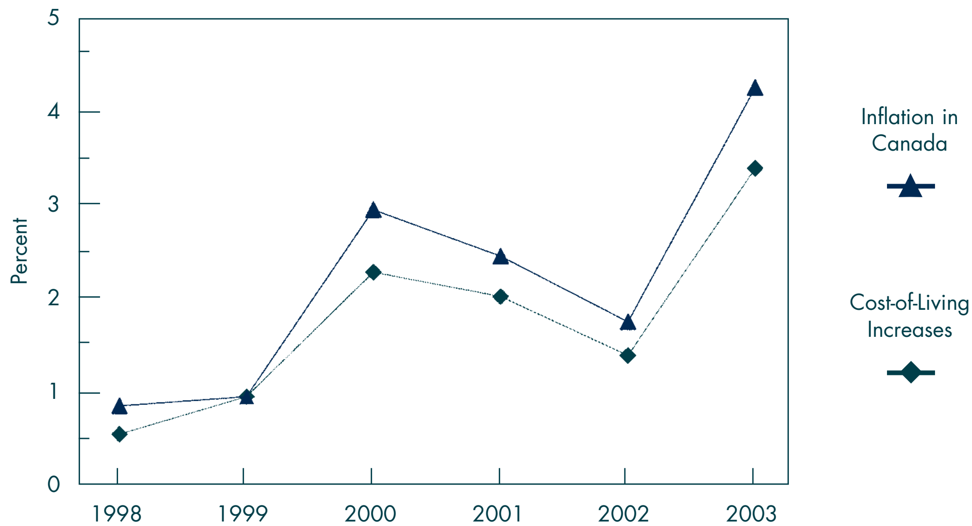


TOTAL MEMBERS 14,661

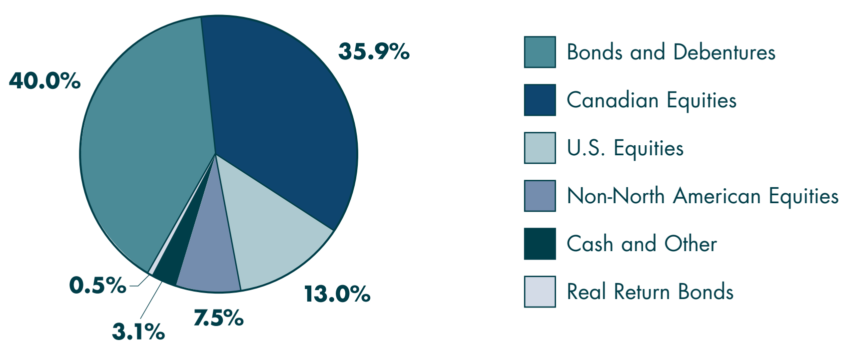
THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM MEMBERSHIP PROFILE AS AT DECEMBER 31, 2003 (BY AGE BANDS)



THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN
COST-OF-LIVING INCREASES



THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM
ASSET MIX AS AT DECEMBER 31, 2003



TOTAL ASSETS $2,994,141,000

Key Economic Assumptions (Funding)
(January 1, 2003 Actuarial Valuation)

Valuation Interest Rate	6% per year
Inflation	2% per year
General Increases in Pay	3.5% per year

STATEMENT OF ACTUARIAL POSITION

(thousands)	January 1, 2003
1. Actuarial Value of Assets	
Main Account	$ 2,834,464
Plan Members' Account	41,963
City Account	101,390
	2,977,817
2. Actuarial Liabilities	
Pension Plan	2,494,105
Long Term Disability Plan	51,139
Early Retirement Benefits Arrangement	3,435
	2,548,679
3. Excess of actuarial value of Program assets over actuarial liabilities	429,138
4. Amounts Previously Allocated	
Future Contribution Reserve	99,563
Plan Members' Account	41,963
City Account	101,390
	242,916
5. Actuarial Surplus (3. – 4.)	186,222
6. Funded Ratio (1. ÷ 2.)	
Including Plan Members' and City Account	116.8%
Excluding Plan Members' and City Account	111.2%

COST OF BENEFITS FOR SERVICE IN 2003

	Employee Contributions	Employer Contributions[1]	Allocation from Reserves	Total Cost
As % of Contributory Earnings				
1999 Benefits Level	6.69%	6.69%	8.96%	22.34%
Benefit Enhancements	–	–	1.88%	1.88%
Total	6.69%	6.69%	10.84%	24.22%

[1]*Includes amounts transferred from City Account.*

MESSAGE FROM THE CHAIR

The conversion of the City-sponsored Employee Benefits Program to a jointly-trusteed Winnipeg Civic Employees' Benefits Program finally took effect on January 1st, 2003, approximately four years after it had been negotiated through collective bargaining between the City and ten participating unions. This change represented a major and significant restructuring of the benefits program for all City employees and retirees associated with the ten participating unions.

As a result of this change in the structure of the Program, 2003 was a very busy year for the Board of Trustees. There was no end of issues to be dealt with in order to accomplish the transition. We have successfully worked through many of these issues, but much more yet remains to be done.

Fortunately for all of us, the last four months of 2003 saw the equity markets in North America, and around the world, reverse direction somewhat from the downward trend of the previous two years. This has helped the actuarial position of the fund considerably, as you will see in this report. The Investment Committee, under the Chairmanship of Richard Bracken, continues to provide expert guidance and advice to the Board, and I would like to take this opportunity to thank them for their continued service.

In addition to the change in Program structure, we also experienced a major change in the administration of the Program. Ken Hayes retired after seven dedicated years of loyal and professional service as Executive Director of the former Employee Benefits Board. I would like to take this opportunity to express my personal thanks, and that of the Board of Trustees, to Ken for leading us through very challenging times. We wish him well in his chosen future career.

Fortunately for all of us, we were successful in attracting Glenda Willis from Memorial University in St. John's, Newfoundland as our new Executive Director. Glenda has proven to be a most capable and able replacement for Ken. We are most fortunate that Glenda has chosen to make her new home with us here in Winnipeg.

Partly as a result of the restructuring of the Program, a number of new members have joined the Board. I would like to welcome the following appointees to the Board: Bob Ripley (CUPE, Local 500), Bob Romphf (representing "other" employee groups), Nick Diakiw (Retirees), and City Council appointee Ursula Stelman, Director of Community Services.

I can assure all Plan Members that this Board of Trustees continues to work hard and act in the best interests of all Plan Members. As of January 1st, 2004, Mr. John Irvine, CUPE appointee, takes over the Chair of the Board of Trustees as per the Trust Agreement that calls for the Chair to rotate annually between a Council appointee and a Union appointee.

I hope you will find this annual report for 2003 helpful and informative.

Rick Borland
Chair of the Board of Trustees

MESSAGE FROM THE EXECUTIVE DIRECTOR

The year 2003 can best be characterized as a year of new beginnings. The new jointly-trusteed Winnipeg Civic Employees' Benefits Program (Pension Fund and Disability Fund) came into being, effective January 1, 2003, marking a new era in a long history of employee benefit and pension plans for employees of the City of Winnipeg.

The inaugural year of the restructured Program was very much a year of transition. The combination of a new governing body – The Board of Trustees of The Winnipeg Civic Employees' Benefits Program – and new governing documents, brought with it the opportunity and the need to embark upon a review of policies and practices which have continued from the former Employee Benefits Program. This process continues.

From an investment perspective, the rebound in the equity markets during 2003 was most fortunate, with the Winnipeg Civic Employees' Pension Plan achieving a 13.8% rate of return, following negative returns in each of 2002 and 2001. Although the relative ranking was third quartile, the 13.8% rate of return significantly exceeded the nominal actuarial assumption of 6%.

In terms of our services to Program Members – whether for new entrants, active employees, retirees or their survivor beneficiaries – Program staff continue to work diligently to meet your needs and expectations. Our commitment to you is to provide you with caring and quality service. We will strive to make steady improvements in delivering service to you. This year, for the first time, we will provide a Summary Annual Report to all Program Members as part of our ongoing efforts to inform Members about the Program.

This past year marked a new beginning for me personally as I assumed the position of Executive Director in July 2003. Let me take this opportunity to express my deep appreciation to the Board of Trustees for their support and guidance. I have been truly pleased to see the dedication and commitment of the 14 individuals, representing both the City of Winnipeg and Program Members, who comprise The Board of Trustees of The Winnipeg Civic Employees' Benefits Program. My strong commitment is to serve the Board of Trustees and Program Members.

Let me close by extending a heartfelt thank you to Program management and staff. It is together that we can attain the greatest achievements in serving The Winnipeg Civic Employees' Benefits Program.

I invite you to read our 2003 Annual Report. In addition to the Winnipeg Civic Employees' Pension Plan and the Winnipeg Civic Employees' Long Term Disability Plan, this report includes the City of Winnipeg Employees' Group Life Insurance Plan, the "Civic" component of which is administered by The Board of Trustees.

Sincerely,

Glenda Willis

Glenda Willis
Executive Director

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM – A NEW ERA

Plan History and the Seeds for Change

Employees of the City of Winnipeg have enjoyed a long and proud history of participation in employee pension and benefit plans in one form or another, with the current Program's origins dating back to 1921. Following the unification of the former municipalities into the current City of Winnipeg in 1972, the Employee Benefits Program was created. Then, in 1989, all of the prior pension plans that had existed separately for the former municipalities and the Metropolitan Corporation of Greater Winnipeg were amalgamated into the Employee Benefits Program.

The most recent major fundamental change took effect on January 1, 2003 upon commencement of the restructured Winnipeg Civic Employees' Benefits Program under joint trusteeship.

This fundamental change has taken a number of years to accomplish, with the underpinnings of change dating back to December 1999 when City Council and the unions representing City of Winnipeg employees, with the exception of police officers (who have a separate pension plan), approved the restructuring of the former Employee Benefits Program. The restructuring required legislative amendment to The City of Winnipeg Act in 2001, Manitoba Court of Queen's Bench approval, and approval of regulatory authorities, which approvals were received in 2002.

Program Members received significant benefit improvements in 2000 pursuant to an Interim Arrangement, and these benefit improvements have been extended, under joint trusteeship, to apply to service after December 31, 2002.

This new era of joint trusteeship encompasses both joint governance and surplus and risk sharing between Participating Employers and Program Members, pursuant to a Pension Trust Agreement entered into by the City and the civic unions.

Joint Governance

With joint governance, both the City of Winnipeg and the Program Members, through their representatives, now have an equal voice in decision-making. The new joint Board of Trustees became responsible for the management of the Program on January 1, 2003 in accordance with the Pension Trust Agreement. The City of Winnipeg and the Program Members have equal representation on the joint Board of Trustees.

Surplus and Risk Sharing

Under joint trusteeship, current and future actuarial surpluses and deficits will be shared between the Participating Employers and Program Members in accordance with the terms of the Pension Trust Agreement. The Participating Employers' share of surpluses will be available to finance reductions of employer contributions. The Program Members' share of surpluses will be available to finance improvements above the 1999 level of benefits or to reduce Members' contributions.

Under the restructured Program, the contribution rates for the Program Members and Participating Employers may be increased but not to exceed 8% of pensionable earnings.

Provided that the financial outcomes affecting the Program fall within ranges that reflect normal variations in economic and demographic conditions, the risk sharing is expected to operate on an equal basis.

Transition to Joint Trusteeship

On January 1, 2003, the former Regular Pension Benefits Account and the Supplementary Pension Benefits Account were merged to form the Main Account – General Component, out of which all Program benefits are paid. All previously undistributed actuarial surplus in the amount of $186,222,000 was allocated in accordance with the terms of the Pension Trust Agreement. The necessary transfers between Accounts were made on January 1, 2003 to give effect to the new financial structure.

Under the restructured Program, the obligations for pension benefits that relate to the Main Account – General Component are calculated to include full funding of post-termination and post-retirement cost-of-living adjustments at the stated level in the Program text. In addition, the new Future Contribution Reserve and the Enhancement Cost Reserve were established to finance the difference between the cost of future annual benefit accruals and matching employee and employer contributions.

C I V I C

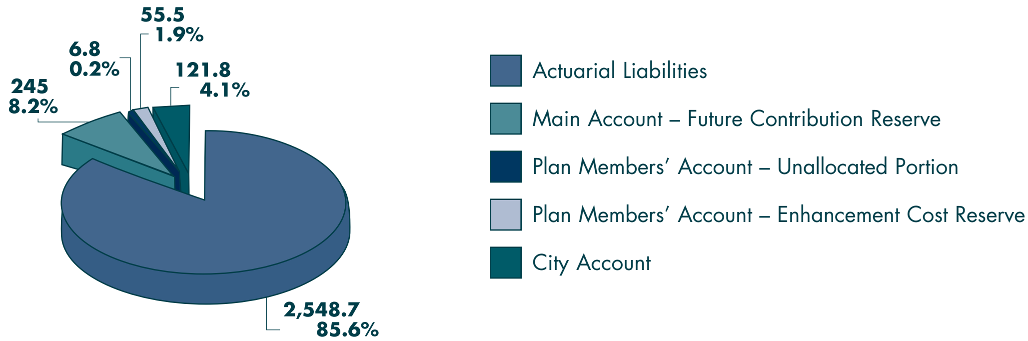
THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM
TRANSITION TO JOINT TRUSTEESHIP
Assets Available for Benefits at January 1, 2003
(in $ millions)

	Market Value						
	Interim Arrangement 12-31-02	Re-allocate: Effect Full Restructure	Re-allocate: Create Reserve	Before Surplus Distribution	Re-allocate: Surplus Distribution	Re-allocate: Create Reserve	After Surplus Distribution
Assets Available for Benefits							
Regular Account	$ 2,148.1						
Supplementary Account	464.6						
Main Account							
– General Component	$ 2,612.7	$ (36.4)	$ (99.6)	$ 2,476.7	$ (186.2)	$ –	$ 2,290.5
– Future Contribution Reserve			99.6	99.6	145.4		245.0
Plan Members' Account							
– Unallocated Portion	15.1	26.8		41.9	20.4	(55.5)	6.8
– Enhancement Cost Reserve				–		55.5	55.5
City Account	91.8	9.6		101.4	20.4		121.8
Total	$ 2,719.6	$ –	$ –	$ 2,719.6	$ –	$ –	$ 2,719.6

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM
TRANSITION TO JOINT TRUSTEESHIP
Actuarial Position at January 1, 2003
(in $ millions)

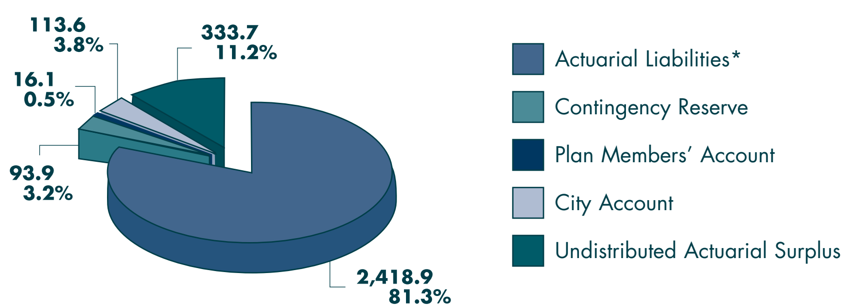
Actuarial Position As at January 1, 2003	Market Value of Assets After Surplus Distribution	Smoothing Effect	Actuarial Value of Assets 01-01-03	Actuarial Liability 01-01-03	Excess of Assets over Liabilities
Main Account					
– General Component	$ 2,290.5	$ 258.2	$ 2,548.7	$ 2,548.7	$ –
– Future Contribution Reserve	245.0		245.0		245.0
Plan Members' Account					
– Unallocated Portion	6.8		6.8		6.8
– Enhancement Cost Reserve	55.5		55.5		55.5
City Account	121.8		121.8		121.8
Total	$ 2,719.6	$ 258.2	$ 2,977.8	$ 2,548.7	$ 429.1

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM
Actuarial Liabilities and Reserves
Per Actuarial Valuation as at January 1, 2003



(In $ millions)

EMPLOYEE BENEFITS PROGRAM
Actuarial Liabilities and Reserves
Per Actuarial Valuation as at December 31, 2001



(In $ millions)
*Liabilities include Reserve for Future Cost-of-Living Adjustments

Governance Review

With the continuance of the Program under joint trusteeship, the Board of Trustees embarked upon the process of reviewing existing Board policies, the administrative structure, and third-party service arrangements to ensure that they best meet the needs of the Program under the new governance structure. The Board formally commenced this review process, in a significant way, during 2003. These efforts are expected to be ongoing over the next several years.

Funded Status at January 1, 2003

The most recent actuarial valuation of *The Winnipeg Civic Employees' Benefits Program* as at January 1, 2003, the effective date of the restructured Program, disclosed that the Program was fully funded and had an excess of actuarial value of assets over actuarial liabilities of $429,138,000 – a funded ratio of 116.8% on the basis of actuarial values. If the market value of assets, which was significantly depressed at that date, had been used instead of the actuarial value, the excess would still have been $170,900,000 – a funded ratio of 106.7% on a market value basis. These results portray a picture of absolute and relative health for the Program with respect to benefits accrued for all service up to January 1, 2003.

Under the Pension Trust Agreement, the entire excess on an actuarial basis is allocated to special-purpose Reserves and Accounts that are primarily intended to finance the portion of future service costs which are expected to exceed future employee and employer contributions:

- the *Future Contribution Reserve* exists to finance the future service cost of the 1999 level benefits that exceed matching employee and employer contributions;
- the *Enhancement Cost Reserve* exists to finance the future service cost of benefit improvements over and above the 1999 level for which there are no new additional contributions;
- the *City Account* is available to the City and other Participating Employers to finance any reduction in employer Program contributions below those that match employee contributions; and
- the *Plan Members' Account – Unallocated Portion* is available for benefit improvements.

These Reserves and Accounts, especially the *Future Contribution Reserve* and the *Enhancement Cost Reserve*, will play an integral role in financing the cost of future service benefits under the Program. Under the Pension Trust Agreement, contributions are limited to 8% of pensionable earnings from each of the employees and employers, even though the cost of providing the benefits (approximately 24.2% of pay) far exceeds the maximum combined contributions at 16% of pay. The sustainability of present benefit levels will, therefore, largely depend on the ability of these Reserves to finance this shortfall into the future. The Reserves will have to be continuously "topped up" if they are to be maintained at their target levels.

Although the Reserves are available to offset funding deficiencies should they emerge (following the order of remedies specified in the Pension Trust Agreement), the Reserves are not intended to be used as a buffer to permanently finance investment shortfalls or other experience losses. To the extent that they end up being used for such purposes, their ability to finance the cost of future service benefits will be constrained, and could result in reductions in benefit levels and increases in future employee and employer contribution levels.

Key Actuarial Assumptions

One of the key assumptions that underlie the determination of actuarial liabilities, thereby affecting the actuarial surplus, is the valuation interest rate. The valuation interest rate assumed was 6% per year, and was developed with reference to expected long-term economic and investment conditions. The valuation interest rate assumed was carefully and prudently developed, giving recognition to the long-term asset mix expected to be utilized by the Program, and after assuming an equity premium that is modest by historical standards.

Other key economic assumptions include future inflation at 2% per year (resulting in an assumed real rate of investment return of 4% per year) and future general increases in pay of 3.5% per year.

Although the assumptions are considered appropriate both for funding and accounting purposes, there is nonetheless measurement uncertainty associated with these estimates versus actual future investment returns and salary escalation that will impact on the future financial position of the Program, possibly in a material way.

Extrapolated Funded Status – at December 31, 2003

At the time the year-end financial statements were being prepared, the results of the actuarial valuation of the Program as at December 31, 2003 were not available. Accordingly, the assumptions used in the most recent actuarial valuation as at January 1, 2003 were used to extrapolate the obligations of the Program at year-end. The extrapolation is prepared for financial reporting purposes only, with any apparent emerging surplus or deficiency subject to confirmation or revision in the subsequent actuarial valuation report.

Actions that are required under the Pension Trust Agreement, relative to the funded status of the Program, are undertaken only with reference to the reported results of the formal actuarial valuation. Readers of the Program's financial statements should, therefore, be careful to treat such extrapolated results as "preliminary."

The notes to the financial statements show that the actuarial value of assets of the *Main Account – General Component* is less than the extrapolated obligations of the Program by approximately $28,682,000 as at December 31, 2003. Preliminary indications are that, due to favourable experience and possible changes to actuarial assumptions, there will not likely be a funding deficiency reported in the formal December 31, 2003 actuarial valuation.

After taking into account all special-purpose Reserves and Accounts, the extrapolated funded status of the Program remains at 115.1% on an actuarial basis and 112.2% on a market value basis.

It should be noted, however, that the continued application of a five-year asset smoothing method has had the effect of deferring a portion of the impact of market losses in 2001 and 2002 to future years, when it is hoped that such losses will ultimately be reversed. The assets as measured on an actuarial basis exceed their related market value by $76,545,000 as at December 31, 2003.

Accordingly, should the Program earn just the assumed 6.0% on the actuarial asset base over the next three years, the $76,545,000 smoothing difference will have to be absorbed over this three year period as a loss, potentially eroding the future financial position of the Program.

Should the reversal of prior investment losses not occur, but the Program is able to achieve investment returns sufficient to meets its investment assumptions moving forward, there should be little or no negative impact on benefit levels or funding in the near term, after applying the remedies available under the terms of the Pension Trust Agreement. However, should future returns fall short of assumptions, this situation could result in reductions to benefit levels and increases in employee and employer contribution rates.

Long-Term Investment Goals and Performance

The *Program* has achieved excellent investment performance over the last ten years, returning an average of 9.1% per year which ranked in the second quartile of larger pension plans in Canada. The long-term goal of the Program is to achieve a rate of return that exceeds inflation by 5.0% per year. With the ten-year annualized inflation rate being 1.8%, the Program exceeded this goal by a sizeable margin of 2.3% per year over the last ten years.

Although a long-term investment return which exceeds inflation by 4% per year, together with matching contributions from the employees and employers, is expected to adequately finance the benefits derived from past and future service for the existing Program Members, ongoing future actuarial surplus generation will be required to finance the shortfall of matching contributions versus the benefit cost for new employees as they replace current employees retiring from the workforce. Actuarial surplus generation will also be needed to enable Participating Employers to continue contributing below matching levels over the longer term.

Accordingly, notwithstanding the assumed 4% per year real return used for the actuarial valuation at January 1, 2003, it is desirable to strive for a real rate of return of at least 5% per year over the long-term, and this 5% objective was formally adopted in the Program's Statement of Investment Policies and Procedures for 2003.

Although the Program has for many years been able to achieve long-term real returns in excess of 5%, it is the achievement of sufficient excess returns in the future which will have the most significant bearing on the ultimate sustainability of current benefits (including Cost-of-Living Adjustments) and contribution levels.

The Board recognizes that the 5% per year real rate of return objective will prove to be a challenging objective in light of today's investment markets and low interest rates. The Board, and its Investment Committee, will continue to prudently manage the Program's assets towards this objective.

Early Retirement Benefits Arrangement

As the Program allows for retirement at or after age 55 without a minimum service requirement, there are some situations where Program benefits exceed the maximum early retirement benefits permitted for registered pension plans under the Income Tax Act. Accordingly, The Winnipeg Civic Employees' Benefits Program includes an Early Retirement Benefits Arrangement to pay any early retirement pension benefits that cannot be paid by the Winnipeg Civic Employees' Pension Plan, as a registered pension plan. No contributions are made to fund these benefits in advance of their payment, so as not to incur a tax liability, but rather employer contributions are made to pay these benefits as they fall due.

Although the Early Retirement Benefits Arrangement has been in existence for quite some time, 1999 was the first year that benefits were paid under the Arrangement. The amount paid out in 2003 was $3,474 (2002 – $1,657). Payments under the Winnipeg Civic Employees' Early Retirement Benefits Arrangement will continue to be reported in future years, but financial statements will not be published until the amounts are somewhat significant.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

FIVE YEAR FINANCIAL SUMMARY

(thousands)	2003	2002	2001	2000	1999
Investments at Market:					
Bonds and Debentures	$1,199,931	$1,188,617	$1,105,407	$1,161,378	$1,043,629
Real Return Bonds	16,058	14,861	13,462	26,842	32,131
Canadian Equities	1,076,871	931,137	1,061,805	1,145,250	1,144,649
Foreign Equities	616,982	556,037	686,018	697,473	713,181
Cash and Short-term Deposits	92,192	35,825	129,583	106,336	66,708
Venture Capital	102	191	219	225	185
Other Liabilities	(7,995)	(7,088)	(8,299)	(6,053)	(2,975)
	$2,994,141	$2,719,580	$2,988,195	$3,131,451	$2,997,508
Assets Available for					
Main Account					
– General Component	2,562,386	2,612,668	2,858,486	2,984,364	2,997,508
– Future Contribution Reserve	244,212	–	–	–	–
Plan Members' Account					
– Unallocated Portion	6,413	15,132	16,117	16,433	–
– Enhancement Cost Reserve	57,275	–	–	–	–
City Account	123,855	91,780	113,592	130,654	–
	$2,994,141	$2,719,580	$2,988,195	$3,131,451	$2,997,508

MAIN ACCOUNT – GENERAL COMPONENT*

	2003	2002	2001	2000	1999
Contributions					
Employees	$ 24,092	$ 23,163	$ 22,478	$ 21,960	$ 22,080
City of Winnipeg and Participating Employers	2,509	–	–	–	17,015
Reciprocal Transfers	503	534	790	470	975
Transfer from					
Future Contribution Reserve	31,824	–	–	–	–
Enhancement Cost Reserve	6,677	–	–	–	–
City Account	13,528	15,336	14,690	16,193	–
Net Investment Income (Loss)	308,032	(172,521)	(56,726)	238,172	326,224
	387,165	(133,488)	(18,768)	276,795	366,294
Pension Payments	101,151	96,460	92,287	87,521	81,267
Lump Sum Benefits	11,547	12,702	11,929	16,749	11,705
Administration	2,523	3,168	2,894	2,401	2,002
Transfer to					
Future Contribution Reserve	244,984	–	–	–	–
City Account	30,010	–	–	168,132	–
Plan Members' Account – Unallocated Portion	47,232	–	–	15,136	–
	437,447	112,330	107,110	289,939	94,974
Increase (Decrease) in Net Assets	$ (50,282)	$ (245,818)	$ (125,878)	$ (13,144)	$ 271,320

** The figures prior to 2003 presented in this summary related to the Main Account – General Component reflect the combination of the former Regular Pension Benefits Account and the Supplementary Pension Benefits Account.*

C I V I C

MAIN ACCOUNT — FUTURE CONTRIBUTION RESERVE					
(thousands)	2003	2002	2001	2000	1999
Transfer of Surplus from Main Account – General Component	$244,984	$ –	$ –	$ –	$ –
Net Investment Income	31,052	–	–	–	–
	276,036	–	–	–	–
Transfer to Main Account – General Component	31,824	–	–	–	–
Increase in Net Assets	$244,212	$ –	$ –	$ –	$ –
PLAN MEMBERS' ACCOUNT — UNALLOCATED PORTION					
Transfer of Surplus from Main Account – General Component	$ 47,232	$ –	$ –	$ 15,136	$ –
Net Investment Income (Loss)	934	(985)	(316)	1,297	–
	48,166	(985)	(316)	16,433	–
Transfer to Enhancement Cost Reserve	56,885	–	–	–	–
Increase (Decrease) in Net Assets	$ (8,719)	$ (985)	$ (316)	$ 16,433	$ –
PLAN MEMBERS' ACCOUNT — ENHANCEMENT COST RESERVE					
Transfer of Surplus from Plan Members' Account – Unallocated Portion	$ 56,885	$ –	$ –	$ –	$ –
Net Investment Income	7,067	–	–	–	–
	63,952	–	–	–	–
Transfer to Main Account General Component	6,677	–	–	–	–
Increase in Net Assets	$ 57,275	$ –	$ –	$ –	$ –
CITY ACCOUNT					
Transfer of Surplus from Main Account – General Component	$ 30,010	$ –	$ –	$168,132	$ –
Net Investment Income (Loss)	15,593	(6,476)	(2,372)	13,710	–
	45,603	(6,476)	(2,372)	181,842	–
Transfer to Main Account General Component	13,528	15,336	14,690	16,193	–
Refund of '98 & '99 Employer Contributions	–	–	–	34,995	–
	13,528	15,336	14,690	51,188	–
Increase (Decrease) in Net Assets	$ 32,075	$ (21,812)	$ (17,062)	$130,654	$ –
Annual Rates of Return	13.8%	(5.9)%	(1.7)%	8.6%	12.3%

* The figures prior to 2003 presented in this summary related to the Main Account – General Component reflect the combination of the former Regular Pension Benefits Account and the Supplementary Pension Benefits Account.

MEMBER SERVICES

Whether participating in orientation sessions for new employees or meeting individually with Program Members who are retiring (or considering retirement), Program staff strive to provide accurate, timely and valuable service to all Program Members, both prior to and after retirement.

On a daily basis, staff ensure that employee records are accurate, calculate termination or retirement pension benefits, meet with Program Members, and provide information in response to Member queries.

Total Program membership decreased slightly to 14,661 at December 31, 2003. The number of contributing members continues to decrease to 8,106 from a high of 9,617 in 1990. The number of pensioners continues to grow, increasing 2.0% to 5,716 during 2003.

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM
SUMMARY OF MEMBERSHIP

	2003	2002	2001	2000	1999
CONTRIBUTING MEMBERS	8,106	8,252	8,282	8,387	8,491
INACTIVE MEMBERS	839	836	849	795	772
PENSIONERS	5,716	5,606	5,482	5,404	5,245
TOTAL MEMBERSHIP	14,661	14,694	14,613	14,586	14,508
ACTIVITY DURING THE YEAR					
RETIREMENTS	231	256	217	272	159
DEATHS IN SERVICE	16	19	11	18	18
PENSIONER DEATHS	206	191	203	180	169
NEW DISABILITIES	78	64	103	80	82
NEW MEMBERS	374	547	556	585	418
TERMINATIONS	315	359	444	419	400

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM
MEMBERSHIP

REPORT FROM THE DIRECTOR OF INVESTMENTS

The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program* delegates to its Investment Committee the responsibility for determining the Program's asset mix, within the parameters of the Program's Statement of Investment Policies and Procedures, for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers. The Program utilizes external investment managers to manage the equity portfolios. The short-term investments and the bond portfolio, including real return bonds, are managed internally by Kirk Merlevede, Manager of Fixed Income Investments.

In 2003, the investment portfolio returned 13.8%. Stock markets globally rose in 2003 as consumer confidence and capital investment improved. After extraordinary returns in the financial markets in 1993 and negative returns in 1994, the years 1995 through 2000 experienced abnormally high real returns, followed by negative returns for 2001 and 2002. The Program's four-year and ten-year annualized rates of return of 3.4% and 9.1%, respectively, place the Program at the 79th percentile and 41st percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service. The second quartile ten-year record can be attributed to excellent bond management over the last decade and a significant exposure to the U.S. equity market. More recent performance, however, has been adversely affected by having the *Program's* equity portfolios biased in style by "growth" securities as opposed to "value" securities. For the last three years, "value" securities have outperformed "growth" securities significantly in a very challenging stock market environment.

Asset Mix

As a result of appreciation in the equity markets, there was an increase in allocation to equity investments – from 54.6% of the portfolio at the beginning of the year to 56.4% at year-end. Throughout the year, income generated by the bond portfolio was directed to benefit payments and money market investments. Benefit payments exceeded contributions and interest income by $91 million in 2003. Additional funds were raised by liquidating $87 million from the Program's Canadian Equity position. An additional allocation of $7 million was directed to the Program's Non-North American Equity position, thus increasing this asset allocation by approximately 0.4% to 7.5% of the portfolio.

Equity Investments

The Program's Canadian Equity Managers marginally underperformed the S&P/TSX Composite Index but outperformed the median pension fund in 2003 with a rate of return of 26.4%. The S&P/TSX Composite Index had a return of 26.7% in 2003 compared to a return of -12.4% in 2002.

The Program's Foreign Equity Managers, collectively, achieved a rate of return of 9.7% in Canadian dollar terms in 2003. This return was above the median due to above-median performance in U.S. equities and Non-North American equities. The U.S. Equity Managers collectively achieved a return of 7.6%, in Canadian dollars, in 2003, which was above the return of the S&P 500 of 5.3%. Over the last ten years, the U.S. stock market has significantly outperformed the Canadian stock market. The Program's Non-North American Managers collectively returned 13.5% in 2003. The Europe Australia Far East Index rose 13.4% which was reflective of improving foreign markets and relative strength in foreign currencies.

Fixed Income Investments

The Program's bond portfolio achieved a rate of return of 6.6% in 2003. For the four- and ten-year periods ended December 31, 2003, the bond portfolio returned 8.9% and 9.3% annually, respectively, ranking in the top 1% of all bond fund returns in Canada for the ten-year period.

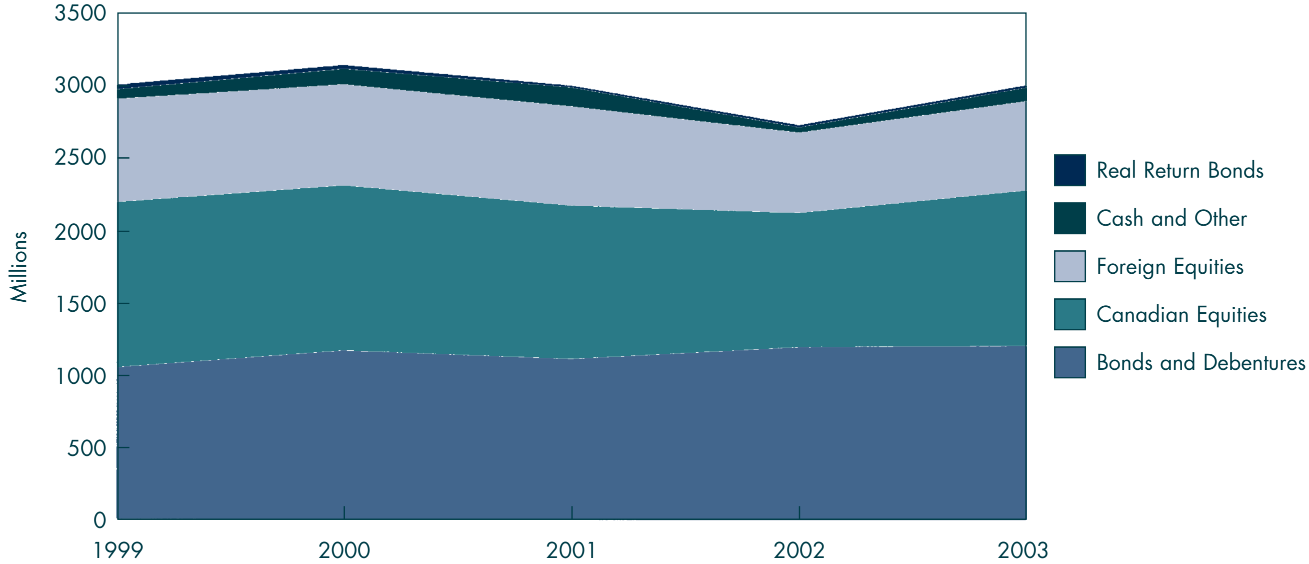
Our strategy of maintaining a long duration, high quality bond portfolio positively influenced our absolute and relative performance over the ten years.

Asset Mix Strategy for 2004

The Investment Committee anticipates maintaining the equity weighting in the portfolio at approximately 55% of the total portfolio. It intends, however, to increase the weighting of the Non-North American Equity portion by approximately 3%, thus improving the diversification of our fund and lessening risk. Correspondingly, the Canadian equity position will be reduced by 5%. By year-end 2004, it is anticipated that the portfolio will be weighted 55% equities, 44% fixed income, 1% short term investments.

Rick Abbott
Director of Investments

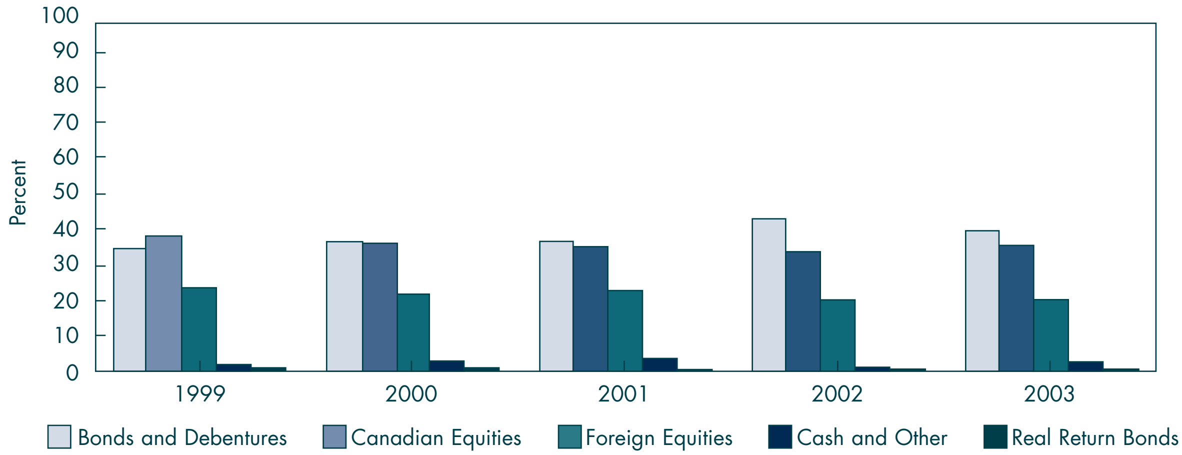
INVESTMENTS
THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN



ASSET MIX

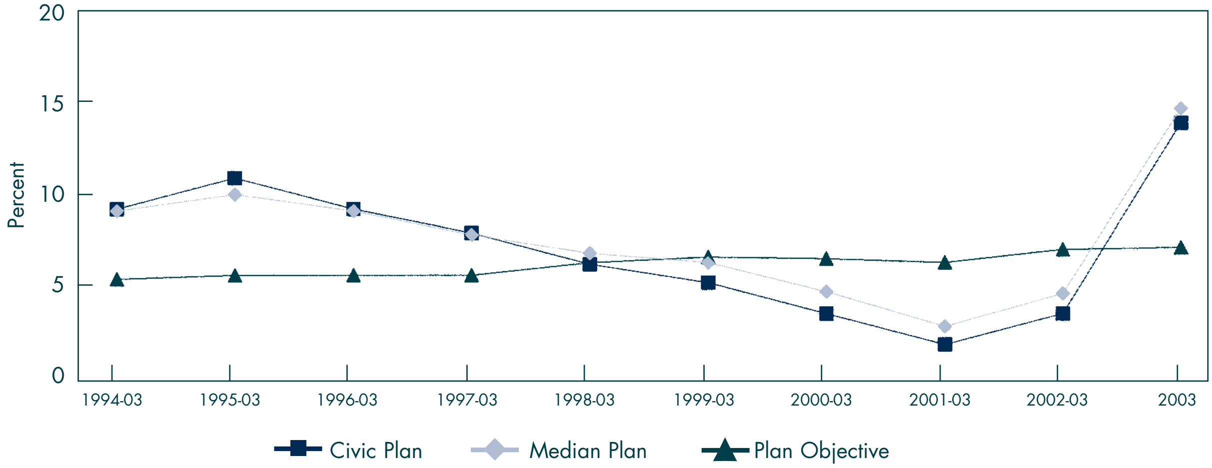
	2003	2002	2001	2000	1999
Bonds & Debentures	40.0%	43.6%	36.9%	37.0%	34.8%
Real Return Bonds	.5	.5	.5	.9	1.1
Canadian Equities	35.9	34.2	35.4	36.5	38.1
Foreign Equities	20.5	20.4	22.9	22.2	23.8
Cash & Other	3.1	1.3	4.3	3.4	2.2
	100.0%	100.0%	100.0%	100.0%	100.0%

ASSET MIX
THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN



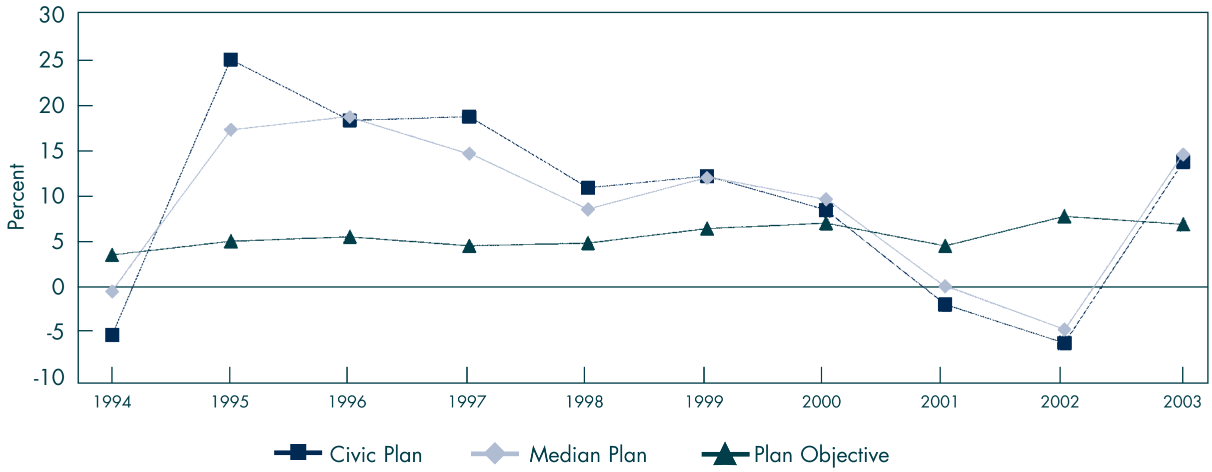
ANNUALIZED RATES OF RETURN

The Winnipeg Civic Employees' Pension Plan



ANNUAL RATES OF RETURN

The Winnipeg Civic Employees' Pension Plan



TOTAL RETURNS

	One Year	Four Years	Ten Years
Total Fund	13.8%	3.4%	9.1%
Bonds and Debentures	6.6	8.9	9.3
Canadian Equities	26.4	4.3	10.2
Foreign Equities	9.7	(7.7)	8.1
BENCHMARKS			
Scotia Capital Markets Universe Bond Index	6.7	8.4	7.8
S&P / TSX Composite Index	26.7	1.0	8.6
S&P 500	5.3	(8.0)	10.8
Europe, Australia, Far East Stock Market Index	13.4	(8.5)	4.2
Consumer Price Index	2.0	2.4	1.8

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Winnipeg Civic Employees' Benefits Program as at January 1, 2003 relying on data and other information provided to us by the Employee Benefits Board. The results of the valuation are contained in our report dated July 10, 2003.

The principal results are as follows:

ACTUARIAL POSITION

The Program is fully funded in respect of benefits earned for service up to January 1, 2003 and had an excess of actuarial value of assets over actuarial liabilities of $429,138,000 as at that date.

Of this amount, $242,916,000 had previously been allocated to the Plan Members' Account, City Account and Future Contribution Reserve, leaving $186,222,000 to be allocated in accordance with the Pension Trust Agreement as follows:

Transfer to Future Contribution Reserve	$145,421,000
Transfer to Plan Members' Account	20,400,500
Transfer to City Account	20,400,500
	$186,222,000

COST OF BENEFITS FOR SERVICE IN 2003

The normal actuarial cost of benefits expected to be earned under the Program for service in 2003 is 24.22% of contributory earnings.

This cost is expected to be financed by employee contributions averaging 6.69% of contributory earnings, employer contributions and transfers from the City Account of 6.69% of contributory earnings, transfers from the Future Contribution Reserve of 8.96% of contributory earnings and transfers from the Enhancement Cost Reserve within the Plan Members' Account of 1.88% of contributory earnings.

In our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Winnipeg Civic Employees' Benefits Program as at January 1, 2003 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and our opinion given, in accordance with accepted actuarial practice.

Donald M. Smith
Fellow of the Canadian Institute of Actuaries

Natalie F. Thompson
Fellow of the Canadian Institute of Actuaries

AUDITORS' REPORT

To the Chairperson and Members
The Board of Trustees of The Winnipeg Civic
Employees' Benefits Program (Pension Fund)

We have audited the statement of net assets available for benefits of The Winnipeg Civic Employees' Pension Plan as at December 31, 2003 and the statements of changes in net assets available for benefits of the main account – general component, main account – future contribution reserve, plan members' account – unallocated portion, plan members' account – enhancement cost reserve and City account for the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of The Winnipeg Civic Employees' Pension Plan as at December 31, 2003 and the changes in its net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Winnipeg, Manitoba
March 26, 2004

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at December 31

	2003 (000's)	2002 (000's)
ASSETS		
Investments, at market		
Bonds and debentures	$ 1,210,734	$ 1,197,649
Canadian equities	1,076,871	931,137
Foreign equities	616,982	556,037
Cash and short term deposits	92,192	35,825
Venture capital	102	191
	2,996,881	2,720,839
Accrued interest	5,255	5,829
Accounts receivable	47	36
Due from other plans	7	117
Total assets	3,002,190	2,726,821
LIABILITIES		
Accounts payable	8,049	7,241
Total liabilities	8,049	7,241
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,994,141	$ 2,719,580
NET ASSETS AVAILABLE FOR BENEFITS COMPRISED OF:		
Main Account – General Component	$ 2,562,386	$ 2,612,668
Main Account – Future Contribution Reserve	244,212	–
Plan Members' Account – Unallocated Portion	6,413	15,132
Plan Members' Account – Enhancement Cost Reserve	57,275	–
City Account	123,855	91,780
	$ 2,994,141	$ 2,719,580

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Contributions		
Employees	$ 24,092	$ 23,163
City of Winnipeg and participating employers	2,509	–
Reciprocal transfers from other plans	503	534
	27,104	23,697
Transfers from other accounts and reserves (Note 1)		
City Account	13,528	15,336
Future Contribution Reserve	31,824	–
Enhancement Cost Reserve	6,677	–
	79,133	39,033
Investment income (Note 6)	95,607	106,230
Current period change in market value of investments	215,743	(274,965)
Total increase (decrease) in assets	390,483	(129,702)
DECREASE IN ASSETS		
Pension payments	101,151	96,460
Lump sum benefits	11,547	12,702
Administrative expenses (Note 7)	2,523	3,168
Investment management and custodial fees	3,318	3,786
Transfer of surplus to Future Contribution Reserve (Note 3)	244,984	–
Transfer of surplus to City Account (Note 3)	30,010	–
Transfer of surplus to Plan Members' Account (Note 3)	47,232	–
Total decrease in assets	440,765	116,116
(Decrease) in net assets	(50,282)	(245,818)
Net assets available for benefits at beginning of year	2,612,668	2,858,486
Net assets available for benefits at end of year	$2,562,386	$2,612,668

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Transfer of surplus from Main Account – General Component (Note 3)	$ 244,984	$ –
Investment income (Note 6)	9,638	–
Current period change in market value of investments	21,748	–
Total increase in assets	276,370	–
DECREASE IN ASSETS		
Investment management and custodial fees	334	–
Transfer to Main Account – General Component (Note 1)	31,824	–
Total decrease in assets	32,158	–
Increase in net assets	244,212	–
Net assets available for benefits at beginning of year	–	–
Net assets available for benefits at end of year	$ 244,212	$ –

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Transfer of surplus from Main Account – General Component (Note 3)	$ 47,232	$ –
Investment income (Note 6)	290	606
Current period change in market value of investments	654	(1,570)
Total increase (decrease) in assets	48,176	(964)
DECREASE IN ASSETS		
Investment managment and custodial fees	10	21
Transfers to Plan Members' Account – Enhancement Cost Reserve	56,885	–
Total decrease in assets	56,895	21
(Decrease) in net assets	(8,719)	(985)
Net assets available for benefits at beginning of year	15,132	16,117
Net assets available for benefits at end of year	$ 6,413	$ 15,132

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Transfers from Plan Members Account – Unallocated Portion (Note 3)	$ 56,885	$ –
Investment income (Note 6)	2,193	–
Current period change in market value of investments	4,950	–
Total increase in assets	64,028	–
DECREASE IN ASSETS		
Investment managment and custodial fees	76	–
Transfer to Main Account – General Component (Note 1)	6,677	–
Total decrease in assets	6,753	–
Increase in net assets	57,275	–
Net assets available for benefits at beginning of year	–	–
Net assets available for benefits at end of year	$ 57,275	$ –

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Transfer of surplus from Main Account – General Component (Note 3)	$ 30,010	$ –
Investment income (Note 6)	4,840	3,987
Current period change in market value of investments	10,921	(10,321)
Total increase (decrease) in assets	45,771	(6,334)
DECREASE IN ASSETS		
Investment managment and custodial fees	168	142
Transfer to Main Account – General Component (Note 1)	13,528	15,336
Total decrease in assets	13,696	15,478
Increase (decrease) in net assets	32,075	(21,812)
Net assets available for benefits at beginning of year	91,780	113,592
Net assets available for benefits at end of year	$ 123,855	$ 91,780

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2003

1. DESCRIPTION OF PLAN

a) General

The Winnipeg Civic Employees' Pension Plan is a defined benefit pension plan which provides pension benefits for all City of Winnipeg employees, with the exception of police officers, and employees of certain other employers which participate in the Plan. The Plan is part of The Winnipeg Civic Employees' Benefits Program which also includes The Winnipeg Civic Employees' Long Term Disability Plan and The Winnipeg Civic Employees' Early Retirement Benefits Arrangement.

All employees of participating employers who work full time throughout the year are required to become members of the Plan at the commencement of their employment. Seasonal and part-time employees are required to become members when they have earned 25% of the maximum pensionable earnings under the Canada Pension Plan in each of two consecutive years.

b) Financial Structure

The Winnipeg Civic Employees' Pension Plan is comprised of three accounts, namely the Main Account (which has two components being the General Component and the Future Contribution Reserve), the Plan Members' Account (which has two components being the Unallocated Portion and the Enhancement Cost Reserve) and the City Account. The account structure is in accordance with the requirements of a Pension Trust Agreement entered into by the City and ten Signatory Unions on October 7, 2002 and became effective January 1, 2003 when The Winnipeg Civic Employees' Benefits Program superceded the former Employee Benefits Program of the City of Winnipeg.

i. Main Account – General Component

All benefits of the Pension Plan are paid from the Main Account – General Component.

Members contribute 6 1/2% of their Canada Pension Plan earnings plus 7 1/2% of any pensionable earnings in excess of Canada Pension Plan earnings to the Program.

All Program member contributions and employer contributions, other than those directed to the Winnipeg Civic Employees' Long Term Disability Plan or the Winnipeg Civic Employees' Early Retirement Benefits Arrangement, are credited to the Main Account.

The City and participating employers are required to match the members' contributions to the Program, but may contribute at less than matching levels for any year provided that an amount equal to the difference is transferred from the City Account to the Main Account.

The Plan has been designated as a "multi-unit pension plan" under the Pension Benefits Act of Manitoba. As a "multi-unit pension plan", the financial obligations of the participating employers are limited to those specified in the Pension Trust Agreement.

An actuarial valuation of the future benefit obligations of the Main Account is carried out each year. Actuarial surpluses and funding deficiencies are dealt with in accordance with the terms of the Pension Trust Agreement.

ii. Main Account – Future Contribution Reserve

The Future Contribution Reserve is credited with a portion of actuarial surpluses.

The Future Contribution Reserve finances, through transfers to the Main Account – General Component, the portion of the current service cost of the Program's 1999 benefits level that exceeds the Program members' and employers' matching contributions. The reserve is also intended to finance the future service cost related to this shortfall of matching contributions for the existing members.

iii. Plan Members' Account – Unallocated Portion

The Plan Members' Account – Unallocated Portion is credited with the share of all actuarial surpluses that are allocated to the Program members. The account will finance the past service cost of any benefit enhancements above the Program's 1999 benefits level, as well as any reduction in the Program members' contribution rates below current rates.

iv. Plan Members' Account – Enhancement Cost Reserve

The Enhancement Cost Reserve is credited with amounts transferred from the Plan Members' Account – Unallocated Portion.

The Enhancement Cost Reserve finances, through transfers to the Main Account – General Component, the current service cost of all benefit enhancements above the Program's 1999 benefits level. The reserve is also intended to finance the future service cost of the enhancements for the existing Program members.

v. City Account

The City Account is credited with the share of all actuarial surpluses that are allocated to the participating employers. The City Account finances, through transfers to the Main Account – General Component, any reduction in the participating employers' contributions from the amounts needed to match the Program members' required contributions.

c) Retirement pensions

The Plan allows for retirement at or after age 55 or following completion of 30 years of service, or when the sum of a member's age plus service equals 80. The pension formula prior to age 65 is equal to 2% of the best 5-year average earnings for each year of credited service. The pension formula after age 65 is equal to 1.5% of the 5-year average Canada Pension Plan earnings plus 2% of the best 5-year average non-Canada Pension Plan earnings for each year of credited service.

Retirement and survivor pensions, including deferred pensions, are increased annually to provide cost-of-living adjustments at the stated level in the Program text, which level is currently 80% of the percentage change in the Consumer Price Index for Canada.

d) Disability benefits

The Plan provides long term disability benefits for employees who were totally or partially disabled prior to December 31, 1991. All long term disability benefits subsequent to December 31, 1991 are provided by The Winnipeg Civic Employees' Long Term Disability Plan. If an employee is totally disabled, the disability benefits payable from the Plan, together with the disability benefits from the Canada Pension Plan, will equal at least 66 2/3% of the current earnings rate for the position occupied by the employee prior to becoming disabled.

e) Survivor's benefits

The Plan provides survivor pensions or lump sum benefits on death prior to retirement. On death after retirement, eligible surviving spouses normally receive 66 2/3% of the member's pension.

f) Termination benefits

Upon application and subject to vesting and locking-in provisions, deferred pensions or equivalent lump sum benefits are payable when a member terminates employment.

g) Variation in benefits

The Pension Trust Agreement provides that Plan benefits may be increased using funds available in the Plan Members' Account – Unallocated Portion or may be reduced in the event of a funding deficiency.

h) Administration

The Plan was continued as a jointly trusteed plan effective January 1, 2003 (see Note 3), and is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund). The Board of Trustees is comprised of seven employer appointed Trustees and seven member appointed Trustees, of whom one member Trustee is a retired member.

Up until December 31, 2002, the Plan was administered by the Employee Benefits Board which was comprised of six representatives elected by the members, six representatives appointed by City Council, and the Chief Financial Officer of the City or his or her designate.

The Plan is registered under the Pension Benefits Act of Manitoba and the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the sponsor and Program members. They are prepared to assist Program members and others in reviewing the activities of the Plan for the fiscal period.

b) Investments

Investments are stated at market value. Equity investments are valued using published closing market prices. Fixed income investments are valued using published mid-market quotations. The market value of the venture capital investments has been determined by the venture capital funds.

Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis.

The Plan's Investment income, current period change in market value of investments and investment management and custodial fees are allocated between the Accounts and Reserves based on the average balance of each Account and Reserve during the year.

c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the year end. Income and expenses, and the purchase and sale of investments, are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

d) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the year. Actual results could differ from those estimates.

3. TRANSITION TO JOINT TRUSTEESHIP

On January 1, 2003 the Program became jointly trusteed, with current and future actuarial surpluses and deficits being shared between the participating employers and Program members in accordance with the terms of a Pension Trust Agreement. The participating employers' share of surpluses will be available to finance reductions of employer contributions. The Program members' share of surpluses will be available to improve benefits or reduce members' contributions. The restructuring of the Program required legislative amendment to the City of Winnipeg Act in 2001, Court approval, and approval of regulatory authorities, which approvals were received in 2002.

Benefits were improved in 2000 pursuant to an Interim Arrangement, and under joint trusteeship are extended to apply to service after December 31, 2002.

Under the restructured Program, the contribution rates for the Program members and participating employers may be increased but not to exceed 8% of pensionable earnings, whereas under the former Program provisions, Program members contributed at a fixed rate and the employers were responsible for the balance of the Program's cost as determined by the Program's actuary.

On January 1, 2003, the former Regular Pension Benefits Account and Supplementary Pension Benefits Accounts were merged to form the Main Account – General Component, out of which all Plan benefits are paid. All previously undistributed surplus in the amount of $186,222,000 was allocated in accordance with the terms of the new Pension Trust Agreement. The necessary transfers between the accounts were made on January 1, 2003 to give effect to the new financial structure.

Under the restructured Program, the obligations for pension benefits which relate to the new Main Account – General Component are calculated to include full funding of post-termination and post-retirement cost-of-living adjustments at the stated level in the Program text. In addition, the new Future Contribution Reserve and Enhancement Cost Reserve were established to finance the difference between the cost of annual benefit accruals and matching employee and employer contributions.

4. OBLIGATIONS FOR PENSION BENEFITS

An actuarial valuation of The Winnipeg Civic Employees' Benefits Program was made as of January 1, 2003 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Board of Trustees for purposes of preparing this note to the financial statements. The economic assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term economic and investment market conditions. Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 6% per year, inflation of 2% per year and general increases in pay of 3.5% per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at January 1, 2003 disclosed an actuarial surplus of $186,222,000 which was allocated in 2003 in accordance with the Pension Trust Agreement.

The results of the January 1, 2003 actuarial valuation were extrapolated to December 31, 2003 to determine the actuarial present value of accrued pension benefits disclosed below. The actuarial present value of the Program's accrued benefits as at December 31, 2003, and the principal components of changes in actuarial present values during the year, were as follows:

	2003 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 2,548,679
Interest accrued on benefits	151,931
Benefits accrued	89,947
Benefits paid	(119,681)
Administrative expenses paid	(3,263)
Actuarial present value of accrued benefits, end of year	$ 2,667,613

The assets available to finance the Program's accrued benefits are those allocated to the Main Account – General Component. To be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets of the Main Account – General Component was determined from market values. The actuarial value placed on the assets smoothes out fluctuations in market values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years. The value of the assets of the Main Account – General Component on an actuarial basis were:

	2003 (000's)
Market value of net assets available for benefits	$ 2,562,386
Market value changes not reflected in actuarial value of assets	76,545
Actuarial value of net assets available for benefits	$ 2,638,931

A full actuarial valuation of the Program is being carried out as of December 31, 2003. If that valuation confirms a funding deficiency, the deficiency will be dealt with in accordance with the Pension Trust Agreement. It is not expected that the actuarial valuation will result in changes to the contribution rates or benefit levels under the Program.

C I V I C

5. INTEREST RATE, CREDIT, FOREIGN CURRENCY AND MARKET RISK

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's asset values, future investment income and actuarial liabilities. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

The Plan's actuarial liabilities are exposed to the long term expectation of rates of return on investments as well as expectations of inflation and salary escalation. The Plan's primary exposure is to a decline in the long-term real rate of return which may result in higher contribution rates or lower benefit levels.

The Plan has approximately 44% of its assets invested in fixed income securities as at December 31, 2003. The returns on fixed income securities are particularly sensitive to changes in nominal interest rates.

The term to maturity and related market values of investments in bonds and debentures held by the Plan at December 31, 2003 are as follows:

Term to Maturity	Market Value (000's)
Less than one year	$ 78,271
Two to five years	465,507
Greater than five years	666,956
	$ 1,210,734

b) Credit Risk

Credit risk arises from the potential for an investee to fail or to default on its contractual obligations to the Plan. At December 31, 2003, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $1,308,181,000. The Plan's concentration of credit risk as at December 31, 2003, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2003 Market Value (000's)	2002 Market Value (000's)
Government of Canada and Government of Canada guaranteed	$ 777,159	$ 810,400
Provincial and Provincial guaranteed	279,534	263,659
Canadian cities, municipalities, and other institutions	40,444	47,919
Corporations	113,597	75,971
	$ 1,210,734	$ 1,197,949

The Plan's investments include debentures and short-term deposits with the City of Winnipeg which have an aggregate market value of $127,979,000 at December 31, 2003.

The Plan limits credit risk by investing in bonds and debentures of investees that are considered to be high quality credits and by utilizing an internal Investment Policy Guideline monitoring process.

c) Foreign Currency Risk

Foreign currency exposure arises from the Plan's holdings of foreign equity investments. The Plan's investment managers may, from time to time, hedge some of this exposure. As at December 31, 2003, the Plan's net foreign currency exposure after giving effect to the net related hedge was as follows:

	2003			2002
Exposure	Gross Exposure (000's)	Net Foreign Currency Hedge (000's)	Net Exposure (000's)	Net Exposure (000's)
United States	$ 390,367	$ 21	$ 390,346	$ 362,675
Euro	69,993	239	69,754	64,845
United Kingdom	48,494	–	48,494	37,885
Japan	37,870	1,134	36,736	30,411
Switzerland	12,670	1,984	10,686	13,859
Hong Kong	7,181	–	7,181	5,778
Other	50,407	2,736	47,671	40,562
	$ 616,982	$ 6,114	$ 610,868	$ 556,015

d) Market Risk

Market risk is the risk that the value of investments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to an individual asset or its issuer, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments.

6. INVESTMENT INCOME

	2003 (000's)	2002 (000's)
Bonds and debentures	$ 81,827	$ 79,270
Canadian equities	19,471	19,471
Foreign equities	9,358	10,245
Cash and short term-deposits	1,912	1,837
	$ 112,568	$ 110,823
Allocated to:		
Main Account – General Component	$ 95,607	$ 106,230
Main Account – Future Contribution Reserve	9,638	–
Plan Members' Account – Unallocated Portion	290	606
Plan Members' Account – Enhancement Cost Reserve	2,193	–
City Account	4,840	3,987
	$ 112,568	$ 110,823

7. ADMINISTRATIVE EXPENSES

	2003 (000's)	2002 (000's)
Salaries and benefits	$ 1,960	$ 1,922
Actuarial fees	497	551
Other professional services	818	1,321
Office and administration	505	481
Capital expenditures	44	187
Less: recoveries from other funds	(1,301)	(1,294)
	$ 2,523	$ 3,168

Certain of the above administrative expenses, including salaries and benefits, represent the reimbursement by the Plan to the City of Winnipeg for the cost of supplying such services.

8. COMPARATIVE FIGURES

The comparative figures presented in these financial statements reflect the combination of the former Regular Pension Benefits Account and the Supplementary Pension Benefits Account (see Note 3).

WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

The *Winnipeg Civic Employees' Long Term Disability Plan* provides long term disability benefits for all City of Winnipeg employees (with the exception of police officers) and for employees of other Participating Employers.

All contributing members of *The Winnipeg Civic Employees' Benefits Program* are automatically members of the Long Term Disability Plan. Employee contributions to the Plan are not required. The Participating Employers contribute amounts equal to the benefits and expenses as they become payable.

If an employee is totally disabled, the benefits payable from the Long Term Disability Plan, together with benefits from the Canada Pension Plan, will equal at least 66 2/3% of an employee's average salary at the date of disability.

Case Management

The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program* promotes a systematic process that provides a consistent and equitable multi-disciplinary approach – referred to as Case Management – when dealing with disabled Plan Members. Central to this process is the belief that the disabled employee must maintain control of their situation and, in so doing, become an active participant in all facets of the Case Management process.

Unique to the Program, is the on-site guidance of a physician, vocational rehabilitation consultant and disability benefits manager (the Case Management Team). These professionals regularly liaise with the disabled employee's community treating practitioners and workplace to facilitate rehabilitation and a work reintegration process.

The Case Management Team, along with the employee, the employing department, and, in most cases, the employee's union representative, ensures that a safe and goal-oriented rehabilitation plan is developed to meet the individual's unique needs. This process promotes open communication by all parties and allows for ongoing reassessment throughout the workplace reintegration trial.

External resources such as occupational therapists, physiotherapists and psychologists are utilized as required, in a timely and cost-effective manner. The roles of these external service providers are directly linked to a predetermined workplace reintegration plan.

The Long Term Disability Plan continues to face significant challenges in dealing with the relatively large number of claims that are forthcoming. Psychological claims remain significant.

It is hoped that workplace initiatives currently being explored by the City of Winnipeg and other Participating Employers will introduce processes which will address, in part, the increasing number of claims coming forth for benefits under the Plan, and ultimately assist, to a greater degree, the needs of ill and injured employees.

ACTIVITY SUMMARY

For The Years Ended December 31

	2003	2002	2001	2000	1999
Employees Receiving Disability Benefits	435	435	440	409	397
Employees Returning to Pre-Disability Duties	28	28	28	31	31
Employees Working in Alternate Duties	93	104	101	98	100
Employees Working in Other Placements	27	26	34	29	27
Cost Savings of Employees Returning to Alternate Work*	$1,196,056	$1,121,073	$ 858,812	$ 782,820	$ 825,461
Disability Benefits Paid	$6,980,000	$6,717,000	$6,812,000	$4,822,000	$4,206,000

**Amounts do not reflect savings of employees returning to pre-disability duties.*

AUDITORS' REPORT

To the Chairperson and Members
The Board of Trustees of The Winnipeg Civic
Employees' Benefits Program (Disability Fund)

We have audited the statement of contributions and expenses of The Winnipeg Civic Employees' Long Term Disability Plan for the year ended December 31, 2003. The financial statement is the responsibility of the board's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our opinion, the financial statement presents fairly, in all material respects, the contributions and expenses of The Winnipeg Civic Employees' Long Term Disability Plan for the year ended December 31, 2003 in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Winnipeg, Manitoba
March 26, 2004

STATEMENT OF CONTRIBUTIONS AND EXPENSES

For the years ended December 31

	2003 (000's)	2002 (000's)
CONTRIBUTIONS		
The City of Winnipeg and participating employers	$ 7,721	$ 7,399
Total Contributions	7,721	7,399
EXPENSES		
Administration	741	682
Disability payments	6,980	6,717
Total Expenses	7,721	7,399
	$ –	$ –

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2003

1. DESCRIPTION OF PLAN

a) General

The Winnipeg Civic Employees' Long Term Disability Plan was created January 1, 1992 as a result of changes required by Revenue Canada (now The Canada Revenue Agency). The Plan provides long term disability benefits for all City of Winnipeg employees and employees of certain other employers who are contributing members to the Winnipeg Civic Employees' Pension Plan.

b) Contributions

The City of Winnipeg and participating employers contribute amounts equal to the benefits and expenses of the plan. Employee contributions are not required or permitted.

c) Eligibility

A member who is totally disabled or partially disabled after December 31, 1991 may apply for disability benefits. If the application is approved by the Board of Trustees, it shall be effective on the date on which the member has been totally or partially disabled and under the personal care of a medical doctor for at least the last 26 weeks.

d) Disability benefits

The plan provides long term disability benefits, following a six month waiting period, for employees who are totally or partially disabled. If an employee is totally disabled, the disability benefits payable from the plan, together with the disability benefits from the Canada Pension Plan, will equal at least 66 2/3% of the employee's salary at the date of disablement.

If a member has more than two years of credited service in the Winnipeg Civic Employees' Pension Plan, then disability benefits are payable as long as the member is totally or partially disabled and under the personal care of a medical doctor to age 65. If a member has less than two years of credited service, then benefits are payable for a maximum of two years.

e) Administration

The Plan was continued as a jointly trusteed plan effective January 1, 2003, and is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund). The Board of Trustees is comprised of six employer appointed Trustees and six member appointed Trustees. Prior to this date the Plan was administered by the Employee Benefits Board, which was comprised of six representatives elected by the members, six representatives appointed by City Council, and the Chief Financial Officer of the City or his or her designate.

CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

EMPLOYEES' GROUP LIFE INSURANCE PLAN

The City of Winnipeg Employees' Group Life Insurance Plan is comprised of two Plans, the Civic Employees' Group Life Insurance Plan for employees of the City of Winnipeg other than police officers ("Civic employees") and the Police Employees' Group Life Insurance Plan for police employees ("Police employees").

Civic employees join the Group Life Insurance Plan at the same time they are enrolled in The Winnipeg Civic Employees' Benefits Program. Plan members are covered for basic life insurance coverage of one or two times annual earnings. Optional coverage can be purchased under the Plan to increase coverage to up to four times annual earnings. Plan members and the City share equally in the cost of basic life insurance for active members. Upon retirement, a portion of the basic life insurance can be continued at the employee's option. Coverage on the life of a disabled member continues at the same earnings multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

All Police employees are required to become members of the Police Plan commencing on their employment date. Police employees are covered for basic life insurance coverage of two times annual salary. Optional coverage can be purchased under the Plan to increase coverage up to four times annual salary. A portion of the basic life insurance coverage can be continued after retirement at the employee's option. Plan members and the City share equally in the cost of basic life insurance for active members. Coverage on the life of disabled members will continue at the same salary multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

Contributions to the Plans finance the cost of pre-retirement basic and additional life insurance coverage in the year the coverage is provided and set aside funds which, together with investment income and the contributions made by pensioners, will finance the cost of post-retirement insurance coverage. Pensioners contribute at the same rate as employees, although these contributions cover only a fraction of the cost of this insurance. The balance of the cost of the post-retirement insurance is financed by a portion of the contributions made to the Plans while the member is an employee. This portion of the contributions which is set aside to fund post-retirement insurance coverage is invested from the time the contributions are made until after the member's retirement.

Total Plan membership for the Civic Employees has declined 1% over the past four years. The number of active members has declined 6% over this period, going from 8,441 at the end of 1999 to 7,919 at the end of 2003. The number of pensioners has grown 10% over this period, increasing from 3,744 at the end of 1999 to 4,104 at the end of 2003.

Total Plan membership for Police Employees has grown by 12% over the past four years. The number of active members has increased 2% over this period, going from 1,221 at the end of 1999 to 1,247 at the end of 2003. The number of police pensioners has grown substantially, going from 399 at the end of 1999 to 572 at the end of 2003, a 43% increase over the period.

The Civic Employees' Group Life Insurance Plan's actuarial valuation as at December 31, 2001 disclosed an actuarial surplus of $28,856,000 and a contingency reserve in the amount of $4,495,000. The surplus is being utilized to finance reductions to contribution rates of 50% for basic life insurance and 25% for optional life insurance for the Civic Employees' Group Life Insurance Plan.

The Police Employees' Group Life Insurance Plan's actuarial valuation as at December 31, 2002 disclosed an actuarial surplus of $5,101,000 and a contingency reserve in the amount of $925,000. The surplus is being utilized to finance reductions to contribution rates of 51% for basic life insurance and 25% for optional life insurance for the Police Employees' Group Life Insurance Plan.

CITY OF WINNIPEG
CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN
SUMMARY OF PLAN MEMBERSHIP

	2003	2002	2001	2000	1999
MEMBERS					
Active Members	7,919	8,086	8,142	8,212	8,441
Disabled Members	435	431	433	418	384
Pensioners	4,104	4,044	3,893	3,877	3,744
TOTAL	12,458	12,561	12,468	12,507	12,569
DEATHS					
Active	16	18	11	18	18
Pensioners	144	128	148	111	110
LIFE INSURANCE IN FORCE *(thousands)*					
Basic	$702,260	$680,240	$652,387	$647,616	$613,993
Optional	179,594	175,340	166,290	167,627	157,750
Pensioners	99,291	96,586	92,418	89,335	84,517

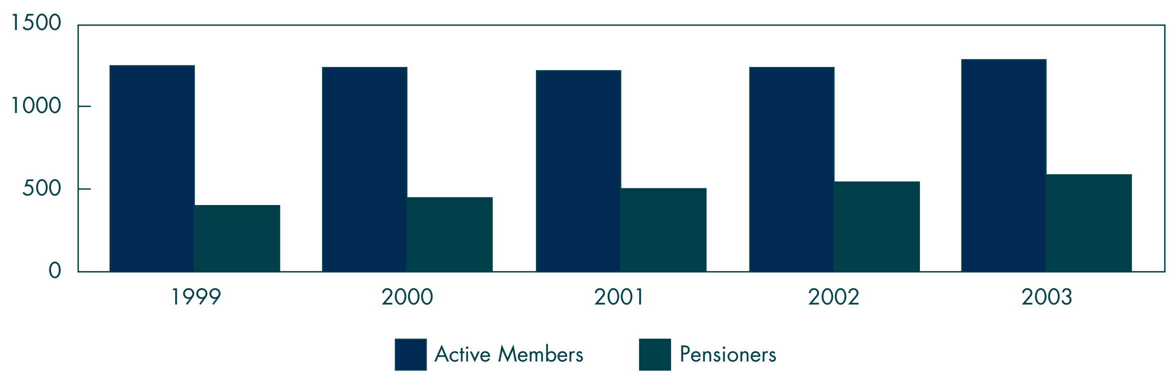
MEMBERSHIP PROFILE
Civic Employees' Group Life Insurance Plan

GROUP LIFE

CITY OF WINNIPEG
POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN
SUMMARY OF PLAN MEMBERSHIP

	2003	2002	2001	2000	1999
MEMBERS					
Active Members	1,247	1,208	1,186	1,205	1,221
Pensioners	572	539	498	442	399
TOTAL	1,819	1,747	1,684	1,647	1,620
DEATHS					
Active	0	1	1	2	3
Pensioners	3	2	4	4	6
LIFE INSURANCE IN FORCE *(thousands)*					
Basic	$157,181	$152,694	$141,820	$142,700	$139,420
Optional	37,061	35,022	31,372	29,930	28,619
Pensioners	30,530	28,461	25,707	22,408	19,891

MEMBERSHIP PROFILE
POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN



CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN
FIVE YEAR FINANCIAL SUMMARY

(thousands)	2003	2002	2001	2000	1999
INVESTMENTS AT MARKET:					
Bonds & Debentures	$ 34,238	$ 32,160	$ 31,410	$ 32,381	$ 29,587
Real Return Bonds	679	628	569	585	1,692
Canadian Equities	37,668	29,820	33,691	35,089	30,927
Foreign Equities	19,610	17,655	21,505	20,306	20,897
Short Term Deposits	4,175	5,544	5,874	6,432	3,647
Other Liabilities	(411)	(486)	(132)	(455)	(424)
	$ 95,959	$ 85,321	$ 92,917	$ 94,338	$ 86,326
NET ASSETS:					
Civic Employees	80,039	71,558	78,303	79,772	73,056
Police Employees	15,920	13,763	14,614	14,566	13,270
	$ 95,959	$ 85,321	$ 92,917	$ 94,338	$ 86,326
INCREASE IN CIVIC EMPLOYEES' NET ASSETS					
Contributions					
City of Winnipeg*	$ 838	$ 801	$ 783	$ 1,519	$ 1,529
Employees	1,207	1,151	1,188	1,927	1,925
Pensioners	131	122	118	220	212
Investment Income (Loss)	10,230	(5,110)	(788)	6,539	6,491
	12,406	(3,036)	1,301	10,205	10,157
Decrease in Assets					
Actuarial Fees	54	60	20	40	3
Administration	90	83	67	68	69
Benefit Payments	3,500	3,282	2,439	3,135	2,747
Investment Management Fees	107	113	112	114	62
Risk Premium & Taxes	174	171	132	132	117
	3,925	3,709	2,770	3,489	2,998
Increase (Decrease) in Net Assets	$ 8,481	$ (6,745)	$ (1,469)	$ 6,716	$ 7,159
Annual Rates of Return	14.5%	(6.6)%	(1.0)%	8.9%	9.8%
INCREASE IN POLICE EMPLOYEES' NET ASSETS					
Contributions					
City of Winnipeg	$ 155	$ 154	$ 229	$ 264	$ 262
Employees	189	193	269	304	302
Pensioners	26	24	38	40	36
Investment Income (Loss)	1,982	(948)	(145)	1,188	1,197
	2,352	(577)	391	1,796	1,797
Actuarial Fees	52	28	5	10	2
Administration	16	15	12	11	11
Benefit Payments	85	188	289	451	608
Investment Management Fees	21	21	20	21	12
Risk Premium & Taxes	21	22	17	7	13
	195	274	343	500	646
Increase (Decrease) in Net Assets	$ 2,157	$ (851)	$ 48	$ 1,296	$ 1,151
Annual Rates of Return	14.5%	(6.6)%	(1.0)%	8.9%	9.8%

* *includes participating employers*

REPORT FROM THE DIRECTOR OF INVESTMENTS

The responsibility for determining the asset mix of the Employees' Group Life Insurance Plan, within the parameters of the Plan's Statement of Investment Policies and Procedures, rests with the Investment Committee of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program. So too does the responsibility for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers. The Plan utilizes external investment managers to manage the equity portfolios. The short-term investments and the bond portfolio, including real return bonds, are managed internally by Kirk Merlevede, Manager of Fixed Income Investments.

In 2003, the investment portfolio returned 14.5%. Stock markets globally rose in 2003 as consumer confidence and capital investment improved. After extraordinary returns in the financial markets in 1993 and negative returns in 1994, the years 1995 through 2000 experienced abnormally high real returns, followed by negative returns for 2001 and 2002. The Plan's four-year and ten-year annual rates of return of 3.6% and 8.5%, respectively, place the Plan at the 76th percentile and 80th percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service. Recent performance has been adversely affected by having the Plan's equity portfolios biased in style by "growth" securities as opposed to "value" securities. For the last three years, "value" securities have outperformed "growth" securities significantly in a very challenging stock market environment.

Asset Mix

As a result of appreciation in the equity markets, there was an increase in allocation to equity investments — from 55% of the portfolio at the beginning of the year to 60% at year-end. Throughout the year, income generated by the bond portfolio was directed to benefit payments. Money market investments decreased from 6.5% of assets at the beginning of the year to 4.3% at year-end as the outlook for the markets improved. An additional allocation of $100,000 was directed to the Plan's Non-North American equity position, thus increasing this asset allocation by approximately 0.5% to 8.1% of the portfolio.

Equity Investments

The Plan's Canadian Equity Managers marginally underperformed the S&P/TSX Composite Index but outperformed the median pension fund in 2003 with a rate of return of 26.65%. The S&P/TSX Composite Index had a return of 26.72% in 2003 compared to a return of -12.4% in 2002.

The Plan's Foreign Equity Managers, collectively, achieved a rate of return of 10.5% in Canadian dollar terms in 2003. This return was above the median due to above-median performance in U.S. equities and Non-North American equities. The U.S. market achieved a return of 5.3% in Canadian dollars, in 2003. Over the last ten years, the U.S. stock market has significantly outperformed the Canadian stock market. The Plan's Non-North American manager achieved a return of 17.4% in 2003. The Europe Australia Far East Index rose 13.4% which was reflective of improving foreign markets and relative strength in foreign currencies.

Fixed Income Investments

The Plan's bond portfolio achieved a rate of return of 7.1% in 2003. For the four- and ten-year periods ended December 31, 2003, the bond portfolio returned 8.8% and 8.5% annually, respectively, ranking first quartile for ten years.

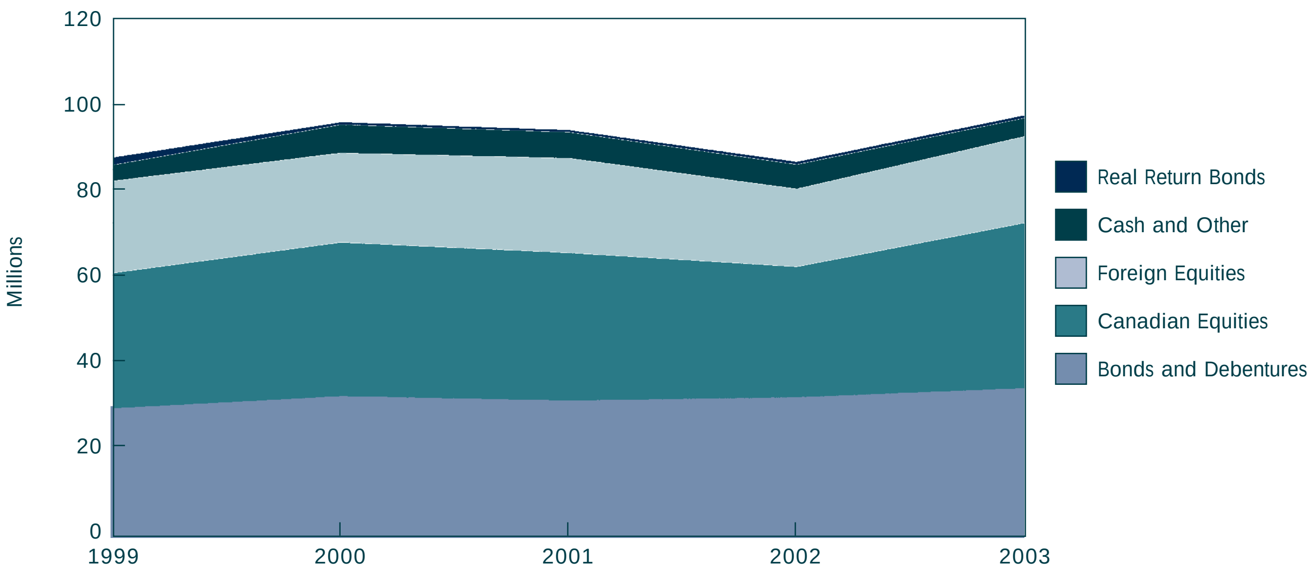
Our strategy of maintaining a long duration, high quality bond portfolio positively influenced our absolute and relative performance over the ten years.

Asset Mix Strategy for 2004

The Investment Committee anticipates maintaining the equity weighting in the portfolio at approximately 55% of the total portfolio. It intends, however, to increase the weighting of the Non-North American Equity portion by approximately 3%, thus improving the diversification of our fund and lessening risk. Correspondingly, the Canadian equity position will be reduced by 5%. By year-end 2004, it is anticipated that the portfolio will be weighted 55% equities, 44% fixed income, 1% short term investments.

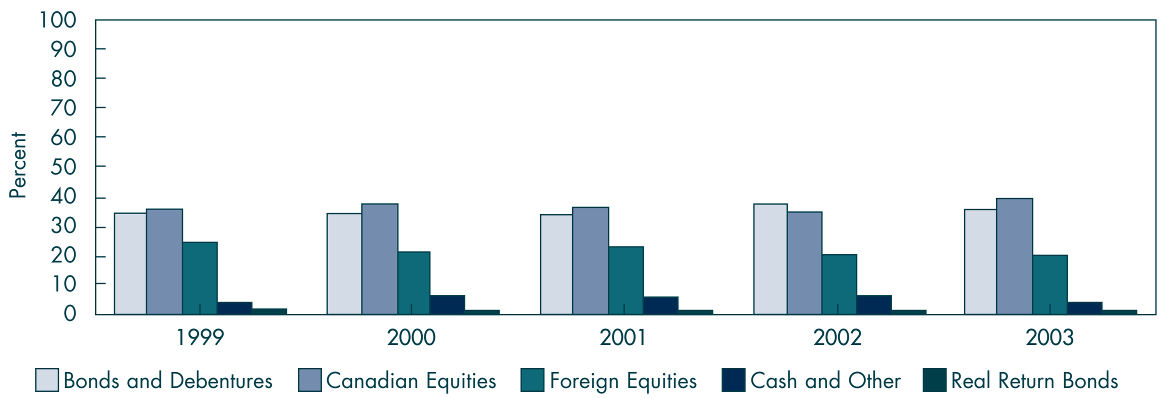
Rick Abbott
Director of Investments

INVESTMENTS
Employees' Group Life Insurance Plan



GROUP LIFE

ASSET MIX
Employees' Group Life Insurance Plan



TOTAL RETURNS

	One Year	Four Years	Ten Years
Total Fund	14.5%	3.6%	8.5%
Bonds and Debentures	7.1	8.8	8.5
Canadian Equities	26.7	5.8	10.5
Foreign Equities	10.5	(7.6)	7.9
BENCHMARKS			
Scotia Capital Markets Universe Bond Index	6.7	8.4	7.8
S&P / TSX Composite Index	26.7	1.0	8.6
S&P 500	5.3	(8.0)	10.8
Europe, Australia, Far East Stock Market Index	13.4	(8.5)	4.2
Consumer Price Index	2.0	2.4	1.8

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Civic Employees' Group Life Insurance Plan as at December 31, 2001, relying on data and other information provided to us by the Employee Benefits Board. The results of the valuation are contained in our report dated October 30, 2002.

The principal results are as follows:

BASIC LIFE INSURANCE

The Civic Employees' Group Life Insurance Plan is fully funded and has an actuarial surplus of $28,856,000 after taking into account the actuarial liability associated with post-retirement basic life insurance benefits and a contingency reserve of 10% of the liability.

On the basis of the actuarial surplus and the estimated annual cost of the basic life insurance benefits, we recommend that the current 50% reduction in contribution rates, payable both by the Plan members (including pensioners) and by the participating employers for basic life insurance, be maintained over the period up to the next actuarial valuation.

The premium rates payable to Great-West Life can be reduced by approximately 7.6% for basic pre-retirement insurance coverage and by an average of about 4.5% for post-retirement insurance coverage.

OPTIONAL ADDITIONAL LIFE INSURANCE

We recommend that the current 25% reduction in contribution rates payable by the members for optional additional insurance be maintained over the period up to the next actuarial valuation.

The premium rates payable to Great-West Life for optional additional insurance can be reduced by approximately 25%.

We hereby certify that, in our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Civic Employees' Group Life Insurance Plan as at December 31, 2001 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and our opinion given, in accordance with accepted actuarial practice.

Donald M. Smith
Fellow of the Canadian Institute of Actuaries

Natalie F. Thompson
Fellow of the Canadian Institute of Actuaries

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Police Employees' Group Life Insurance Plan as at December 31, 2002, relying on data and other information provided to us by the Employee Benefits Board. The results of the valuation are contained in our report dated January 20, 2004.

The principal results are as follows:

BASIC LIFE INSURANCE

The Police Employees' Group Life Insurance Plan is fully funded and has an actuarial surplus of $5,101,000 after taking into account the actuarial liability associated with post-retirement basic life insurance benefits in respect of Plan membership up to December 31, 2002 and a contingency reserve of 10% of the liability.

On the basis of the actuarial surplus and the estimated annual cost of the basic life insurance benefits, we recommend that Plan member and City contributions continue at the reduced rate of 0.20% of earnings for basic life insurance coverage of two times annual earnings and that the corresponding reduced rate of contribution continue to be paid by pensioners. These rates represent a 51% reduction relative to the normal actuarial cost of the benefits provided by the Plan.

OPTIONAL ADDITIONAL LIFE INSURANCE

We recommend that the current 25% reduction in contribution rates payable by members for optional additional life insurance be maintained over the period up to the next actuarial valuation.

We hereby certify that, in our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Police Employees' Group Life Insurance Plan as at December 31, 2002 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and our opinion given, in accordance with accepted actuarial practice and the Recommendations of the Canadian Institute of Actuaries.

Donald M. Smith
Fellow of the Canadian Institute of Actuaries

Natalie F. Thompson
Fellow of the Canadian Institute of Actuaries

AUDITORS' REPORT

To the Chairpersons and Members
The Board of Trustees of The Winnipeg Civic
Employees' Benefits Program (Pension Fund) and
Winnipeg Police Pension Board
The City of Winnipeg

We have audited the statement of net assets of the City of Winnipeg Employees' Group Life Insurance Plan as at December 31, 2003 and the statements of changes in net assets of the Civic Employees' and Police Employees' Group Life Insurance Plans for the year then ended. These financial statements are the responsibility of the boards' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the net assets of the City of Winnipeg Employees' Group Life Insurance Plan as at December 31, 2003 and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Winnipeg, Manitoba
March 26, 2004

STATEMENT OF NET ASSETS

As at December 31

	2003 (000'S)	2002 (000's)
ASSETS		
Investments, at market		
Bonds and debentures	$ 34,626	$ 32,474
Canadian equities	37,668	29,820
Foreign equities	19,610	17,655
Short-term deposits	4,175	5,544
	96,079	85,493
Accrued interest	291	314
Accounts receivable	2	1
Total assets	96,372	85,808
LIABILITIES		
Accounts payable	408	476
Due to the Winnipeg Civic Employees' Pension Plan	5	11
Total liabilities	413	487
NET ASSETS	$ 95,959	$ 85,321
NET ASSETS COMPRISED OF:		
Civic Employees' (Note 3)	$ 80,039	$ 71,558
Police Employees' (Note 3)	15,920	13,763
	$ 95,959	$ 85,321

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Contributions		
The City of Winnipeg and participating employers	$ 838	$ 801
Employees – basic	841	805
Employees – optional	366	346
Pensioners	131	122
	2,176	2,074
Investment income	2,609	2,663
Current period change in market value of investments	7,621	(7,773)
Total increase (decrease) in assets	12,406	(3,036)
DECREASE IN ASSETS		
Administration	90	83
Actuarial fees	54	60
Benefit payments	3,500	3,282
Investment management fees	107	113
Risk premium and taxes	174	171
Total decrease in assets	3,925	3,709
Increase (decrease) in net assets	8,481	(6,745)
Net assets at beginning of year	71,558	78,303
Net assets at end of year	$ 80,039	$ 71,558

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

STATEMENT OF CHANGES IN NET ASSETS

For the Years Ended December 31

	2003 (000's)	2002 (000's)
INCREASE IN ASSETS		
Contributions		
The City of Winnipeg	$ 155	$ 154
Employees – basic	155	155
Employees – optional	34	38
Pensioners	26	24
	370	371
Investment income	516	502
Current period change in market value of investments	1,466	(1,450)
Total increase (decrease) in assets	2,352	(577)
DECREASE IN ASSETS		
Administration	16	15
Actuarial fees	52	28
Benefit payments	85	188
Investment management fees	21	21
Risk premium and taxes	21	22
Total decrease in assets	195	274
Increase (decrease) in net assets	2,157	(851)
Net assets at beginning of year	13,763	14,614
Net assets at end of year	$ 15,920	$ 13,763

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2003

1. DESCRIPTION OF PLAN

The City of Winnipeg Employees' Group Life Insurance Plan is comprised of two plans, the Civic Employees' Group Life Insurance Plan for employees of the City of Winnipeg and certain other employers which participate in the Plan, and the Police Employees' Group Life Insurance Plan for police employees of the City.

a) Civic Employees' Group Life Insurance Plan

All employees are eligible to join the Plan commencing on their date of employment. All new members of the Civic Employees' Pension Plan must become members of the group life plan. Plan members are covered for basic life insurance of one or two times annual earnings. Optional coverage can be purchased under the Plan to increase coverage up to four times annual earnings. A portion of the basic life insurance coverage can be continued after retirement at the employee's option. Plan members and the City share equally in the cost of the basic life insurance coverage. Coverage on the life of a disabled member continues at the same earnings multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

Effective January 1, 2003, the Plan is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund). Prior to this date, the Employee Benefits Board was responsible for the administration of the Plan. The Great-West Life Assurance Company is responsible for claims adjudication and processing of payments.

b) Police Employees' Group Life Insurance Plan

All police employees are required to become members of the Plan commencing on their date of employment. Police employees are covered for basic life insurance coverage of two times annual salary. Optional coverage can be purchased under the Plan to increase coverage up to four times annual salary. A portion of the basic life insurance coverage can be continued after retirement at the employee's option. The employees and the City share equally in the cost of basic life insurance. Coverage on the life of disabled members will continue at the same salary multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

The Winnipeg Police Pension Board is responsible for the administration of the Plan. The Great-West Life Assurance Company is responsible for claims adjudication and processing of payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the sponsor and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plans for the fiscal period.

b) Investments

Investments are stated at market value. The fixed income investments are valued using published mid-market quotations. Equity investments are valued using published closing market prices. Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis.

c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the year end.

Income and expenses, and the purchase and sale of investments, are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

d) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the year. Actual results could differ from those estimates.

3. NET ASSETS

The Civic and Police Employees' Group Life Insurance Plans' net assets represent reserves to finance a portion of the cost of the post-retirement insurance expected to be provided in the future to the members of the Plans.

4. OBLIGATION FOR POST-RETIREMENT BASIC LIFE INSURANCE BENEFITS – CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

An actuarial valuation of the Civic Employees' Group Life Insurance Plan was made as of December 31, 2001 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Board of Trustees for purposes of preparing this note to the financial statements. The economic assumptions used in determining the actuarial value of accrued post-retirement basic life insurance benefits were developed by reference to expected long term economic and investment market conditions. Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 6% per year and general increases in pay of 3.5% per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2001 disclosed an actuarial surplus of $28,856,000 and a contingency reserve in the amount of $4,495,000.

The results of the December 31, 2001 actuarial valuation were extrapolated to December 31, 2003 to determine the actuarial present value of accrued post-retirement basic life insurance benefits disclosed below. The actuarial present value of post-retirement insurance benefits for the Civic Employees' Group Life Insurance Plan as at December 31, and the principal components of changes in actuarial present values during the year, were as follows:

	2003 (000's)	2002 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 47,670	$ 43,966
Experience gains and losses and other factors	–	(790)
Changes in actuarial assumptions	–	1,776
Interest accrued on benefits	2,843	2,697
Benefits accrued	1,878	1,790
Benefits paid	(2,467)	(1,769)
Actuarial present value of accrued benefits, end of year	$ 49,924	$ 47,670

To be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets was determined from market values. The actuarial value placed on the assets smoothes out fluctuations in market values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years.

The value of the assets of the Civic Employees' Group Life Insurance Plan on an actuarial basis were:

	2003 (000's)	2002 (000's)
Market value of net assets available for benefits	$ 80,039	$ 71,558
Market value changes not reflected in actuarial value of assets	1,874	7,901
Actuarial value of net assets available for benefits	$ 81,913	$ 79,459

5. OBLIGATION FOR POST-RETIREMENT BASIC LIFE INSURANCE BENEFITS – POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

An actuarial valuation of the Police Employees' Group Life Insurance Plan was made as of December 31, 2002 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Winnipeg Police Pension Board for purposes of preparing this note to the financial statements. The economic assumptions used in determining the actuarial value of accrued post-retirement basic life insurance benefits were developed by reference to expected long term economic and investment market conditions.

Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 6% per year and general increases in pay of 3.5% per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2002 disclosed an actuarial surplus of $5,101,000 and a contingency reserve in the amount of $925,000.

The results of the December 31, 2002 actuarial valuation were extrapolated to December 31, 2003 to determine the actuarial present value of accrued post-retirement basic life insurance benefits disclosed below. The actuarial present value of post-retirement insurance benefits for the Police Employees' Group Life Insurance Plan as at December 31, and the principal components of changes in actuarial present values during the year, were as follows:

	2003 (000's)	2002 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 8,846	$ 8,074
Experience gains and losses and other factors	(29)	–
Changes in actuarial assumptions	436	–
Interest accrued on benefits	563	493
Benefits accrued	359	340
Benefits paid	(96)	(61)
Actuarial present value of accrued benefits, end of year	$ 10,079	$ 8,846

To be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets was determined from market values. The actuarial value placed on the assets smoothes out fluctuations in market values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years.

The value of the assets of the Police Employees' Group Life Insurance Plan on an actuarial basis were:

	2003 (000's)	2002 (000's)
Market value of net assets available for benefits	$ 15,920	$ 13,763
Market value changes not reflected in actuarial value of assets	355	1,516
Actuarial value of net assets available for benefits	$ 16,275	$ 15,279

6. INTEREST RATE, CREDIT, FOREIGN CURRENCY AND MARKET RISK

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's asset values, future investment income, and actuarial liabilities. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

The Plan's actuarial liabilities are exposed to the long term expectation of rates of return on investments as well as expectations of inflation and salary escalation. The Plan's primary exposure is to a decline in the long-term rate of return which may result in higher contribution rates required to meet the Plan's obligations.

The Plan has approximately 41% of its assets invested in fixed income securities as at December 31, 2003. The returns on fixed income securities are particularly sensitive to changes in nominal interest rates.

The term to maturity and related market values of investments in bonds and debentures held by the Plan at December 31, 2003 are as follows:

Term to Maturity	Market Value (000's)
Less than one year	$ 1,016
Two to five years	3,692
Greater than five years	29,918
	$ 34,626

G R O U P L I F E

b) Credit risk

Credit risk arises from the potential for an investee to fail or to default on its contractual obligations to the Plan. At December 31, 2003, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $39,092,403. The Plan's concentration of credit risk as at December 31, 2003, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2003 Market Value (000's)	2002 Market Value (000's)
Government of Canada and Government of Canada guaranteed	$ 29,272	$ 31,865
Provincial and provincial guaranteed	1,973	–
Corporations	3,381	609
	$ 34,626	$ 32,474

The Plan's investments include short-term deposits with the City of Winnipeg which have a market value of $3,681,852 at December 31, 2003.

The Plan limits credit risk by investing in bonds and debentures of investees that are considered to be high quality credits and by utilizing an internal Investment Policy Guideline monitoring process.

c) Foreign currency risk

Foreign currency exposure arises from the Plan's holdings of foreign equity investments. The Plan's investment managers may, from time to time, hedge some of this exposure. As at December 31, 2003, the Plan's net foreign currency exposure after giving effect to the net related hedge was as follows:

	2003			2002
Exposure	Gross Exposure (000's)	Net Foreign Currency Hedge (000's)	Net Exposure (000's)	Net Exposure (000's)
United States	$ 11,856	$ 2	$ 11,854	$ 11,143
Euro	2,380	22	2,358	2,289
United Kingdom	1,750	–	1,750	1,325
Japan	780	–	780	640
Hong Kong	371	–	371	193
Sweden	314	23	291	211
Other	2,159	227	1,932	1,852
	$ 19,610	$ 274	$ 19,336	$ 17,653

d) Market risk

Market risk is the risk that the value of investments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to an individual asset or its issuer, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments.

APPENDICES

APPENDICES

INVESTMENT MANAGERS

As at December 31, 2003

Fixed Income

Kirk Merlevede, Manager of Fixed Income Investments

Canadian Equities

UBS Global Asset Management
Guardian Capital L.P.
Phillips, Hager & North Investment Management Ltd.
TD Asset Management Inc. (passively managed)

US Equities

Alliance Capital Management L.P.
J.P. Morgan Investment Management Inc.
Provident Investment Counsel, Inc.
State Street Global Advisors, Ltd. (passively managed)

Non-North American Equities

Capital Guardian Trust Company
Franklin Templeton Investments Corp.

FIXED INCOME INVESTMENTS SUMMARY

As at December 31, 2003

		($ thousands)	
Description	Maturity Date	Pension Plan Market Value	Group Life Market Value
Government of Canada bonds	2004–2023	$ 777,159	$ 29,272
Provincial bonds	2004–2024	279,534	1,973
Municipal bonds (excluding Winnipeg bonds)	2004–2006	4,617	–
City of Winnipeg bonds	2004–2005	35,827	–
Corporate bonds	2004–2017	113,597	3,381
Accrued interest		5,255	291
Total bonds and debentures		$ 1,215,989	$ 34,917
Call funds – City of Winnipeg		$ 92,156	$ 3,682
Funds on deposit – Great-West Life		–	493
Cash		36	–
Total short-term investments		$ 92,192	$ 4,175

TOP 50 CORPORATE SHARE HOLDINGS

As at December 31, 2003

	($ thousands)	
	Pension Plan Market Value	Group Life Market Value
Royal Bank of Canada	42,921	1,773
Bank of Nova Scotia	40,910	1,403
Toronto - Dominion Bank	40,193	1,345
Alcan Inc.	38,177	1,317
Manulife Financial Corporation	38,000	1,667
EnCana Corporation	36,983	1,472
Canadian Imperial Bank of Commerce	30,196	1,406
Bank of Montreal	29,421	1,048
Suncor Energy, Inc.	29,232	1,357
Nortel Networks Corporation	20,817	885
Canadian National Railway Company	19,144	878
Power Financial Corporation	17,778	422
TELUS Corporation, NV	17,287	937
Loblaw Companies Limited	15,976	617
Magna International Inc., Class A, SV	15,863	571
Teck Cominco Limited, Class B, SV	15,201	587
Barrick Gold Corporation	15,099	384
Petro-Canada	14,588	502
Great-West Lifeco Inc.	14,145	754
BCE Inc.	13,984	303
Rogers Communications Inc., Class B	11,636	581
The Thompson Corporation	10,834	385
Inco Ltd.	10,633	157
Cameco Corp.	9,813	139
Potash Corporation of Saskatchewan Inc.	9,197	604
Bombardier Inc., Class B, SV	9,115	392
Biovail Corporation	9,014	526
Shoppers Drug Mart Corporation	7,663	80
Sun Life Financial Services of Canada Inc.	7,501	–
Power Corporation of Canada, SV	7,489	492
CP Ships Limited	6,921	259
Talisman Energy Inc.	6,371	–
Onex Corporation	6,344	279
Celestica Inc., SV	6,271	327
Research in Motion Limited	6,208	229
TransCanada Corporation	6,126	–
Finning International Inc.	5,986	188
Masonite International Corporation	5,724	93
Cognos, Inc.	5,212	164
Brascan Corporation, Class A	4,979	–
NOVA Chemicals Corporation	4,943	325
Vincor International Inc.	4,673	71
Canfor Corporation	4,641	92
Sherritt International Corporation, RV	4,635	92
Western Oil Sands Inc.	4,633	92
Citigroup Inc.	4,593	119
Placer Dome Inc.	4,514	–
AGF Management Ltd., Class B, NV	4,074	69
Microsoft Corporation	4,063	154
Abitibi-Consolidated Inc.	3,983	–