

NOVA SCOTIA DEPARTMENT OF FINANCE  
PENSION SERVICES GROUP

# INVESTMENT REPORT

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NOVA SCOTIA TEACHERS' PENSION PLAN

*Quarter Ended June 30, 2004*



# Table of Contents

|                        |   |
|------------------------|---|
| Asset Mix .....        | 1 |
| Top 20 Holdings.....   | 2 |
| Fund Performance ..... | 3 |

This report may also be found online at:

[www.gov.ns.ca/finance/pension](http://www.gov.ns.ca/finance/pension).

Click on Teachers' Pension Plan and Investment Division & Report.

## Investment Division

The Minister of Finance is trustee of the Fund and is responsible for the day-to-day administration of the plan. These functions are carried out through the Pensions and Investments Branch of the Department of Finance. The Investment Division of the Department of Finance is comprised of five investment professionals. This group is responsible for the day-to-day monitoring of asset mix for compliance with asset mix guidelines and recommending asset mix changes. In addition, this group is responsible for selecting external fund managers and managing fixed income portfolios. Support staff is responsible for accounting for all investment transactions.

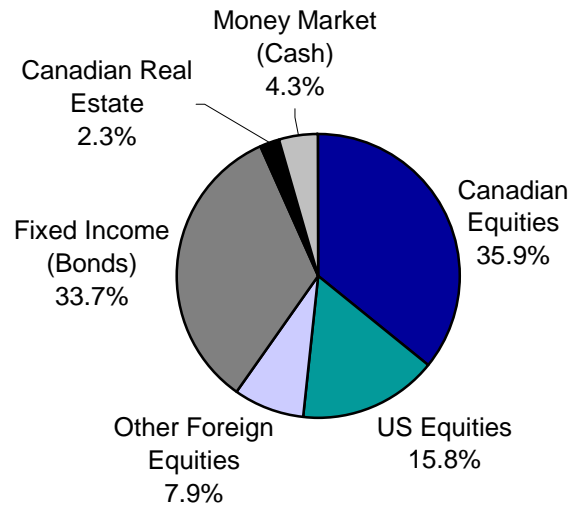
# INVESTMENT REPORT

## NOVA SCOTIA TEACHERS' PENSION PLAN

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### ASSET MIX

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| Asset                  | Quarter Ended June 30, 2004 |
|------------------------|-----------------------------|
| Canadian Equities      | 35.9%                       |
| US Equities            | 15.8%                       |
| Other Foreign Equities | 7.9%                        |
| Fixed Income (Bonds)   | 33.7%                       |
| Canadian Real Estate   | 2.3%                        |
| Money Market (Cash)    | 4.3%                        |

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**TOP 20 HOLDINGS**

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| Stock                              | Value        |
|------------------------------------|--------------|
| Manulife Financial Corp            | \$71,280,578 |
| Bank of Nova Scotia                | \$62,903,410 |
| Royal Bank of Canada               | \$61,852,151 |
| Toronto Dominion Bank              | \$49,283,579 |
| Encana Corporation                 | \$36,100,369 |
| Talisman Energy Inc                | \$30,638,034 |
| Nexen Inc                          | \$27,712,078 |
| Sun Life Financial Inc             | \$27,621,674 |
| Bank of Montreal                   | \$26,879,292 |
| Transcanada Corp                   | \$26,404,824 |
| Nortel Networks Corporation        | \$25,881,044 |
| Canadian Imperial Bank of Commerce | \$24,629,709 |
| BCE Inc                            | \$24,540,137 |
| Thomson Corporation                | \$19,456,301 |
| Great West Lifeco Inc              | \$19,361,370 |
| Canadian National Railway          | \$19,151,257 |
| Canadian Tire Ltd.                 | \$18,931,640 |
| Alcan Inc                          | \$18,826,087 |
| Enbridge Inc                       | \$18,278,293 |
| Petro Canada                       | \$17,524,941 |

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## FUND PERFORMANCE

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Performance for the June 2004 quarter showed the fund return of +0.52% vs. its benchmark of +0.35%. This performance was positively impacted by the good relative performance of our Canadian equity managers and our internal fixed income manager.

For the one-year period ended June 2004 the fund showed a return of +15.59% vs. its benchmark return of +15.95%. Although slightly lower than the benchmark, we are very pleased as this return is still in considerable excess of the Plan's target investment return of +7.38%.

### Recent Developments

During the past quarter the funds were able to increase their holdings in direct real estate through the purchase of an office building in Ottawa and two residential rental properties in Halifax. Our target is to build the real estate portfolio to the point where it will represent 7% of total fund assets within two years.

NOVA SCOTIA DEPARTMENT OF FINANCE

PENSION SERVICES GROUP

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