

NOVA SCOTIA DEPARTMENT OF FINANCE
PENSION SERVICES GROUP

INVESTMENT REPORT

NOVA SCOTIA TEACHERS' PENSION PLAN

Quarter Ended March 31, 2005



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Investment Division

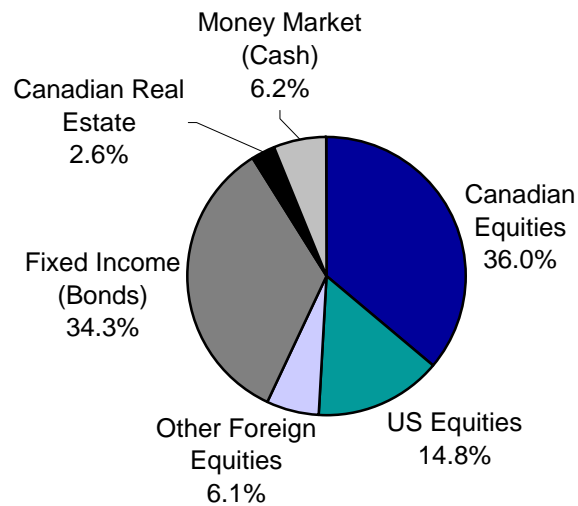
The Minister of Finance is trustee of the Fund and is responsible for the day-to-day administration of the plan. These functions are carried out through the Pensions and Investments Branch of the Department of Finance. The Investment Division of the Department of Finance is comprised of five investment 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

ASSET MIX

March 31, 2005



| Asset | 1st Quarter Ended |
|--|-------------------|
| | March 31, 2005 |
|  Canadian Equities | 36.0% |
|  US Equities | 14.8% |
|  Other Foreign Equities | 6.1% |
|  Fixed Income (Bonds) | 34.3% |
|  Canadian Real Estate | 2.6% |
|  Money Market (Cash) | 6.2% |

TOP 20 HOLDINGS

| Stock | Value March 31, 2005 (descending value) |
|------------------------------------|--|
| Royal Bank of Canada | \$72,530,205 |
| Manulife Financial Corp | \$68,152,434 |
| Bank of Nova Scotia | \$62,862,238 |
| Toronto Dominion Bank | \$60,085,297 |
| Encana Corporation | \$48,767,024 |
| Talisman Energy Inc. | \$39,617,407 |
| Nexen Inc. | \$33,277,527 |
| Canadian National Railway | \$28,632,280 |
| Transcanada Corp | \$26,786,481 |
| BCE Inc. | \$26,727,152 |
| Sun Life Financial Inc. | \$26,038,634 |
| Canadian Imperial Bank of Commerce | \$23,324,736 |
| Bank of Montreal | \$22,228,778 |
| Thomson Corp | \$21,679,546 |
| Great West Life | \$21,474,809 |
| Canadian Tire Ltd. | \$20,417,258 |
| SNC-Lavalin Group Inc. | \$20,175,880 |
| Imperial Oil Ltd. | \$20,168,450 |
| Enbridge Inc. | \$20,005,119 |
| Petro-Canada | \$19,062,794 |

FUND PERFORMANCE

Performance for the March 2005 quarter showed a return of +2.55% versus its benchmark of +1.55%. Canadian equity returns were buoyed by strong world oil prices and were the Fund's best performing asset class during the quarter.

For the one-year period ended in March 2005 the fund showed a return of +7.71% versus its benchmark of +6.53% and the target investment return of 7.38%. Again Canadian equities were the Fund's main contributor for this excellent performance. Equity returns in the United States were disappointing due to the strength in the Canadian dollar.

NOVA SCOTIA DEPARTMENT OF FINANCE

PENSION SERVICES GROUP

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