2005 ANNUAL REPORT

The WINNIPEG POLICE PENSION PLAN

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PLAN PROFILE

The Winnipeg Police Pension Board was established under By-law with the responsibility for administration of the Winnipeg Police Pension Plan and the Police Employees' Group Life Insurance Plan.

The Board consists of two members appointed by the Winnipeg Police Association, one member from the Winnipeg Police Senior Officers' Association and four representatives appointed by the City of Winnipeg.

The Board is responsible for ensuring that the Plan is administered in accordance with the By-law, and approving and reviewing the investment policy, investment performance and funding of the Plan. The Board is responsible for ensuring adequate financial records are maintained and for reporting annually on the results of operations of the Plan to City Council and to Plan Members.

Investment Committee

The Investment Committee is responsible for determining the asset mix of the Plan, recommending investment managers to manage the assets of the Plan and monitoring the performance of each investment manager.

The Board has appointed the Investment Committee of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund) to carry out these responsibilities.

Administration

The day-to-day administration of the Plan is carried out by the Executive Director and staff of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund).

Financial Position

As at December 31, 2005	Market Value	Actuarial Value
	(000's)	(000's)
Net Assets Available For Benefits		
Main Account – General Component	$ 764,512	$ 725,094
Main Account – Contribution Stabilization Reserve	55,361	55,361
Plan Members' Account	6,130	6,130
	$ 826,003	$ 786,585
Plan Obligations – as extrapolated	$ 714,680	$ 680,381
Funded Ratio – on extrapolated obligations	115.6%	110.1%

Plan Highlights	**2005**	**2004**
	(000's)	(000's)
Investments at Market Value	$ 826,003	$ 751,019
Net Investment Income – Total Plan (including changes in market value)	$ 90,272	$ 70,593
Investment Rate of Return	12.3%	10.5%
Employee Contributions*	$ 7,070	$ 7,028
Employer Contributions	$ 6,938	$ 6,924
Pension Payments	$ 27,369	$ 25,167
Lump Sum Refunds	$ 1,397	$ 694
Membership:		
Contributing Members	1,266	1,250
Deferred Members	14	14
Pensioners	861	829
	2,141	2,093

*Employee contributions include such items as additional voluntary contributions and contributions during leaves of absence for which there are no required Employer contributions.

STATEMENT OF ACTUARIAL POSITION

	December 31, 2004 (000's)
1. Actuarial Value of Assets	
Main Account	$ 736,645
Plan Members' Account	5,466
	742,111
2. Actuarial Liabilities	679,659
3. Excess of actuarial value of Plan Assets over Actuarial Liabilities	62,452
4. Amounts Previously Allocated	
Contribution Stabilization Reserve	54,035
Plan Members' Account	5,466
	59,501
5. Actuarial Surplus (3.- 4.)	2,951
6. Funded Ratio (1. / 2.)	
Including Plan Members' Account	109.2%
Excluding Plan Members' Account	108.4%

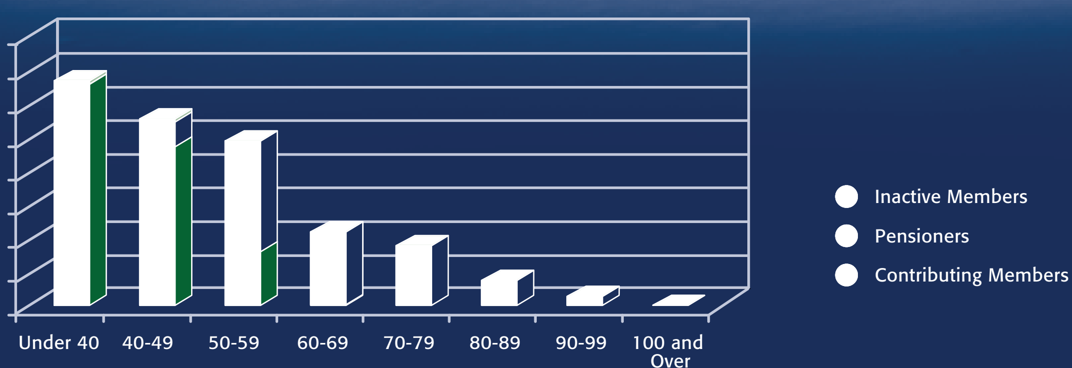
COST OF BENEFITS FOR SERVICE IN 2005

	As % of Contributory Earnings
Non-Indexed Benefits	20.73%
COLA'S	4.56%
Total	25.29%
Employee Contributions	8.00%
City Contributions (Matching)	8.00%
Balance from Contribution Stabilization Reserve	9.29%
Total	25.29%

WINNIPEG POLICE PENSION PLAN

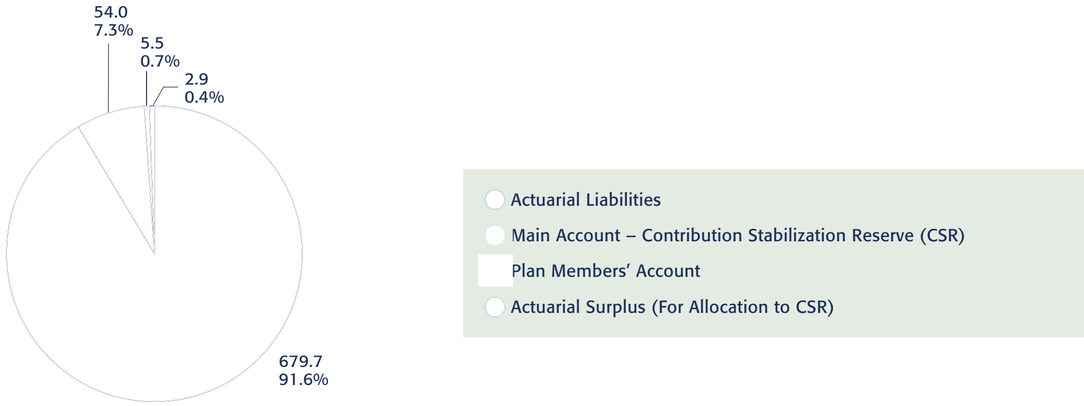
Membership Profile as at December 31, 2005

(By Age Bands)



WINNIPEG POLICE PENSION PLAN

Actuarial Liabilities And Reserves Per Actuarial Valuation as at December 31, 2004
(in $ millions)



Actuarial Liabilities And Reserves Per Actuarial Valuation as at December 31, 2003
(in $ millions)

MESSAGE FROM
THE CHAIR AND EXECUTIVE DIRECTOR

For the year in review, the rate of return of the Winnipeg Police Pension Plan of 12.3% significantly exceeded the nominal actuarial assumption of 6.25%. It is recognized, however, that the 5% per year real rate of return objective will prove to be challenging in light of today's investment markets and low interest rates. A number of changes on the investment front were made during the year with the expectation that these changes will position our portfolio well going forward.

The investment management agreement with one of the Plan's Canadian equity managers, UBS Global Asset Management, was terminated during 2005. Approximately $49.5 million of assets managed by UBS were reallocated to existing Canadian equity managers, Burgundy Asset Management Ltd., Foyston, Gordon & Payne, Inc. and Guardian Capital, L.P. The assets allocated between these managers served to balance "growth" and "value" styles within this group of managers.

The allocation to Non-North American equities increased during 2005, with an additional $19.3 million allocation to Franklin Templeton Investments Corp. Approximately 58% of this new allocation was directed to increase our position in the Templeton Global Smaller Companies Fund.

The Plan continued to fund its private equity investment through the Richardson Financial Group, funding approximately $2.1 million during 2005 (with the aggregate commitment representing approximately 0.5% of the Fund).

As a Pension Plan Board and Plan Administration, our responsibility is to serve the Winnipeg Police Pension Plan, and ultimately, Plan Members. Our commitment going forward is to continue to work diligently and in the best interest of all Plan Members.

In closing, we would like to recognize the service to the Board of Keith McCaskill, who stepped down in August 2005. In his place, we welcome Alex Katz who was appointed to the Board as a representative of the Winnipeg Police Senior Officers' Association.

From the Board and the Administration, let us express our sincere appreciation to each and every Board Member and Investment Committee Member for their strong commitment and dedication to fulfilling the objectives and responsibilities of the Board, and to staff who work diligently to meet the needs and expectations of you, our Plan Members.

We invite you to read our 2005 Annual Report. In addition to the Winnipeg Police Pension Plan, this report includes the City of Winnipeg Employees' Group Life Insurance Plan, the "Police" component of which is administered by the Winnipeg Police Pension Board. We hope you will find this report to be helpful and informative. Your feedback is welcome.

Sincerely,

Menno Zacharias
Chair

Sincerely,

Glenda Willis
Executive Director

WINNIPEG POLICE PENSION PLAN

History

Police officers of the City of Winnipeg have enjoyed a long and proud history of participation in employee pension plans in one form or another, with the origins of the current Pension Plan (separate from the Winnipeg Civic Employees' Pension Plan) for police officers dating back to 1975. The current Plan encompasses the amalgamation, in 1989, of the police officers' component of a number of prior pension plans that had previously existed separately for the former municipalities and cities of greater Winnipeg.

The Winnipeg Police Pension Plan has seen many changes over the years, most recently with the implementation of the Surplus and Risk Sharing Agreement, effective January 1, 2003.

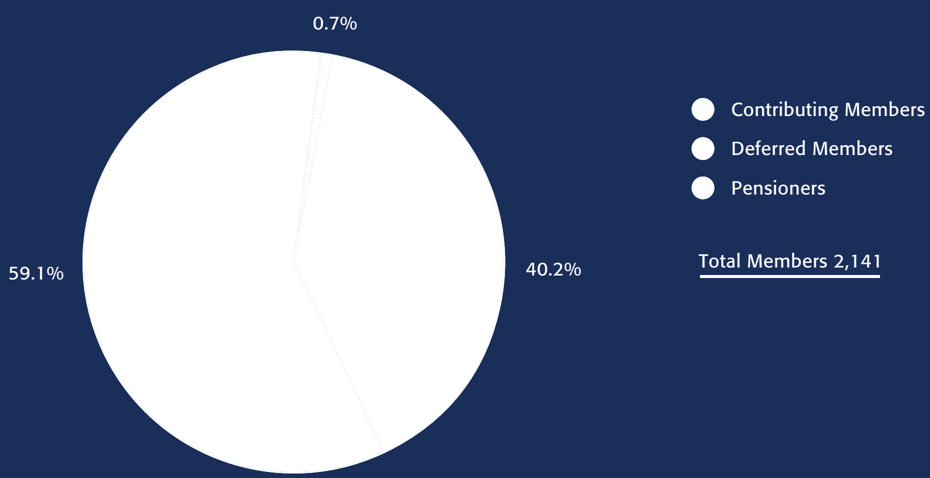
Surplus and Risk Sharing

On May 26, 2003, the City of Winnipeg entered into an agreement with the Winnipeg Police Association and the Winnipeg Police Senior Officers Association relative to the sharing of surpluses and risks under the Winnipeg Police Pension Plan, with effect from January 1, 2003. Under the terms of this agreement, actuarial surplus at January 1, 2003, was used to fully fund future cost-of-living adjustments on all accrued pension and deferred pension benefits at the rate of 75% of the Canadian inflation rate. The surplus was also used to establish a Contribution Stabilization Reserve to maintain the City's contribution rate at 8% of pensionable earnings, which is the same rate as that which police officers contribute to the Plan.

Future actuarial surpluses, in excess of the amount required to fully fund i) future cost-of-living adjustments to pensions at 75% of the Canadian inflation rate and ii) a Contribution Stabilization Reserve sufficient to maintain the City's contribution rate at 8% of pensionable earnings, will be shared equally between the City and the Plan Members. The City will remain responsible for ensuring the financial solvency of the Plan with respect to benefits other than cost-of-living adjustments to pensions.

WINNIPEG POLICE PENSION PLAN

Membership Profile as at December 31, 2005



MANAGING ASSETS PRUDENTLY

Funded Status of the Plan at December 31, 2004

The most recent actuarial valuation of the Winnipeg Police Pension Plan as at December 31, 2004 disclosed that the Plan was fully funded and had an excess of actuarial value of assets over actuarial liabilities of $62,452,000 – a funded ratio of 109.2% on an actuarial basis. If the market value had been used instead of the actuarial value of assets, the excess would have been $71,360,000 – a funded ratio of 110.5% on a market value basis. These results portray a picture of absolute and relative health for the Plan relative to service accrued to December 31, 2004.

Under the restructured Plan, the entire excess on an actuarial basis is allocated to a special-purpose Reserve and special-purpose Accounts, as follows:

- The Contribution Stabilization Reserve exists to finance the future service cost of benefits that exceed matching employee and employer contributions.
- The Plan Members' Account is credited with the share of actuarial surpluses that are credited to the Members.
- The financial structure also provides for a City Account, which will be credited with the share of any future actuarial surpluses that are allocated to the City of Winnipeg under the Surplus and Risk Sharing Agreement. To date, no actuarial surpluses have been credited to the City Account.

The cost of future service benefits under the Plan is currently 25.3% of pay, which is significantly more than the combined matching contributions of the City and the employees at 16% of pay. The City's ability to continue contributing to the Plan at the matching rate of 8% of pay will depend on the ability of the Contribution Stabilization Reserve to finance the shortfall between contributions and the cost of benefits in the future. The Reserve will have to be continuously "topped up" if the City's contributions are to be maintained at the target rate. The actuarial valuation indicates that if the Contribution Stabilization Reserve is exhausted, the City's contribution rate could rise to about 14.7% of pay.

The actuarial valuation as at December 31, 2004 disclosed that the Plan generated a surplus of $2,951,000 on 2004 operations. In accordance with the terms of the Surplus and Risk Sharing Agreement, the entire amount was allocated to the Contribution Stabilization Reserve.

The actuarial valuation also disclosed that the Contribution Stabilization Reserve, after allocation of the 2004 actuarial surplus, is at 61.4% of its target level of $92,746,000.

Under the terms of the Surplus and Risk Sharing Agreement, should a future funding deficiency emerge in the Main Account – General Component, it would be resolved, firstly, by transferring funds from the Contribution Stabilization Reserve until the amount of the Reserve is reduced to $48,582,000 (which is equal to the amount of actuarial surplus originally allocated to fully fund cost-of-living adjustments to pensions and deferred pensions) and, secondly, by an equal reduction in the rate of future cost-of-living adjustments (and hence, the funding of these cost-of-living adjustments) and the Contribution Stabilization Reserve.

Although the Contribution Stabilization Reserve is available to resolve funding deficiencies if they emerge, the Reserve is not intended to be used as a buffer to permanently finance investment shortfalls or other experience losses. To the extent that it ends up being used for such purposes, its ability to finance the cost of future service benefits will be constrained, and could result in increases to the City's contribution rate, as earlier described, and decreases to the future level of cost-of-living adjustments.

Key Actuarial Assumptions

One of the key assumptions that underlies the determination of actuarial liabilities, thereby affecting the actuarial surplus, is the valuation interest rate. The valuation interest rate assumed was 6.25% 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 Plan, and after assuming an equity premium that is modest by historical standards.

Other key economic assumptions include inflation at 2.25% per year (resulting in an assumed real rate of investment return of 4% per year) and general increases in pay of 3.75% 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 Plan, possibly in a material way.

Extrapolated Funded Status at December 31, 2005

At the time the year-end financial statements were being prepared, the results of the next actuarial valuation of the Plan as at December 31, 2005 were not available. Accordingly, the assumptions used in the most recent actuarial valuation as at December 31, 2004 were used to extrapolate the obligations of the Plan 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 Surplus and Risk Sharing Agreement that would affect the funded status of the Plan are undertaken only with reference to the reported results of the formal actuarial valuation. Readers of the financial statements should, therefore, be careful to treat such extrapolated results as "preliminary."

The notes to the financial statements disclose that the actuarial value of assets of the Main Account – General Component are greater than the extrapolated obligations of the Plan by approximately $10,414,000 as at December 31, 2005. As the extrapolated values of the assets and obligations project only a modest amount of apparent surplus, the experience gains or losses that ultimately emerge for 2005 will have a significant bearing on the final level of surplus (or funding deficiency) that is determined for the Main Account – General Component in the next actuarial valuation as at December 31, 2005. It is not expected that the results of this forthcoming valuation will result in changes to the City's contribution rate or the level of cost-of-living adjustments under the Plan.

After taking into account the Contribution Stabilization Reserve and the Plan Members' Account, the extrapolated funded status of the Plan remains at 110.1% on an actuarial basis and 115.6% on a market value basis. These funded positions compare to, and are in line with, those from the previous actuarial valuation one year earlier of 109.2% and 110.5% respectively.

The application of a five-year asset smoothing method had the effect of deferring a portion of the market gains in 2004 and 2005 to future years, as actual rates of return have exceeded the 6.25% assumed rate of return for these years.

As at December 31, 2005, the assets as measured on an actuarial basis are now less than their related market value by $39,418,000 – an improvement in position of $30,511,000 from the previous year. Accordingly, should the Plan earn exactly the assumed 6.25% on the actuarial asset base over the next four years, the $39,418,000 smoothing difference would be expected to emerge as surplus over this four year period, potentially enhancing the financial position of the Plan.

Long-Term Investment Goals and Performance

Over the last ten years, the Plan achieved an average rate of return of 9.7% per year, ranking second quartile among larger plans in Canada. The long-term goal of the Plan is to achieve a rate of return that exceeds inflation by 5.0% per year. With the ten-year annualized inflation rate being 2.1%, the Plan exceeded this goal by a sizeable margin of 2.6% per year over the last ten years. It should be noted, however, that this 10 year measurement period includes returns for 1996 and 1997 – years in which absolute returns were very high by historical standards.

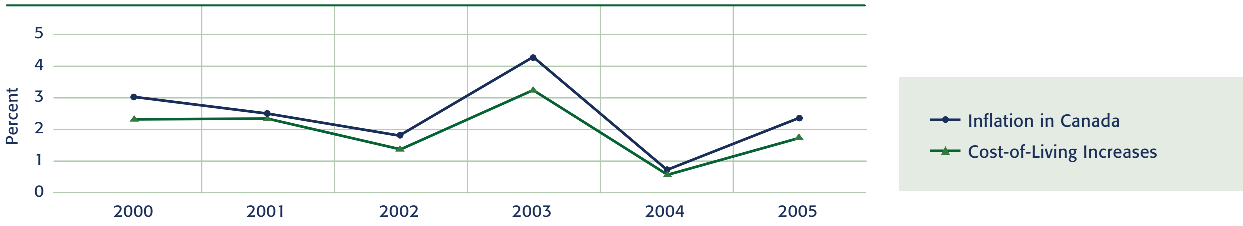
Although a long-term investment return which exceeds inflation by 4% per year, together with matching contributions from the employees and the City, is expected to adequately finance the benefits derived from past service for the existing Plan Members, ongoing future actuarial surplus generation will be required to maintain funding of the Contribution Stabilization Reserve to finance the ongoing shortfall of matching contributions versus the future service benefit cost and to avoid a reduction in the rate of cost-of-living adjustments to pensions.

Accordingly, notwithstanding the assumed 4% per year real return used for the actuarial valuation, it is desirable to strive for a real rate of return of at least 5% per year over the long term. This 5% objective is reflected in the Plan's Statement of Investment Policies and Procedures.

Although the Plan has for many years been able to achieve long-term real returns in excess of 5%, it is the generation of future surplus from excess investment returns that will have the most significant bearing on the ultimate sustainability of City contribution levels and the current level of cost-of-living adjustment.

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 the Investment Committee, will continue to prudently manage the Plan's assets towards this objective.

WINNIPEG POLICE PENSION PLAN
COST-OF-LIVING INCREASES



THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

FIVE YEAR FINANCIAL SUMMARY

	2005	2004	2003	2002	2001
	(000's)	(000's)	(000's)	(000's)	(000's)
Investments at Market					
Bonds and Debentures	$ 286,143	$ 287,966	$ 281,845	$ 263,496	$ 241,633
Real Return Bonds	10,690	9,882	8,820	8,163	7,395
Canadian Equities	317,039	270,648	253,414	202,040	230,284
Foreign Equities	187,000	156,417	133,392	119,910	146,995
Cash and Term Deposits	23,649	26,899	16,483	27,639	42,094
Private Equities	3,353	604	34	64	73
Other Liabilities	(1,871)	(1,397)	(1,238)	(959)	(831)
	$ 826,003	$ 751,019	$ 692,750	$ 620,353	$ 667,643
Assets Available for					
Main Account					
– General Component	764,512	691,517	635,993	620,353	667,643
– Contribution Stabilization Reserve	55,361	54,036	51,801	-	-
Plan Members' Account	6,130	5,466	4,956	-	-
	$ 826,003	$ 751,019	$ 692,750	$ 620,353	$ 667,643

Main Account – General Component*

	2005	2004	2003	2002	2001
Contributions					
Employees	$ 7,070	$ 7,028	$ 6,271	$ 6,271	$ 5,714
City of Winnipeg	6,938	6,924	6,175	3,843	3,424
Reciprocal Transfers	46	204	48	227	174
Transfer to Contribution Stabilization Reserve	8,056	7,824	7,101	-	-
Net Investment Income (Loss)	83,178	64,680	77,199	(34,499)	(12,590)
	105,288	86,660	96,794	(24,158)	(3,278)
Pension Payments	27,369	25,167	23,488	21,895	20,118
Lump Sum Benefits	1,397	694	461	642	1,165
Administration	576	619	638	595	496
Transfer to Contribution Stabilization Reserve	2,951	4,656	52,210	-	-
Transfer to Plan Members' Account	-	-	4,357	-	-
	32,293	31,136	81,154	23,132	21,779
Increase (Decrease) in Net Assets	$ 72,995	$ 55,524	$ 15,640	$ (47,290)	$ (25,057)

Contribution Stabilization Reserve

	2005		2004		2003		2002		2001
	(000's)		(000's)		(000's)		(000's)		(000's)
Transfer of Surplus from Main Account – General Component	$ 2,951	$	4,656	$	52,210	$	-	$	-
Net Investment Income	6,430		5,403		6,692		-		-
	9,381		10,059		58,902		-		-
Transfer to Main Account – General Component	8,056		7,824		7,101		-		-
Increase in Net Assets	$ 1,325	$	2,235	$	51,801	$	-	$	-

Plan Members' Account

	2005		2004		2003		2002		2001
Transfer of Surplus from Main Account – General Component	$ -	$	-	$	4,357	$	-	$	-
Net Investment Income	664		510		599		-		-
Increase in Net Assets	$ 664	$	510	$	4,956	$	-	$	-
Annual Rates of Return	12.3%		10.5%		13.9%		-5.0%		-1.6%

* 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.

BUILDING STRONG RELATIONSHIPS

Our staff strive to provide quality service to Plan Members. Services to Members, either prior to or after retirement, include the following:

- participating in orientation sessions for new employees;
- calculating termination or retirement pension benefits;
- calculating retirement pension estimates;
- meeting individually with Members who are retiring (or considering retirement) or the surviving beneficiaries of Plan Members;
- responding to Members' personal and general enquiries;
- producing a bi-weekly pension payroll;
- producing individual annual statements of benefits;
- participating in pre-retirement seminars.

During 2005, a total of 44 individuals retired under the Winnipeg Police Pension Plan. This represents an increase from 2004, when 41 members retired. Of the 44 members who retired during 2005, five retired under the early retirement option (age 50 or at least 20 years of credited service), which was introduced in July of 1994.

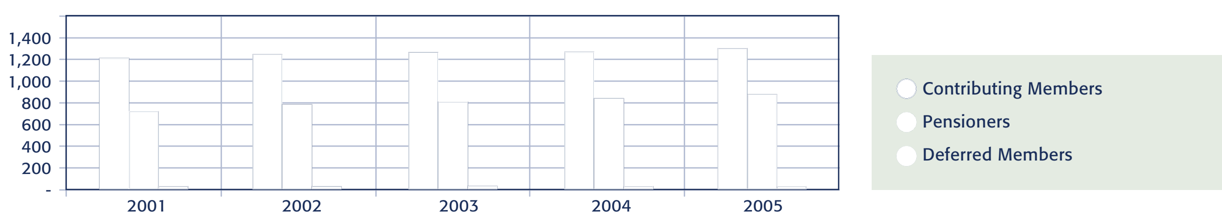
New members totalled 68 in 2005, versus 49 in 2004. New enrolments have averaged 65 members over the last five years.

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

Summary Of Plan Membership

	2005	2004	2003	2002	2001
Contributing Members	1,266	1,250	1,251	1,211	1,186
Deferred Members	14	14	14	16	14
Pensioners	861	829	802	773	734
Total Membership	2,141	2,093	2,067	2,000	1,934
Activity During the Year					
Normal Retirements	39	38	35	36	49
Early Retirements	5	3	2	8	12
Deaths in Service	1	1	0	1	1
Pensioner Deaths	19	25	13	13	12
New Members	68	49	82	79	49
Terminations	7	8	7	7	2

Membership Profile



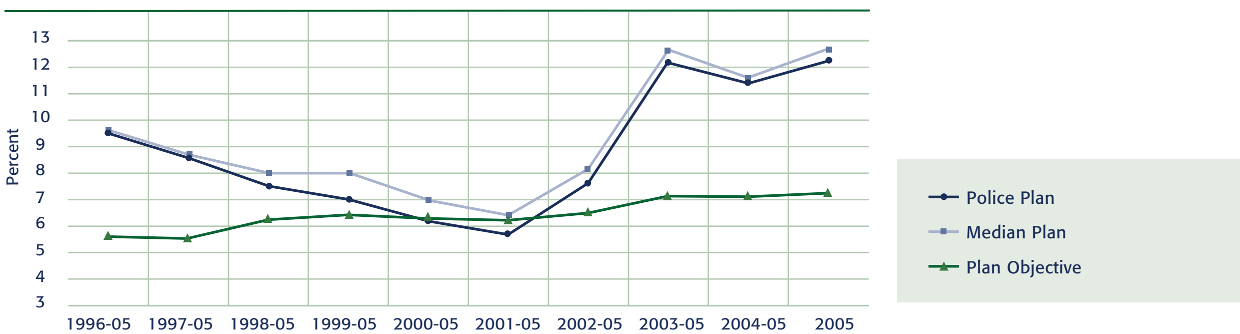
REPORT FROM THE DIRECTOR OF INVESTMENTS

The Winnipeg Police Pension Board delegates, to the Investment Committee of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program, the responsibility for determining the Plan's asset mix (within the parameters of the Plan'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 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.

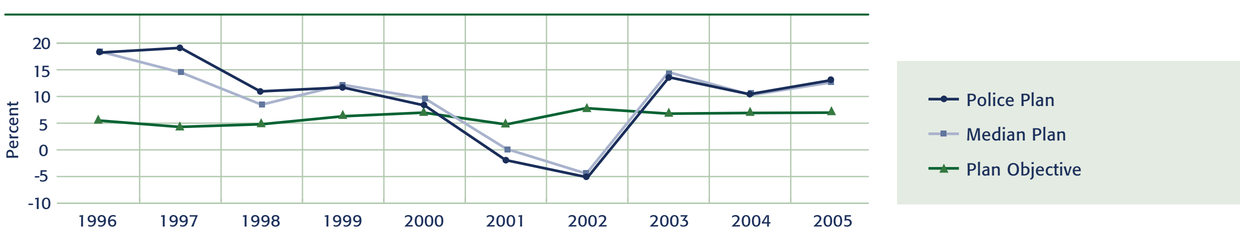
In 2005, the investment portfolio returned 12.3%. Stock markets globally rose in 2005 as consumer confidence and capital investment continued to improve. The years 1995 through 2000 experienced abnormally high real returns, followed by negative returns for 2001 and 2002. The Plan's four-year and ten-year annual rates of return of 7.6% and 9.7%, respectively, place the Plan at the 60th percentile and 46th percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service. The median ten-year record (median return of 9.6%) can be attributed to the underperformance of our Canadian equity managers and the underperformance of our passive investment in the S&P 500 Index relative to the performance of active managers over the last six years. Our bond performance over this period ranks well into the 1st quartile. More recent performance, however, has been adversely affected by having the Plan's Canadian equity portfolios underweighted in the energy and materials sectors which have experienced exceptional returns for the last three years. Generally, our investment managers have a more conservative position in these cyclical sectors which now dominate the Canadian market.

WINNIPEG POLICE PENSION PLAN

Annualized Rates of Return



Annual Rates of Return



Asset Mix

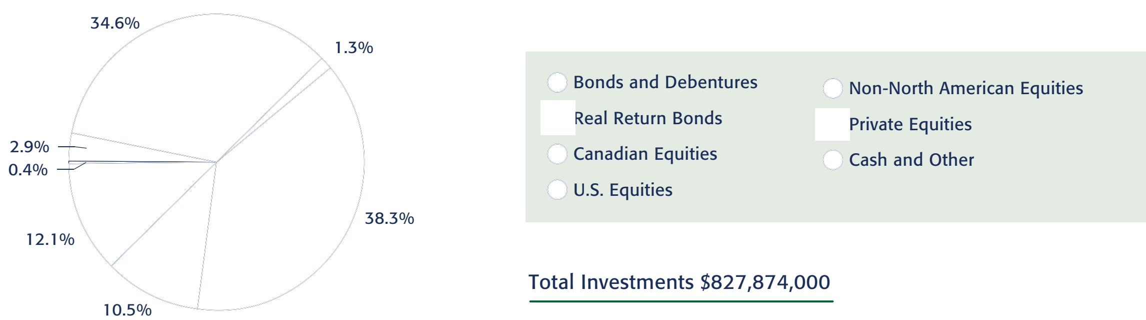
As a result of appreciation in the equity markets, there was an increase in allocation to equity investments – from 57% of the portfolio at the beginning of the year to 61% at year-end. Throughout the year, income generated by the bond portfolio was directed toward benefit payments. Benefit payments and administrative expenses exceeded contributions and interest income by $16.1 million in 2005. Funds were raised by liquidating $8.4 million from the Plan's Canadian Equity position. An allocation of $19.3 million was added to the Plan's Non-North American equity position, thus increasing this asset allocation by approximately 2.6% to 12.1% of the portfolio.

Asset Mix

	2005	2004	2003	2002	2001
Bonds and Debentures	35.8%	39.6%	41.9%	43.7%	37.3%
Canadian Equities	38.3%	36.0%	36.5%	32.5%	34.4%
Foreign Equities	22.6%	20.8%	19.2%	19.3%	22.0%
Private Equities	0.4%	0.1%	0.0%	0.0%	0.0%
Cash and Other	2.9%	3.5%	2.4%	4.5%	6.3%
	100.0%	100.0%	100.0%	100.0%	100.0%

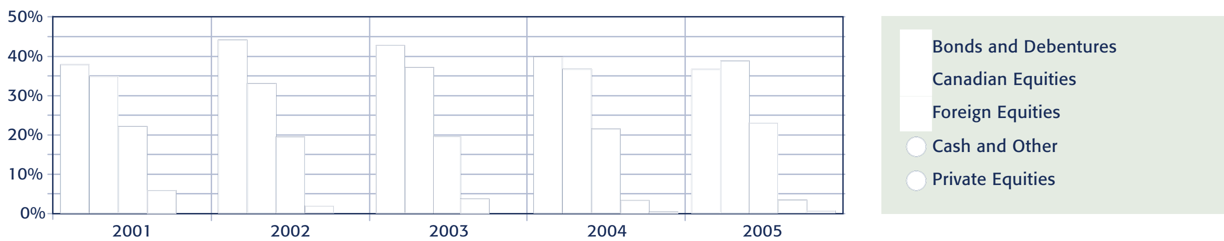
WINNIPEG POLICE PENSION PLAN

Asset Mix as at December 31, 2005



Total Investments $827,874,000

Asset Mix



Equity Investments

The Plan's Canadian Equity Managers underperformed the S&P/TSX Composite Index and the median pension fund in 2005 with a rate of return of 21.2%. The S&P/TSX Composite Index had a return of 24.1% in 2005 compared to a return of 14.5% in 2004.

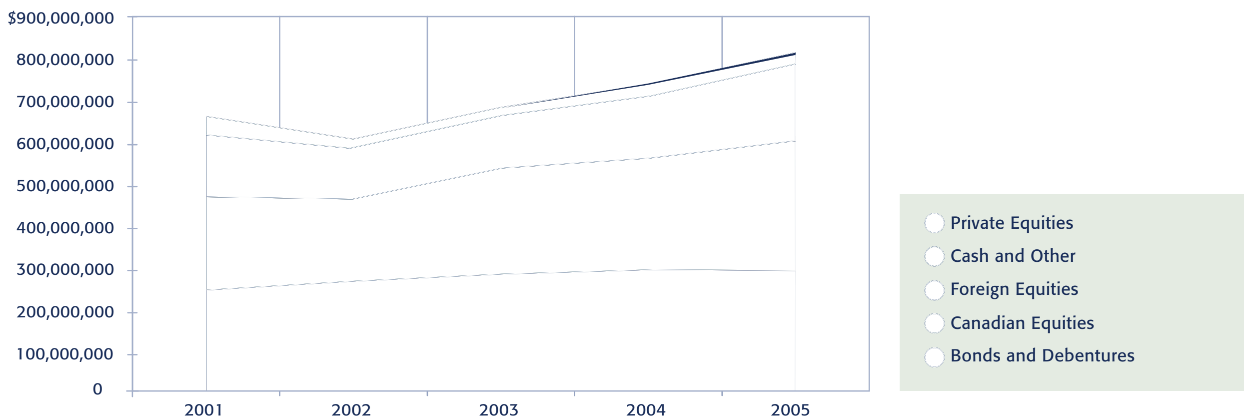
The Plan's Foreign Equity Managers, collectively, achieved a rate of return of 6.7% in Canadian dollar terms in 2005. This return was below the median due to below-median performance in U.S. equities. The U.S. Equity Managers collectively achieved a return of 2.6%, in Canadian dollars, in 2005, which was above the return of the S&P 500 of 1.6%. Over the last ten years, the U.S. stock market has underperformed the Canadian stock market in Canadian dollars. The Plan's Non-North American managers collectively returned 10.9% in 2005. The Europe Australia Far East Index rose 10.0% which was reflective of improving foreign markets, especially Japan.

Fixed Income Investments

The Plan's bond portfolio achieved a rate of return of 7.6% in 2005. For the four- and ten-year periods ended December 31, 2005, the bond portfolio returned 8.6% and 9.4% annually, respectively, ranking in the top 9% of all bond fund returns in Canada for the ten-year period.

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

Investments



Asset Mix Strategy for 2006

The Investment Committee anticipates marginally decreasing the public equity weighting in the portfolio to approximately 60% of the total portfolio. The Non-North American Equity portion will increase by approximately 1%, thus improving the diversification of our fund and lessening risk. Correspondingly, profits will be taken in the Canadian equity position, reducing the weight to 35%. By year-end 2006, it is anticipated that the portfolio will be weighted 60% equities, 37% fixed income, 2% short term investments and 1% private equity.

Total Returns

	One Year	Four Years	Ten Years
Total Fund	12.3%	7.6%	9.7%
Bonds and Debentures	7.6%	8.6%	9.4%
Canadian Equities	21.2%	11.9%	12.4%
Foreign Equities	6.7%	-0.9%	6.8%
Benchmarks			
Scotia Capital Markets Universe Bond Index	6.5%	7.3%	7.7%
S&P / TSX Composite Index	24.1%	12.1%	11.0%
S&P 500	1.6%	-3.9%	7.4%
Europe, Australia, Far East Stock Market Index	10.0%	3.9%	4.2%
Consumer Price Index	2.2%	2.5%	2.1%

Rick Abbott
Director of Investments

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of The Winnipeg Police Pension Plan as at December 31, 2004, relying on data and other information provided to us by the Plan administrator. The results of the valuation are contained in our report dated September 30, 2005.

The principal results are as follows:

Actuarial Position

The Plan is fully funded in respect of benefits earned for service up to December 31, 2004 and has an excess of actuarial value of assets over actuarial liabilities of $62,452,000.

The Plan has an actuarial surplus of $2,951,000 for 2004, after taking into account $59,501,000 of the above excess that was previously allocated to the Contribution Stabilization Reserve and the Plan Members' Account. In accordance with the surplus sharing agreement between the City and the Police Associations, this actuarial surplus should be transferred to the Contribution Stabilization Reserve.

Cost of Benefits for Service in 2005

The normal actuarial cost of the benefits expected to be earned under the Plan for service in 2005 is 25.29% of contributory earnings.

This cost is expected to be financed by employee contributions of 8.0% of contributory earnings, City contributions of 8.0% of contributory earnings and transfers from the Contribution Stabilization Reserve of 9.29% of contributory earnings.

In our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Winnipeg Police Pension Plan as at December 31, 2004 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

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

AUDITORS' REPORT

To the Chairperson and Members
The Winnipeg Police Pension Board
The City of Winnipeg

We have audited the statement of net assets available for benefits of the Winnipeg Police Pension Plan as at December 31, 2005 and the statements of changes in net assets available for benefits of the main account – general component, main account – contribution stabilization reserve and plan members' 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 Police Pension Plan as at December 31, 2005 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 24, 2006

Statement of Net Assets Available For Benefits

As at December 31	2005 (000's)	2004 (000's)
Assets		
Investments, at market		
Bonds and debentures	$ 295,892	$ 296,673
Canadian equities	317,039	270,648
Foreign equities	187,000	156,417
Cash and short-term deposits	23,649	26,899
Private equities	3,353	604
	826,933	751,241
Accrued interest	941	1,175
Accounts receivable	337	10
Due from The Winnipeg Civic Employees' Pension Plan	108	40
Total Assets	828,319	752,466
Liabilities		
Accounts payable	2,316	1,447
Total Liabilities	2,316	1,447
Net Assets Available For Benefits	$ 826,003	$ 751,019
Net Assets Available for Benefits Comprised of:		
Main Account – General Component	$ 764,512	$ 691,517
Main Account – Contribution Stabilization Reserve	55,361	54,036
Plan Members' Account	6,130	5,466
	$ 826,003	$ 751,019

See accompanying notes to the financial statements

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

MAIN ACCOUNT – GENERAL COMPONENT

Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2005	2004
	(000's)	(000's)
Increase in Assets		
Contributions		
The City of Winnipeg	$ 6,938	$ 6,924
Employees	7,070	7,028
Reciprocal transfers from other plans	46	204
	14,054	14,156
Transfer from Contribution Stabilization Reserve (Note 1)	8,056	7,824
Investment income (Note 5)	26,607	24,701
Current period change in market value of investments	57,866	41,025
Total increase in assets	106,583	87,706
Decrease in Assets		
Pension payments	27,369	25,167
Lump sum benefits	1,397	694
Administrative expenses (Note 6)	576	619
Investment management and custodial fees	1,295	1,046
Transfer of surplus to Contribution Stabilization Reserve (Note 3)	2,951	4,656
Total decrease in assets	33,588	32,182
Increase in net assets	72,995	55,524
Net assets available for benefits at beginning of year	691,517	635,993
Net assets available for benefits at end of year	$ 764,512	$ 691,517

See accompanying notes to the financial statements

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

MAIN ACCOUNT – CONTRIBUTION STABILIZATION RESERVE

Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2005	2004
	(000's)	(000's)
Increase in Assets		
Transfer of surplus from Main Account – General Component (Note 3)	$ 2,951	$ 4,656
Investment income (Note 5)	2,057	2,063
Current period change in market value of investments	4,474	3,427
Total increase in assets	9,482	10,146
Decrease in Assets		
Investment management and custodial fees	101	87
Transfer to Main Account – General Component (Note 1)	8,056	7,824
Total decrease in assets	8,157	7,911
Increase in net assets	1,325	2,235
Net assets available for benefits at beginning of year	54,036	51,801
Net assets available for benefits at end of year	$ 55,361	$ 54,036

See accompanying notes to the financial statements

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

PLAN MEMBERS' ACCOUNT

Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2005	2004
	(000's)	(000's)
Increase in Assets		
Investment income (Note 5)	$ 212	$ 195
Current period change in market value of investments	462	323
Total increase in assets	674	518
Decrease in Assets		
Investment management and custodial fees	10	8
Total decrease in assets	10	8
Increase in net assets	664	510
Net assets available for benefits at beginning of year	5,466	4,956
Net assets available for benefits at end of year	$ 6,130	$ 5,466

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2005

1. Description of Plan

a) General

The Winnipeg Police Pension Plan is a defined benefit pension plan, which provides pension benefits for City of Winnipeg police officers. All police officers are required to become members of the Plan at the commencement of their employment.

b) Financial Structure

The Winnipeg Police Pension Plan is comprised of three Accounts, namely the Main Account (which has two components being the General Component and the Contribution Stabilization Reserve), the Plan Members' Account and the City Account.

i) Main Account – General Component

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

Plan members contribute 8% of earnings to the Main Account. If the Contribution Stabilization Reserve is sufficient to provide a transfer to fund the difference between the current service cost of benefits accrued during the year and matching employee and City contributions, then the City matches the employee contributions during the year.

If the Contribution Stabilization Reserve is insufficient to provide the above transfer, then the City contributes the balance of the cost of non-indexed benefits, as determined by the Plan's Actuary, in excess of Plan members' contributions of 7% of earnings (towards non-indexed benefits), plus 1% of earnings for cost-of-living adjustments.

ii) Main Account – Contribution Stabilization Reserve

The Contribution Stabilization Reserve is credited with a portion of actuarial surpluses. The Contribution Stabilization Reserve finances, through transfers to the Main Account – General Component, the portion of the current service cost of benefits that exceeds the Plan members' and the City's 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

In order to ensure that the Plan members will receive a benefit equal to the benefit received by the City through the contribution holidays that it took in 2001 and 2002, the Plan Members' Account was established effective January 1, 2003 with an initial balance equal to the amount of the City's contribution holidays adjusted for investment income up to December 31, 2002.

The Plan Members' Account will be credited with the share of future actuarial surpluses that are allocated to the Plan Members in accordance with the surplus and risk sharing agreement entered into by the City and its two Police Associations.

iv) City Account

The financial structure provides for a City Account which will be credited with the share of future actuarial surpluses that are allocated to the City in accordance with the surplus and risk sharing agreement. To date, no actuarial surplus has been credited to the City Account.

c) Retirement Pensions

The Plan provides for retirement at or after age 55 or following completion of 25 years of credited service. The Plan allows early retirement at age 50 or completion of at least 20 years of credited service subject to an early retirement pension reduction. The pension formula prior to age 65 is equal to 2% of the average earnings in the 60 consecutive months in which the earnings are highest ("Best Average Earnings") for each year of credited service. The pension formula after age 65 is equal to 1.4% of Best Average Canada Pension Plan earnings plus 2% of Best Average Non-Canada Pension Plan earnings for each year of credited service. Pensions are subject to the maximum benefit limits prescribed for registered pension plans under the Income Tax Act.

Retirement and survivor pensions, including deferred pensions, are increased annually to provide cost-of-living adjustments at the stated level in the Plan text, which level is currently 75% of the percentage change in the Consumer Price Index for Canada.

d) Disability Pensions

A member, who has completed at least fifteen years of credited service, and who has become totally and permanently disabled may apply for a disability pension.

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 with the City.

g) Variation in Benefits

The surplus and risk sharing agreement provides that the rate of cost-of-living adjustment to pensions may be increased using funds available in the Plan Members' Account or may be reduced in the event of a funding deficiency.

h) Administration

The Plan is administered by the Winnipeg Police Pension Board which is comprised of two members appointed by the Winnipeg Police Association, one member appointed by the Winnipeg Police Senior Officers' Association and four members appointed by the City. 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 Plan members. They are prepared to assist Plan 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, except for private equities for which the market value has been determined by the private equity funds. Fixed income investments are valued using published mid-market quotations.

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 Reserve 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. Obligations for Pension Benefits

An actuarial valuation of the Plan was made as of December 31, 2004 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 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 6.25% per year, inflation of 2.25% per year and general increases in pay of 3.75% per year. The demographic assumptions, including rates of termination of employment, 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, 2004, disclosed an actuarial surplus of $2,951,000 which was allocated in 2005 in accordance with the surplus and risk sharing agreement.

The results of the December 31, 2004 actuarial valuation were extrapolated to December 31, 2005 to determine the actuarial present value of accrued benefits disclosed below. The actuarial present value of the Plan's accrued benefits as at December 31, 2005, and the principal components of changes in actuarial present values during the year, were as follows:

	2005 (000's)	2004 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 680,381	$ 653,844
Experience gains and losses and other factors	(272)	(2,285)
Changes in actuarial assumptions	(450)	(6,833)
Interest accrued on benefits	42,253	40,155
Benefits accrued	22,110	21,980
Benefits paid	(28,766)	(25,861)
Administrative expenses paid	(576)	(619)
Actuarial present value of accrued benefits, end of year	$ 714,680	$ 680,381

The assets available to finance the Plan'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:

	2005 (000's)	2004 (000's)
Market value of net assets available for benefits	$ 764,512	$ 691,517
Market value changes not reflected in actuarial value of assets	(39,418)	(8,907)
Actuarial value of net assets available for benefits	$ 725,094	$ 682,610

4. 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 City contribution rates or lower cost-of-living adjustments to pensioners.

The Plan has approximately 39% of its assets invested in fixed income securities as at December 31, 2005. 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, 2005 are as follows:

Term to Maturity	Market Value (000's)
Less than one year	$ 12,347
Two to five years	107,909
Greater than five years	175,636
	$ 295,892

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, 2005, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $320,481,000.

The Plan's concentration of credit risk as at December 31, 2005, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2005 Market Value (000's)	2004 Market Value (000's)
Government of Canada and Government of Canada guaranteed	$ 122,243	$ 135,515
Provincial and Provincial guaranteed	136,880	122,386
Canadian cities, municipalities, and other institutions	1,516	5,807
Corporations	35,253	32,965
	$ 295,892	$ 296,673

The Plan's investments include short-term deposits with the City of Winnipeg which have a market value of $23,649,000 at December 31, 2005.

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 using forward contracts. There were no open forward contracts outstanding at December 31, 2005 (2004 – $ nil).

As at December 31, 2005, the Plan's net foreign currency exposure was as follows:

	2005 Net Exposure (000's)	2004 Net Exposure (000's)
United States	$ 88,852	$ 84,997
Euro	27,244	22,351
Japan	20,741	12,380
United Kingdom	19,025	15,695
Switzerland	6,423	4,518
Korea	4,985	1,783
Other	19,730	14,693
	$ 187,000	$ 156,417

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.

5. Investment Income

	2005 (000's)	2004 (000's)
Bonds and debentures	$ 19,166	$ 19,171
Canadian equities	5,463	4,485
Foreign equities	3,529	2,833
Cash and short term-deposits	718	470
	$ 28,876	$ 26,959
Allocated to:		
Main Account – General Component	$ 26,607	$ 24,701
Main Account – Contribution Stabilization Reserve	2,057	2,063
Plan Members' Account	212	195
	$ 28,876	$ 26,959

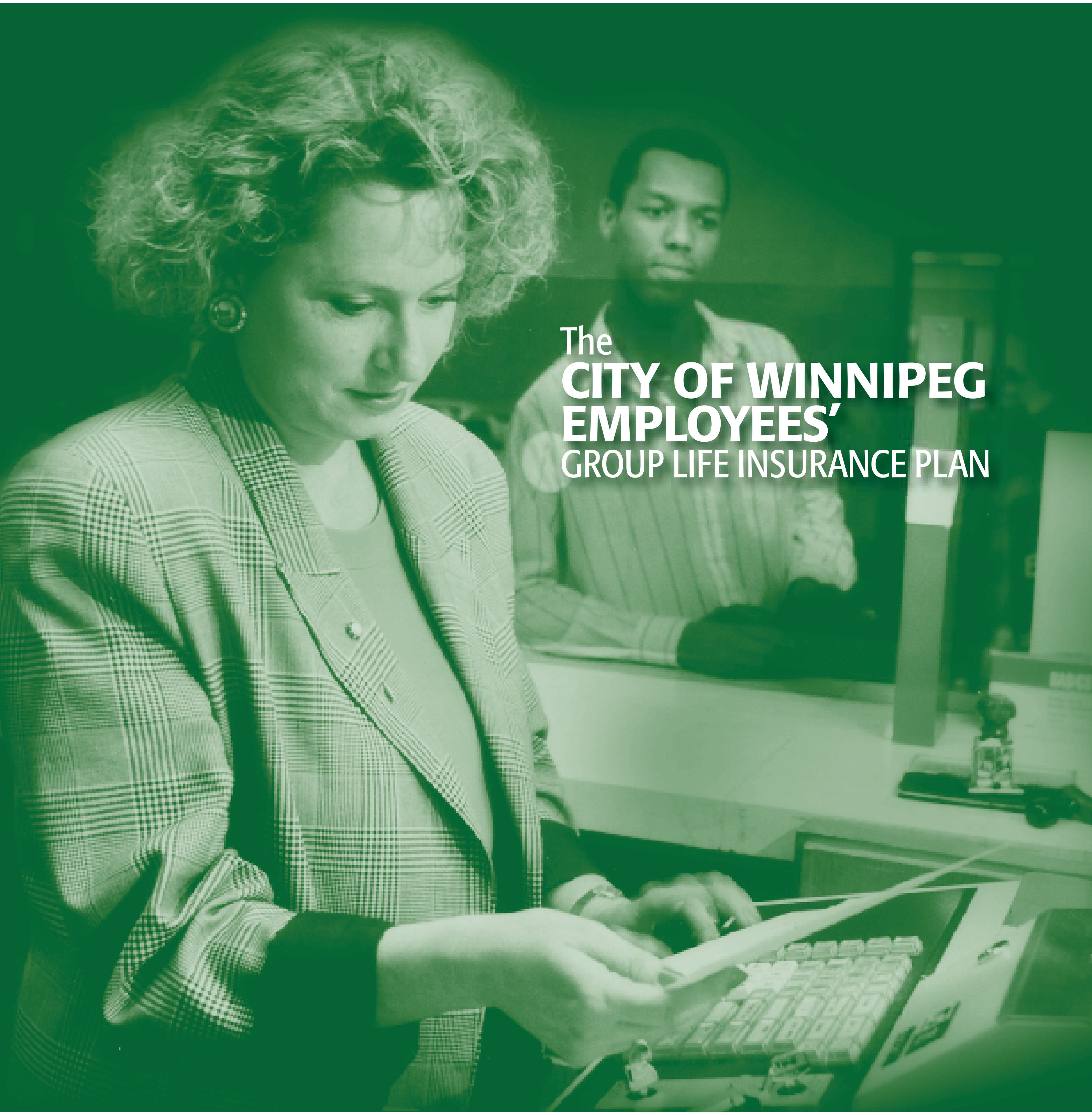
6. Administrative Expenses

	2005 (000's)	2004 (000's)
Winnipeg Civic Employees' Benefits Program	$ 379	$ 413
Actuarial fees	185	185
Seminars	1	6
Consulting fees	-	4
Legal fees	4	3
General	7	8
	$ 576	$ 619

7. Comparative Figures

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.

2005



The CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

THE CITY OF WINNIPEG
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 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 basic life insurance for active members. Coverage on the life of disabled members will continue at the same earnings 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 increased 3.6% over the past four years. The number of active members has increased marginally over this period, going from 8,142 at the end of 2001 to 8,155 at the end of 2005. The number of pensioners has grown 10.4% over this period, increasing from 3,893 at the end of 2001 to 4,297 at the end of 2005.

Total Plan membership for Police Employees has grown by 13.4% over the past four years. The number of active members has increased 6.7% over this period, going from 1,186 at the end of 2001 to 1,266 at the end of 2005. The number of police pensioners has grown substantially, going from 498 at the end of 2001 to 644 at the end of 2005, a 29.3% increase over the period.

The Civic Employees' Group Life Insurance Plan's actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $27,355,000 and a contingency reserve in the amount of $5,304,000. The surplus is being utilized to finance reductions to contribution rates of 54% for basic life insurance. On the advice of the Plan's Actuary, a revised table of contribution rates payable by the members for optional additional insurance will be adopted effective 2006, in which contribution rates will be reduced by an average of 33%. These revised rates continue to incorporate a 25% reduction on account of the actuarial surplus.

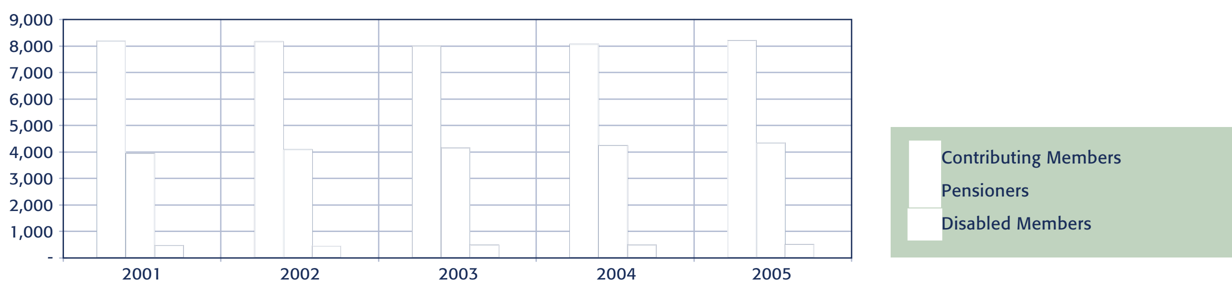
The Police Employees' Group Life Insurance Plan's actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $5,419,000 and a contingency reserve in the amount of $1,085,000. The surplus is being utilized to finance reductions to contribution rates of 51% for basic life insurance. On the advice of the Plan's Actuary, a revised table of contribution rates payable by the members for optional additional insurance will be adopted effective 2006, in which contribution rates will be reduced by an average of 33%. These revised rates continue to incorporate a 25% reduction on account of the actuarial surplus.

THE CITY OF WINNIPEG – CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

SUMMARY OF PLAN MEMBERSHIP

	2005	2004	2003	2002	2001
Members					
Active Members	8,155	8,023	7,919	8,086	8,142
Disabled Members	461	435	435	431	433
Pensioners	4,297	4,187	4,104	4,044	3,893
Total	12,913	12,645	12,458	12,561	12,468
Deaths					
Active	13	18	16	18	11
Pensioners	130	145	144	128	148
Life Insurance In Force	(000's)	(000's)	(000's)	(000's)	(000's)
Basic	$ 781,590	$ 738,691	$ 702,260	$ 680,240	$ 652,387
Optional	199,341	183,655	179,594	175,340	166,290
Pensioners	110,212	104,292	99,291	96,586	92,418

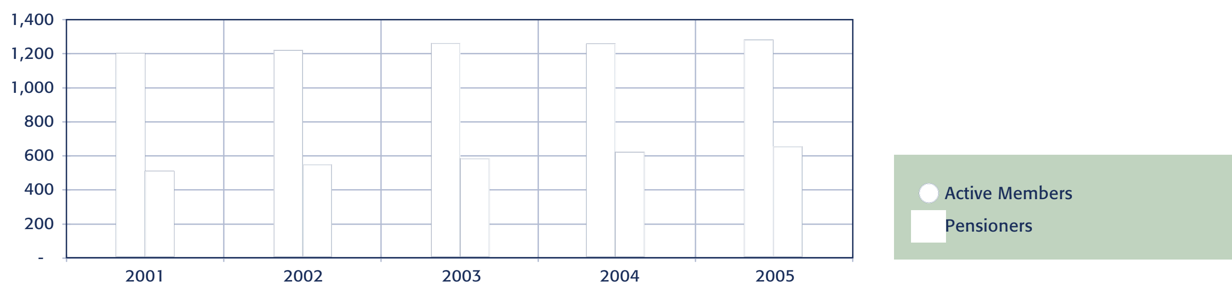
Membership Profile



SUMMARY OF PLAN MEMBERSHIP

	2005	2004	2003	2002	2001
Members					
Active Members	1,266	1,246	1,247	1,208	1,186
Pensioners	644	607	572	539	498
Total	1,910	1,853	1,819	1,747	1,684
Deaths					
Active	1	1	-	1	1
Pensioners	7	6	3	2	4
Life Insurance In Force	(000's)	(000's)	(000's)	(000's)	(000's)
Basic	$ 174,971	$ 169,738	$ 157,181	$ 152,694	$ 141,820
Optional	41,659	40,630	37,061	35,022	31,372
Pensioners	36,407	33,270	30,530	28,461	25,707

Membership Profile



THE CITY OF WINNIPEG – EMPLOYEES' GROUP LIFE INSURANCE PLAN

FIVE YEAR FINANCIAL SUMMARY

	2005	2004	2003	2002	2001
	(000's)	(000's)	(000's)	(000's)	(000's)
Investments at Market:					
Bonds and Debentures	$ 40,244	$ 37,652	$ 34,238	$ 32,160	$ 31,410
Real Return Bonds	822	760	679	628	569
Canadian Equities	45,067	43,525	37,668	29,820	33,691
Foreign Equities	25,937	21,512	19,610	17,655	21,505
Short-term Deposits	4,338	2,017	4,175	5,544	5,874
Other Liabilities	(362)	(383)	(411)	(486)	(132)
	$ 116,046	$ 105,083	$ 95,959	$ 85,321	$ 92,917
Net Assets:					
Civic Employees	96,281	87,381	80,039	71,558	78,303
Police Employees	19,765	17,702	15,920	13,763	14,614
	$ 116,046	$ 105,083	$ 95,959	$ 85,321	$ 92,917

Increase in Civic Employees' Net Assets

	2005	2004	2003	2002	2001
Contributions					
City of Winnipeg*	$ 947	$ 874	$ 838	$ 801	$ 783
Employees	1,370	1,260	1,207	1,151	1,188
Pensioners	144	130	131	122	118
Investment Income (Loss)	10,647	8,984	10,230	(5,110)	(788)
	13,108	11,248	12,406	(3,036)	1,301
Decrease in Assets					
Actuarial Fees	65	-	54	60	20
Administration	99	101	90	83	67
Benefit Payments	3,718	3,489	3,500	3,282	2,439
Investment Management Fees	140	134	107	113	112
Risk Premium & Taxes	186	182	174	171	132
	4,208	3,906	3,925	3,709	2,770
Increase (Decrease) in Net Assets	$ 8,900	$ 7,342	$ 8,481	$ (6,745)	$ (1,469)
Annual Rates of Return	12.3%	11.4%	14.5%	-6.6%	-1.0%

Increase in Police Employees' Net Assets

	2005	2004	2003	2002	2001
Contributions					
City of Winnipeg	$ 174	$ 174	$ 155	$ 154	$ 229
Employees	221	220	189	193	269
Pensioners	30	28	26	24	38
Investment Income (Loss)	2,160	1,797	1,982	(948)	(145)
	2,585	2,219	2,352	(577)	391
Decrease in Assets					
Actuarial Fees	50	-	52	28	5
Administration	20	20	16	15	12
Benefit Payments	397	366	85	188	289
Investment Management Fees	29	27	21	21	20
Risk Premium & Taxes	26	24	21	22	17
	522	437	195	274	343
Increase (Decrease) in Net Assets	$ 2,063	$ 1,782	$ 2,157	$ (851)	$ 48
Annual Rates of Return	12.3%	11.4%	14.5%	-6.6%	-1.0%

* 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.

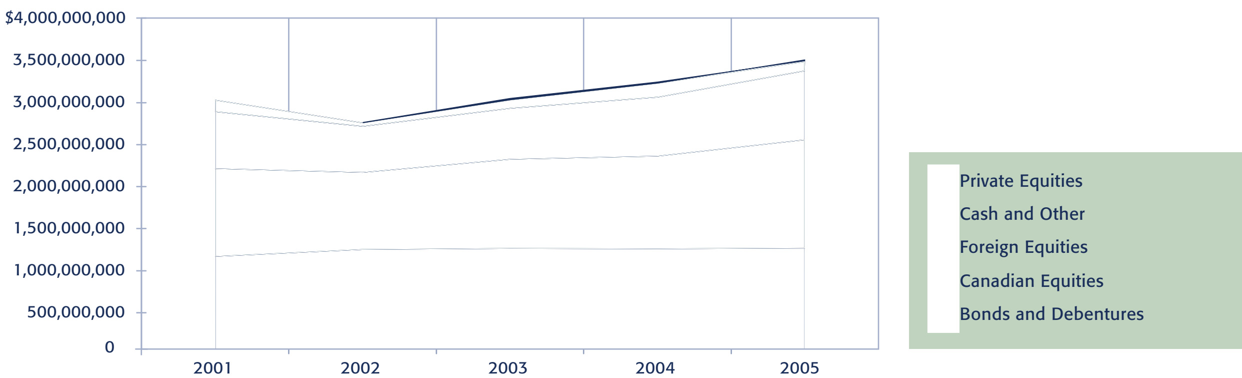
In 2005, the investment portfolio returned 12.3%. Stock markets globally rose in 2005 as consumer confidence and capital investment continued to improve. The years 1995 through 2000 experienced abnormally high real returns, followed by negative returns for 2001 and 2002.

The Plan's four-year and ten-year annual rates of return of 7.6% and 9.4%, respectively, place the Plan at the 62nd percentile and 69th percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service.

The marginally below median ten-year record (median return of 9.6%) can be attributed to the underperformance of our Canadian equity managers and the underperformance of our passive investment in the S&P 500 Index relative to the performance of active managers over the last six years. Our bond performance over this period ranks well into the 1st quartile. More recent performance, however, has been adversely affected by having the Program's Canadian equity portfolios underweighted in the energy and materials sectors which have experienced exceptional returns for the last three years. Generally, our investment managers have a more conservative position in these cyclical sectors which now dominate the Canadian market.

EMPLOYEES' GROUP LIFE INSURANCE PLAN

Investments



Asset Mix

As a result of appreciation in the equity markets, significant profits were realized in Canadian equities and the allocation to equities was reduced from 62% of the portfolio at the beginning of the year to 61% at year-end. Money market investments increased from 1.9% of assets at the beginning of the year to 3.7% at year-end in anticipation of adding to the bond portfolio in 2006. An additional allocation of $2.9 million was directed to the Plan's Non-North American equity position, thus increasing this asset allocation by approximately 1.4% to 10.3% of the portfolio.

Equity Investments

The Plan's Canadian Equity Managers underperformed the S&P/TSX Composite Index and the median pension fund in 2005 with a rate of return of 20.7%. The S&P/TSX Composite Index had a return of 24.1% in 2005 compared to a return of 14.5% in 2004.

The Plan's Foreign Equity Managers, collectively, achieved a rate of return of 6.7% in Canadian dollar terms in 2005. This return was marginally below the median due to below-median performance in U.S. equities. The U.S. market achieved a return of 1.6% in Canadian dollars, in 2005. Over the last ten years, the U.S. stock market has underperformed the Canadian stock market in Canadian dollars. The Plan's Non-North American manager achieved a return of 9.6% in 2005. The Europe, Australia, Far East Index rose 10.0% which was reflective of improving foreign markets, especially Japan.

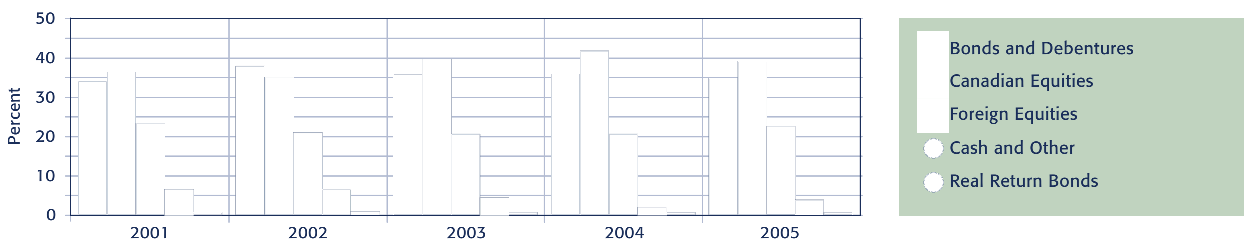
Fixed Income Investments

The Plan's bond portfolio achieved a rate of return of 7.6% in 2005. For the four- and ten-year periods ended December 31, 2005, the bond portfolio returned 8.2% and 8.8% annually, respectively, ranking first quartile for ten years.

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

EMPLOYEES' GROUP LIFE INSURANCE PLAN

Asset Mix



Asset Mix Strategy for 2006

The Investment Committee anticipates maintaining the equity weighting in the portfolio at approximately 60% of the total portfolio. It intends, however, to increase the weighting of the Non-North American portion by approximately 2%, thus improving the diversification of our fund and lessening risk. Correspondingly, the Canadian equity position will be reduced by 4%. By year-end 2006, it is anticipated that the portfolio will be weighted 60% equities, 39% fixed income, 1% short term investments.

Total Returns

	One Year	Four Years	Ten Years
Total Fund	12.3%	7.6%	9.4%
Bonds and Debentures	7.6	8.2	8.8
Canadian Equities	20.7	12.2	12.8
Foreign Equities	6.7	-0.8	7.0
Benchmarks			
Scotia Capital Markets Universe Bond Index	6.5	7.3	7.7
S&P / TSX Composite Index	24.1	12.1	11.0
S&P 500	1.6	-3.9	7.4
Europe, Australia, Far East Stock Market Index	10.0	3.9	4.2
Consumer Price Index	2.2	2.5	2.1

Rick Abbott
Director of Investments

THE CITY OF WINNIPEG – CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Civic Employees' Group Life Insurance Plan as at December 31, 2004, relying on data and other information provided to us by the Board of Trustees of The Winnipeg Civic Employees' Benefits Program. The results of the valuation are contained in our report dated November 3, 2005.

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 $27,355,000 after taking into account the actuarial liability associated with post-retirement basic life insurance benefits in respect of Plan membership up to December 31, 2004 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 employer contributions continue at the reduced rate of 0.125% of earnings for basic life insurance of one times annual earnings and that the corresponding reduced rate of contribution continue to be paid by pensioners. These rates represent a 54% reduction relative to the normal actuarial cost of the basic life insurance benefits provided by the Plan.

Optional Additional Life Insurance

The cost of optional additional life insurance has reduced by an average of 33%.

We recommend that a revised table of contribution rates payable by the members for optional additional insurance be adopted, and that these rates continue to incorporate a 25% reduction on account of the actuarial surplus.

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, 2004 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

THE CITY OF WINNIPEG – POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Police Employees' Group Life Insurance Plan as at December 31, 2004, relying on data and other information provided to us by the Plan administrator. The results of the valuation are contained in our report dated November 25, 2005.

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 $5,419,000 after taking into account the actuarial liability associated with post-retirement basic life insurance benefits in respect of Plan membership up to December 31, 2004 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 basic life insurance benefits provided by the Plan.

Optional Additional Life Insurance

The cost of optional additional life insurance has reduced by an average of 33%.

We recommend that a revised table of contribution rates payable by the members for optional additional insurance be adopted, and that these rates continue to incorporate a 25% reduction on account of the actuarial surplus.

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, 2004 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

THE CITY OF WINNIPEG – CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN
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, 2005 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, 2005 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 24, 2006

THE CITY OF WINNIPEG

CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

Statement of Net Assets

As at December 31		2005		2004
		(000's)		(000's)
Assets				
Investments, at market				
Bonds and debentures	$	40,745	$	38,096
Canadian equities		45,067		43,525
Foreign equities		25,937		21,512
Short-term deposits		4,338		2,017
		116,087		105,150
Accrued interest		321		316
Accounts receivable		85		6
Due from The Winnipeg Civic Employees' Pension Plan		6		-
Total Assets		116,499		105,472
Liabilities				
Accounts payable		453		387
Due to The Winnipeg Civic Employees' Pension Plan		-		2
Total Liabilities		453		389
Net Assets	$	116,046	$	105,083
Net Assets Comprised of:				
Civic Employees' (Note 3)	$	96,281	$	87,381
Police Employees' (Note 3)		19,765		17,702
	$	116,046	$	105,083

See accompanying notes to the financial statements

THE CITY OF WINNIPEG

CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

Statement of Changes in Net Assets

For the years ended December 31		2005		2004
		(000's)		(000's)
Increase in Assets				
Contributions				
City of Winnipeg and participating employers	$	947	$	874
Employees – basic		949		876
Employees – optional		421		384
Pensioners		144		130
		2,461		2,264
Investment income		2,956		2,796
Current period change in market value of investments		7,691		6,188
Total increase in assets		13,108		11,248
Decrease in Assets				
Administration		99		101
Actuarial fees		65		-
Benefit payments		3,718		3,489
Investment management fees		140		134
Risk premium and taxes		186		182
Total decrease in assets		4,208		3,906
Increase in net assets		8,900		7,342
Net assets at beginning of year		87,381		80,039
Net assets at end of year	$	96,281	$	87,381

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	2005	2004
	(000's)	(000's)
Increase in Assets		
Contributions		
The City of Winnipeg	$ 174	$ 174
Employees – basic	174	174
Employees – optional	47	46
Pensioners	30	28
	425	422
Investment income	602	566
Current period change in market value of investments	1,558	1,231
Total increase in assets	2,585	2,219
Decrease in Assets		
Administration	20	20
Actuarial fees	50	-
Benefit payments	397	366
Investment management fees	29	27
Risk premium and taxes	26	24
Total decrease in assets	522	437
Increase in net assets	2,063	1,782
Net assets at beginning of year	17,702	15,920
Net assets at end of year	$ 19,765	$ 17,702

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS As at December 31, 2005

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, other than police officers, and certain other employers which participate in the Plan and the Police Employees' Group Life Insurance Plan for police officers 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 Winnipeg 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 until retirement. 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.

The Plan is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund). The Great-West Life Assurance Company is responsible for claims adjudication and processing of payments.

b) Police Employees' Group Life Insurance Plan

All police officers are required to become members of the Plan commencing on their date of employment. Plan members are covered for basic life insurance coverage of 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. The employees and the City share equally in the cost of basic life insurance until retirement. Coverage on the life of disabled members 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.

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, 2004 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 5.5% per year and general increases in pay of 3.75% 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, 2004 disclosed an actuarial surplus of $27,355,000 and a contingency reserve in the amount of $5,304,000.

The results of the December 31, 2004 actuarial valuation were extrapolated to December 31, 2005 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, 2005, and the principal components of changes in actuarial present values during the year, were as follows:

	2005 (000's)	2004 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 53,092	$ 49,924
Experience gains and losses and other factors	(1,166)	-
Changes in actuarial assumptions	1,111	-
Interest accrued on benefits	2,918	3,000
Benefits accrued	2,273	1,941
Benefits paid	(2,238)	(1,773)
Actuarial present value of accrued benefits, end of year	$ 55,990	$ 53,092

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:

	2005 (000's)	2004 (000's)
Market value of net assets available for benefits	$ 96,281	$ 87,381
Market value changes not reflected in actuarial value of assets	(5,934)	(1,685)
Actuarial value of net assets available for benefits	$ 90,347	$ 85,696

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, 2004 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 5.5% per year and general increases in pay of 3.75% 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, 2004 disclosed an actuarial surplus of $5,419,000 and a contingency reserve in the amount of $1,085,000.

The results of the December 31, 2004 actuarial valuation were extrapolated to December 31, 2005 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, 2005, and the principal components of changes in actuarial present values during the year, were as follows:

	2005 (000's)	2004 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 10,847	$ 10,079
Experience gains and losses and other factors	(165)	-
Changes in actuarial assumptions	165	-
Interest accrued on benefits	602	609
Benefits accrued	466	400
Benefits paid	(257)	(241)
Actuarial present value of accrued benefits, end of year	$ 11,658	$ 10,847

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:

	2005 (000's)	2004 (000's)
Market value of net assets available for benefits	$ 19,765	$ 17,702
Market value changes not reflected in actuarial value of assets	(1,206)	(351)
Actuarial value of net assets available for benefits	$ 18,559	$ 17,351

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 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 39% of its assets invested in fixed income securities as at December 31, 2005. 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, 2005 are as follows:

Term to Maturity	Market Value (000's)
Less than one year	$ 504
Two to five years	16,457
Greater than five years	23,784
	$ 40,745

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, 2005, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $45,404,730. The Plan's concentration of credit risk as at December 31, 2005, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2005 Market Value (000's)	2004 Market Value (000's)
Government of Canada and Government of Canada guaranteed	$ 31,410	$ 29,242
Provincial and Provincial guaranteed	3,544	3,863
Canadian cities, municipalities, and other institutions	820	515
Corporations	4,971	4,476
	$ 40,745	$ 38,096

The Plan's investments include short-term deposits with the City of Winnipeg which have a market value of $3,702,626 at December 31, 2005.

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. There were no open forward contracts outstanding at December 31, 2005 (2004 – $ nil).

As at December 31, 2005, the Plan's net foreign currency exposure was as follows:

	2005 Net Exposure (000's)	2004 Net Exposure (000's)
United States	$ 12,967	$ 12,119
Euro	3,651	2,843
United Kingdom	2,852	2,351
Japan	1,782	1,053
Korea	894	339
Switzerland	649	220
Hong Kong	604	242
Other	2,538	2,345
	$ 25,937	$ 21,512

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.

2005

APPENDICES

INVESTMENT MANAGERS
As at December 31, 2005

Fixed Income
Mr. K. Merlevede, Manager of Fixed Income Investments

Canadian Equities
Burgundy Asset Management Ltd.
Foyston, Gordon and Payne Inc.
Guardian Capital L.P.
Phillips, Hager & North Investment Management Ltd.
TD Asset Management Inc.

US Equities
AllianceBernstein Institutional Investment Management
J.P. Morgan Investment Management Inc.
Provident Investment Counsel, Inc.
State Street Global Advisors, Ltd.

Non-North American Equities
Capital Guardian Trust Company
Franklin Templeton Investments Corp.

Private Equities
Richardson Capital Limited

FIXED INCOME INVESTMENTS SUMMARY
As at December 31, 2005

Description	Maturity Date	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Government of Canada bonds	2006 - 2023	$ 122,243	$ 31,410
Provincial bonds	2009 - 2024	136,880	3,544
Municipal bonds (excluding Winnipeg bonds)	2006	1,516	820
Corporate bonds	2006 - 2017	35,253	4,971
Accrued interest		941	321
Total bonds and debentures		$ 296,833	$ 41,066
Call funds – City of Winnipeg		$ 23,640	$ 3,704
Funds on deposit – Great-West Life		-	634
Term deposits		9	-
Total short-term investments		$ 23,649	$ 4,338

TOP 50 CORPORATE SHARE HOLDINGS*

As at December 31, 2005

	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Bank of Nova Scotia	$ 18,445	2,466
Manulife Financial Corporation	18,384	3,037
Royal Bank of Canada	17,814	3,209
Toronto - Dominion Bank	14,625	2,267
EnCana Corporation	13,365	2,673
Bank of Montreal	10,579	1,514
Suncor Energy, Inc.	9,939	2,156
Canadian Imperial Bank of Commerce	9,462	1,364
Rogers Communications Inc., Class B	8,536	1,150
TELUS Corporation, NV	7,934	1,749
Canadian National Railway Company	5,851	1,600
Alcan Inc.	5,548	1,097
BCE Inc.	5,502	870
Canadian Natural Resources Limited	4,535	202
The Thompson Corporation	4,272	842
Power Financial Corporation	4,175	573
Sun Life Financial Services of Canada Inc.	4,141	178
Loblaw Companies Limited	4,133	592
Potash Corporation of Saskatchewan Inc.	4,025	759
Power Corporation of Canada, SV	3,936	682
Research in Motion Limited	3,718	633
Petro-Canada	3,667	536
Great-West Lifeco Inc.	3,484	1,021
Biovail Corporation	3,425	806
Nortel Networks Corporation	3,369	597

	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Finning International Inc.	$ 3,253	122
Barrick Gold Corporation	3,238	259
Cameco Corp.	3,204	241
Magna International Inc., Class A, SV	2,991	390
Talisman Energy Inc.	2,990	147
Inco Ltd.	2,947	213
Nexen Inc.	2,762	220
ATI Technologies Inc.	2,726	124
Shoppers Drug Mart Corporation	2,625	193
General Electric Company	2,587	360
Western Oil Sands Inc.	2,498	168
Husky Energy Inc.	2,394	48
Canadian Pacific Railway Limited	2,390	172
IGM Financial Inc.	2,340	33
Exxon Mobil Corporation	2,218	275
Torstar Corporation, Class B, NV	2,129	8
Citigroup Inc.	1,969	265
AGF Management Ltd., Class B, NV	1,831	118
SNC - Lavalin Group Inc.	1,823	25
ShawCor Limited, Class A, SV	1,819	6
Teck Cominco Limited, Class B, SV	1,764	442
RONA Inc.	1,764	116
Sherritt International Corporation, RV	1,753	112
MacDonald Dettwiler & Associates Ltd.	1,752	110
Celestica Inc., SV	1,730	379

NOTES

NOTES

2005 DIRECTORY
WINNIPEG POLICE PENSION BOARD

Council-Appointed Employer Representatives
Menno Zacharias (Chair)
Deputy Chief – Support Services

Betty Holsten Boyer
Manager of Financial
Planning and Review

Mike Ruta
Corporate Controller

David Shepherdson
Manager, Labour Relations
and Compensation

Employee Representatives
Loren Schinkel (Vice Chair)
Winnipeg Police Association

Ed Humphries
Winnipeg Police Association

Alex Katz
Winnipeg Police Senior
Officers Association
(appointed September 2005)

Investment Committee
Richard Bracken (Chair)

John McCallum (Vice Chair)

Nick Diakiw

Bob Gannon

Jon Holeman

Scott Penman

Management
Glenda Willis
Executive Director

Rick Abbott
Director of Investments

Kirk Merlevede
Manager, Fixed Income Investments

Bill Battershill
Manager, Information Systems

Cathy Masek
Manager, Pension and Group
Insurance Benefits

Rob Sutherland
Manager, Finance and Administration

Advisors
Actuary
Western Compensation
& Benefits Consultants

Auditor
Deloitte & Touche, LLP

Legal Counsel
City of Winnipeg Legal Services

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185 King Street
4th Floor, Mandarin Building
Winnipeg, Manitoba R3B 1J1

Tel: 204-986-2516
Fax: 204-986-3571
Website: cepp.winnipeg.ca

As at December 31, 2005.

Former Board Member Keith McCaskill retired from the Board in August, 2005. (replaced by Alex Katz)

Winnipeg