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, 2007	Fair Value	Actuarial Value
	(000's)	(000's)
Net Assets Available For Benefits		
Main Account - General Component	$ 856,643	$ 833,699
Main Account - Contribution Stabilization Reserve	52,442	52,442
Plan Members' Account	7,053	7,053
	$ 916,138	$ 893,194
Plan Obligations – as extrapolated	$ 821,858	$ 821,858
Funded Ratio - on extrapolated obligations	111.5%	108.7%

Plan Highlights	**2007**	**2006**
	(000's)	(000's)
Investments at Fair Value	$ 916,138	$ 914,952
Net Investment Income - Total Plan (including changes in fair value)	$ 18,610	$ 104,249
Investment Rate of Return	2.2%	12.9%
Employee Contributions*	$ 7,769	$ 7,842
Employer Contributions	$ 7,623	$ 7,676
Pension Payments	$ 31,234	$ 28,924
Lump Sum Refunds	$ 1,218	$ 1,343
Membership		
Contributing Members	1,330	1,291
Inactive Members	14	14
Pensioners	940	899
	2,284	2,204

*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

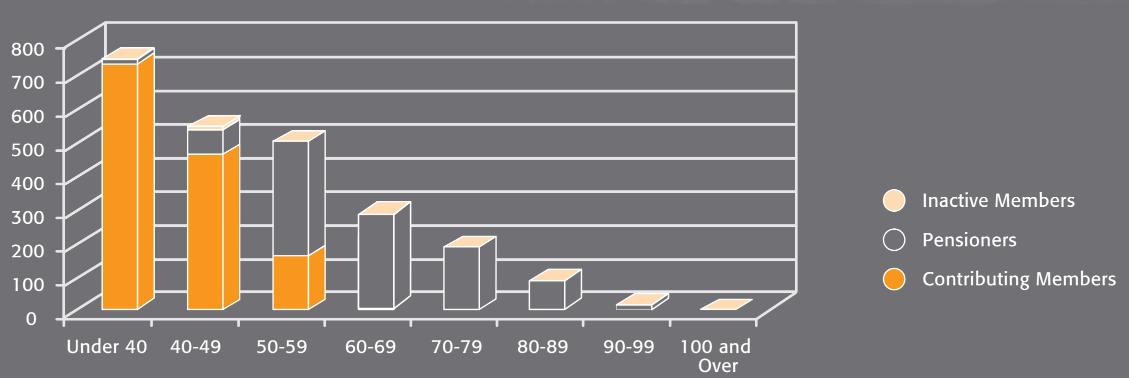
	December 31, 2006 (000's)
1. Actuarial Value of Assets	
Main Account	$ 843,815
Plan Members' Account	6,911
	850,726
2. Actuarial Liabilities	782,590
3. Excess of actuarial value of Plan Assets over Actuarial Liabilities	68,136
4. Amounts Previously Allocated	
Contribution Stabilization Reserve	61,225
Plan Members' Account	6,911
	68,136
5. Actuarial Surplus (3.- 4.)	0
6. Funded Ratio (1. / 2.)	
Including Plan Members' Account	108.7%
Excluding Plan Members' Account	107.8%

COST OF BENEFITS FOR SERVICE IN 2007

	As % of Contributory Earnings
Non-Indexed Benefits	21.68%
COLA'S	4.72%
Total	26.40%
Employee Contributions	8.00%
City Contributions (Matching)	8.00%
Balance from Contribution Stabilization Reserve	10.40%
Total	26.40%

WINNIPEG POLICE PENSION PLAN

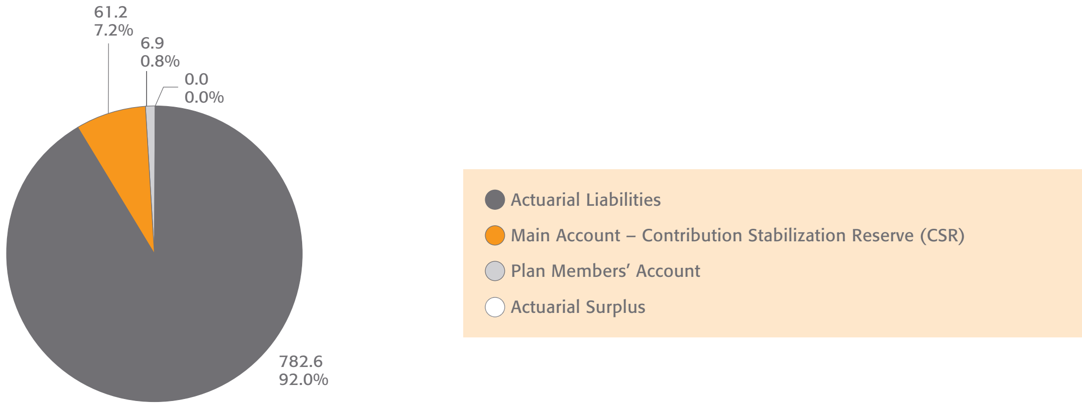
Membership Profile as at December 31, 2007
(By Age Bands)



WINNIPEG POLICE PENSION PLAN

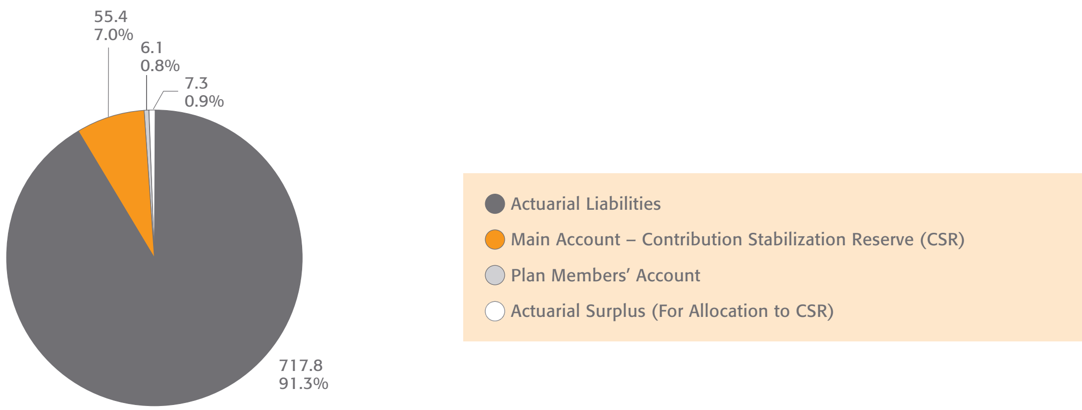
Actuarial Liabilities And Reserves Per Actuarial Valuation as at December 31, 2006

(in $ millions)



Actuarial Liabilities And Reserves Per Actuarial Valuation as at December 31, 2005

(in $ millions)



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.

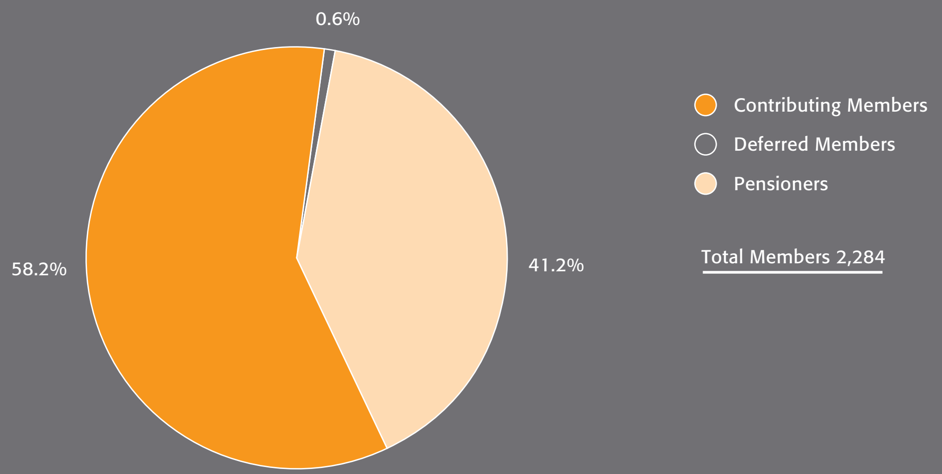
Surplus and Risk Sharing

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.

The terms of the agreement have been formally incorporated into the Plan By-law.

Membership Profile as at December 31, 2007



MANAGING ASSETS PRUDENTLY

Funded Status of the Plan at December 31, 2006

The most recent actuarial valuation of the Winnipeg Police Pension Plan as at December 31, 2006 disclosed that the Plan was fully funded and had an excess of actuarial value of assets over actuarial liabilities of $68,136,000 - a funded ratio of 108.7% on an actuarial basis. If the fair value had been used instead of the actuarial value of assets, the excess would have been $132,362,000 – a funded ratio of 116.9% on a fair value basis. These results portray a picture of absolute and relative health for the Plan relative to service accrued to December 31, 2006.

Under the terms of the 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. To date, no actuarial surpluses have been credited to the City Account.

The cost of future service benefits under the Plan is currently 26.4% 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 15.7% of pay.

The actuarial valuation as at December 31, 2006 disclosed that the Plan did not generate any surplus on 2006 operations. The actuarial surplus that otherwise would have emerged during 2006 was used to strengthen the actuarial funding assumptions.

The actuarial valuation also disclosed that the Contribution Stabilization Reserve is funded at 52.1% of its target level of $117,460,000.

Under the terms of the Plan, 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 6.00% 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 3.75% 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, 2007

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, 2007 were not available. Accordingly, the assumptions used in the most recent actuarial valuation as at December 31, 2006 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 provisions of the Plan that would affect its funded status 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 $11,841,000 as at December 31, 2007. Although the extrapolated values of the assets and obligations project a somewhat significant amount of apparent surplus, the experience gains or losses, as well as the effect of any future changes in actuarial assumptions, that ultimately emerge for 2007 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, 2007. 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 in 2008 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 108.7% on an actuarial basis and 111.5% on a fair value basis. These funded positions compare with those from the previous actuarial valuation one year earlier of 108.7% and 116.9% respectively.

The application of a five-year asset smoothing method had the effect of deferring a portion of the market gains in 2004 through 2006 to future years, as actual rates of return have exceeded the assumed rate of return for these years.

As at December 31, 2007, the assets as measured on an actuarial basis are less than their related fair value by $22,944,000 – a reduction in position of $47,170,000 from the previous year. In effect, the smoothing method has served to buffer the impact of the Plan earning only 2.2% during 2007, versus the assumed rate of investment return of 6.0%.

Accordingly, on the basis of the 2006 actuarial assumptions, should the Plan earn exactly the assumed 6.00% on the actuarial asset base over the next three years, the remaining $22,944,000 smoothing difference would be expected to emerge as surplus over this three 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 7.5% per year, ranking third quartile among larger plans in Canada. The current 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 2.2%, the Plan exceeded this goal by a margin of 0.3% per year over the last ten years. It should be noted that such measurements are end date sensitive. There has been erosion in the margin over the last few years because absolute returns for the period 1995-1997 (which now fall out of the ten-year measurement period) were very high by historical standards and because the 2007 return was low.

Although a long-term investment return which exceeds inflation by 3.75% 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.

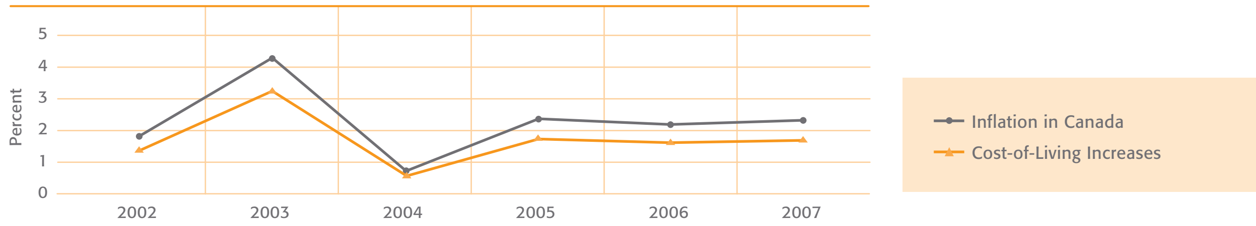
Accordingly, notwithstanding the assumed 3.75% per year real return used for the actuarial valuation, it is desirable to strive for a real rate of return of at least 5% per year over the long term. This 5% objective is reflected in the Plan's Statement of Investment Policies and Procedures.

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

	2007	2006	2005	2004	2003
	(000's)	(000's)	(000's)	(000's)	(000's)
Investments at Fair Value					
Bonds and Debentures	$ 325,875	$ 317,237	$ 286,143	$ 287,966	$ 281,845
Real Return Bonds	10,076	10,170	10,690	9,882	8,820
Canadian Equities	303,111	335,699	317,039	270,648	253,414
Foreign Equities	232,672	225,399	187,000	156,417	133,392
Cash and Short-term Deposits	40,982	23,807	23,649	26,899	16,483
Private Equities	5,396	5,183	3,353	604	34
Other Liabilities	(1,974)	(2,543)	(1,871)	(1,397)	(1,238)
	$ 916,138	$ 914,952	$ 826,003	$ 751,019	$ 692,750
Assets Available for					
Main Account					
– General Component	856,643	846,816	764,512	691,517	635,993
– Contribution Stabilization Reserve	52,442	61,225	55,361	54,036	51,801
Plan Members' Account	7,053	6,911	6,130	5,466	4,956
	$ 916,138	$ 914,952	$ 826,003	$ 751,019	$ 692,750
Main Account – General Component					
Contributions					
Employees	$ 7,769	$ 7,842	$ 7,070	$ 7,028	$ 6,271
City of Winnipeg	7,623	7,676	6,938	6,924	6,175
Reciprocal Transfers	296	50	46	204	48
Transfer from Contribution Stabilization Reserve	9,938	8,856	8,056	7,824	7,101
Net Investment Income	17,313	96,049	83,178	64,680	77,199
	42,939	120,473	105,288	86,660	96,794
Pension Payments	31,234	28,924	27,369	25,167	23,488
Lump Sum Benefits	1,218	1,343	1,397	694	461
Administration	660	601	576	619	638
Transfer to Contribution Stabilization Reserve	-	7,301	2,951	4,656	52,210
Transfer to Plan Members' Account	-	-	-	-	4,357
	33,112	38,169	32,293	31,136	81,154
Increase in Net Assets	$ 9,827	$ 82,304	$ 72,995	$ 55,524	$ 15,640

Contribution Stabilization Reserve

	2007	2006	2005	2004	2003
	(000's)	(000's)	(000's)	(000's)	(000's)
Transfer of Surplus from Main Account – General Component	$ -	$ 7,301	$ 2,951	$ 4,656	$ 52,210
Net Investment Income	1,155	7,419	6,430	5,403	6,692
	1,155	14,720	9,381	10,059	58,902
Transfer to Main Account – General Component	9,938	8,856	8,056	7,824	7,101
Increase (Decrease) in Net Assets	$ (8,783)	$ 5,864	$ 1,325	$ 2,235	$ 51,801

Plan Members' Account

	2007	2006	2005	2004	2003
Transfer of Surplus from Main Account – General Component	$ -	$ -	$ -	$ -	$ 4,357
Net Investment Income	142	781	664	510	599
Increase in Net Assets	$ 142	$ 781	$ 664	$ 510	$ 4,956
Annual Rates of Return	2.2%	12.9%	12.3%	10.5%	13.9%

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 2007, a total of 50 individuals retired under the Winnipeg Police Pension Plan. This represents an increase from 2006, when 42 members retired. Of the 50 members who retired during 2007, three retired under the early retirement option (age 50 or at least 20 years of credited service), which was introduced in July of 1994.

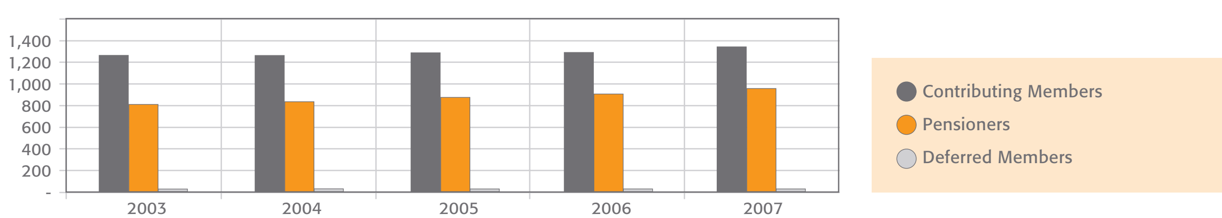
New members totalled 98 in 2007, versus 72 in 2006. New enrolments have averaged 74 members over the last five years.

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

Summary Of Plan Membership

	2007	2006	2005	2004	2003
Contributing Members	1,330	1,291	1,266	1,250	1,251
Deferred Members	14	14	14	14	14
Pensioners	940	899	861	829	802
Total Membership	2,284	2,204	2,141	2,093	2,067
Activity During the Year					
Normal Retirements	47	38	39	38	35
Early Retirements	3	4	5	3	2
Deaths in Service	1	2	1	1	0
Pensioner Deaths	18	15	19	25	13
New Members	98	72	68	49	82
Terminations	8	3	7	8	7

Membership Profile



REPORT FROM THE DIRECTOR OF INVESTMENTS

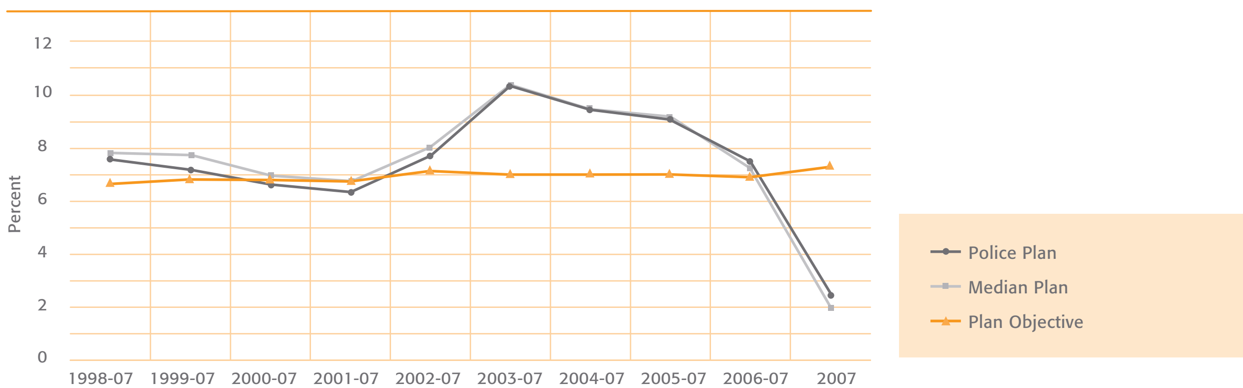
The Winnipeg Police Pension Board delegates, to the Investment Committee of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program, the responsibility for determining the Plan's asset mix (within the parameters of the Plan's Statement of Investment Policies and Procedures), for recommending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

In 2007, the investment portfolio returned 2.2%. The year 2007 was tumultuous, as a strong Canadian dollar and rising energy prices reached record highs, against a backdrop of tightening global credit and slowing growth in the U.S. The years 1998 through 2000 and 2003-2006 experienced abnormally high real returns, interspersed by negative returns for 2001 and 2002. The Plan's four-year and ten-year annual rates of return of 9.4% and 7.5%, respectively, place the Plan at the 56th percentile and 64th percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service.

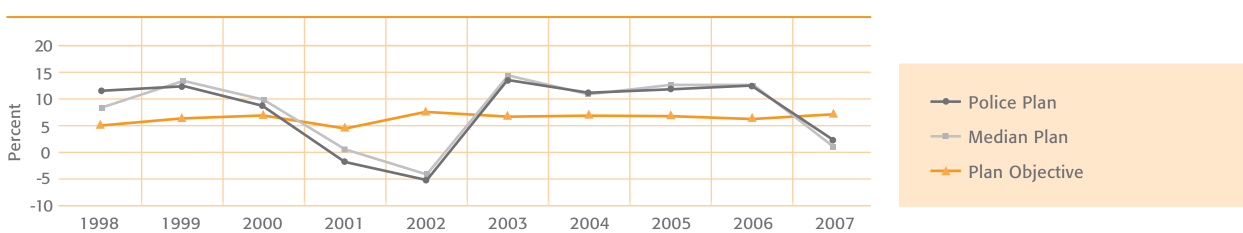
The marginally below median ten-year record (median return of 7.8%) can be attributed to the underperformance of our Canadian equity managers and the underperformance, until recently, of our passive investment in the S&P 500 Index relative to the performance of active managers. More recent performance, on a relative basis, has been adversely affected by having the Fund's Canadian equity portfolios underweighted in the energy and materials sectors which have experienced exceptional returns for the last four 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

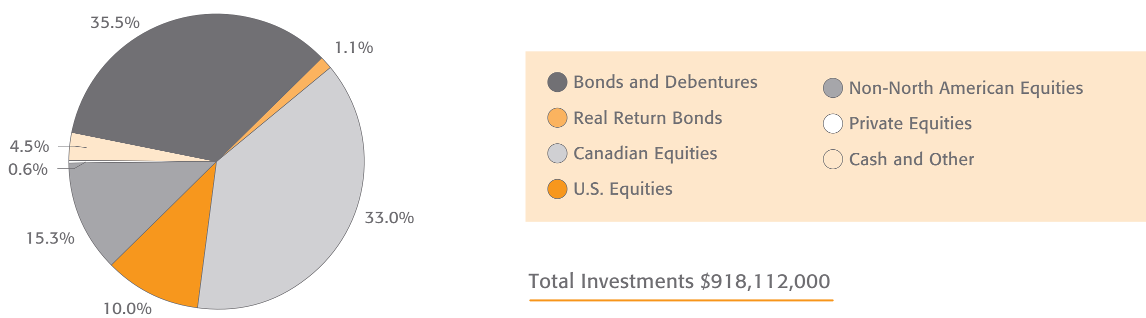
As a result of a general decline in the global equity markets and significant withdrawals from Canadian equities, there was a decrease in allocation to equity investments - from 61.1% of the portfolio at the beginning of the year to 58.3% at year-end. Benefit payments and administrative expenses exceeded contributions and interest income by $19.9 million in 2007. Funds were raised by liquidating $56.6 million from the Plan's Canadian equity position and $4.6 million from bonds. An allocation of $22.9 million was directed to the Plan's new Non-North American equity manager, Baillie Gifford, and $3 million was directed to our private equity fund-of-funds manager, Hamilton Lane.

Asset Mix

	2007	2006	2005	2004	2003
Bonds and Debentures	36.6%	35.7%	35.8%	39.6%	41.9%
Canadian Equities	33.0%	36.6%	38.3%	36.0%	36.5%
Foreign Equities	25.3%	24.5%	22.6%	20.8%	19.2%
Cash and Other	4.5%	2.6%	2.9%	3.5%	2.4%
Private Equities	0.6%	0.6%	0.4%	0.1%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

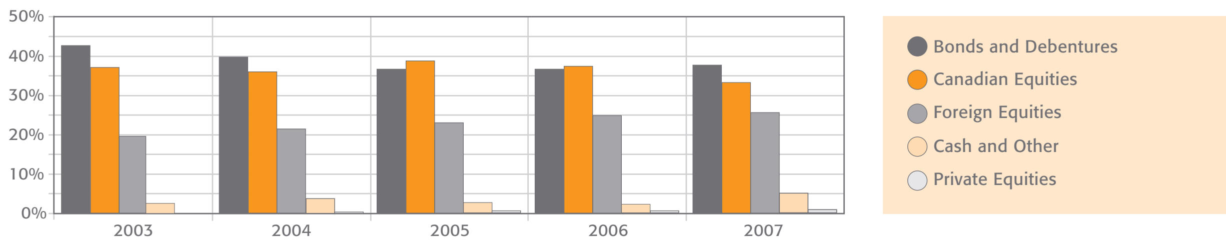
WINNIPEG POLICE PENSION PLAN

Asset Mix as at December 31, 2007



Total Investments $918,112,000

Asset Mix



Equity Investments

The Plan's Canadian equity managers underperformed the S&P/TSX Composite Index and the median pension fund in 2007 with a rate of return of 7.0%. The S&P/TSX Composite Index had a return of 9.8% in 2007 compared to a return of 17.3% in 2006.

The Plan's Foreign equity managers, collectively, experienced a loss of (6.4%) in Canadian dollar terms in 2007. This return was above the median due to above-median performance in both U.S. and Non-North American equities. The U.S. equity managers collectively reported a loss of (8.9%), in Canadian dollars, in 2007, which was above the return of the S&P 500 of (10.6%). Over the last ten years, the U.S. stock market has significantly underperformed the Canadian stock market in Canadian dollars. The Plan's Non-North American equity managers collectively returned (4.4%) in 2007. The Europe, Australia, Far East Index declined (5.7%) which was reflective of the Canadian dollar's appreciation of 12% against a basket of world currencies.

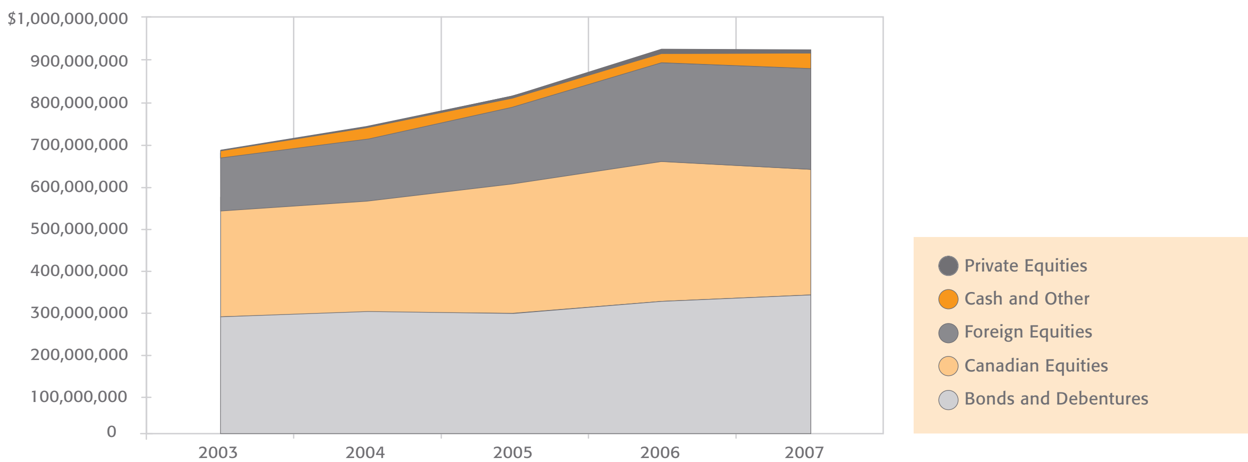
The World index's 4.7% gain in local currency terms translated into a loss of 9.5% in Canadian dollars for the year, once exchange rates were taken into account.

Fixed Income Investments

The Plan's bond portfolio achieved a rate of return of 3.8% in 2007. For the four- and ten-year periods ended December 31, 2007, the bond portfolio returned 5.8% and 6.5% annually, respectively, ranking well above median.

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 2008

The Investment Committee anticipates maintaining the public equity weighting in the portfolio at approximately 60% of the total portfolio. The Non-North American equity portion will increase by approximately 2%, thus improving the diversification of our fund and lessening risk. Correspondingly, profits will continue to be taken in the Canadian equity position, reducing the weight to 30%. By year-end 2008, it is anticipated that the portfolio will be weighted 60% public equities, 37% fixed income, 1% short term investments and 2% private equity.

Total Returns

	One Year	Four Years	Ten Years
Total Fund	2.2%	9.4%	7.5%
Bonds and Debentures	3.8%	5.8%	6.5%
Canadian Equities	7.0%	15.5%	10.4%
Foreign Equities	-6.4%	6.3%	3.9%
Benchmarks			
DEX Universe Bond Index	3.7%	5.3%	6.3%
S&P / TSX Composite Index	9.8%	16.3%	9.5%
S&P 500	-10.6%	2.1%	2.1%
Europe, Australia, Far East Stock Market Index	-5.7%	10.0%	4.7%
Consumer Price Index	2.4%	2.1%	2.2%

Rick Abbott
Director of Investments

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Winnipeg Police Pension Plan as at December 31, 2006, 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 4, 2007.

The principal results are as follows:

Actuarial Position

The Plan is fully funded in respect of benefits earned for service up to December 31, 2006 and has an excess of actuarial value of assets over actuarial liabilities of $68,136,000 as at that date. All of this excess has been previously allocated to the Contribution Stabilization Reserve and the Plan Members' Account in accordance with the terms of the Plan.

Cost of Benefits for Service in 2006

The normal actuarial cost of the benefits expected to be earned under the Plan for service in 2007 is 26.40% 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 10.40% of contributory earnings.

In my opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Winnipeg Police Pension Plan as at December 31, 2006 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and my opinion given, in accordance with accepted actuarial practice.

Donald M. Smith
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 consolidated statement of net assets available for benefits of the Winnipeg Police Pension Plan as at December 31, 2007 and the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the net assets available for benefits of the Winnipeg Police Pension Plan as at December 31, 2007 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
May 20, 2008

Consolidated Statement of Net Assets Available For Benefits

As at December 31	2007 (000's)	2006 (000's)
Assets		
Investments, at fair value		
Bonds and debentures	$ 334,468	$ 326,100
Canadian equities	303,111	335,699
Foreign equities	232,672	225,399
Cash and short-term deposits	40,982	23,807
Private equities	5,396	5,183
	916,629	916,188
Accrued interest	1,483	1,307
Accounts receivable	388	314
Due from The Winnipeg Civic Employees' Pension Plan	-	88
Total Assets	918,500	917,897
Liabilities		
Accounts payable	2,091	2,945
Due to The Winnipeg Civic Employees' Pension Plan	271	-
Total Liabilities	2,362	2,945
Net Assets Available For Benefits	$ 916,138	$ 914,952
Net Assets Available for Benefits Comprised of:		
Main Account – General Component	$ 856,643	$ 846,816
Main Account – Contribution Stabilization Reserve	52,442	61,225
Plan Members' Account	7,053	6,911
	$ 916,138	$ 914,952

See accompanying notes to the consolidated financial statements

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

MAIN ACCOUNT – GENERAL COMPONENT

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2007	2006
	(000's)	(000's)
Increase in Assets		
Contributions		
The City of Winnipeg	$ 7,623	$ 7,676
Employees	7,769	7,842
Reciprocal transfers from other plans	296	50
	15,688	15,568
Transfer from Contribution Stabilization Reserve (Note 1)	9,938	8,856
Investment income (Note 5)	32,229	28,598
Current period change in fair value of investments	(12,946)	69,110
Total increase in assets	44,909	122,132
Decrease in Assets		
Pension payments	31,234	28,924
Lump sum benefits	1,218	1,343
Administrative expenses (Note 7)	660	601
Investment management and custodial fees	1,970	1,659
Transfer of surplus to Contribution Stabilization Reserve (Note 3)	-	7,301
Total decrease in assets	35,082	39,828
Increase in net assets	9,827	82,304
Net assets available for benefits at beginning of year	846,816	764,512
Net assets available for benefits at end of year	$ 856,643	$ 846,816

See accompanying notes to the consolidated financial statements

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

MAIN ACCOUNT – CONTRIBUTION STABILIZATION RESERVE

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2007	2006
	(000's)	(000's)
Increase in Assets		
Transfer of surplus from Main Account – General Component (Note 3)	$ -	$ 7,301
Investment income (Note 5)	2,151	2,209
Current period change in fair value of investments	(864)	5,338
Total increase in assets	1,287	14,848
Decrease in Assets		
Investment management and custodial fees	132	128
Transfer to Main Account – General Component (Note 1)	9,938	8,856
Total decrease in assets	10,070	8,984
Increase (decrease) in net assets	(8,783)	5,864
Net assets available for benefits at beginning of year	61,225	55,361
Net assets available for benefits at end of year	$ 52,442	$ 61,225

See accompanying notes to the consolidated financial statements

THE CITY OF WINNIPEG – WINNIPEG POLICE PENSION PLAN

PLAN MEMBERS' ACCOUNT

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2007	2006
	(000's)	(000's)
Increase in Assets		
Investment income (Note 5)	$ 264	$ 232
Current period change in fair value of investments	(106)	562
Total increase in assets	158	794
Decrease in Assets		
Investment management and custodial fees	16	13
Total decrease in assets	16	13
Increase in net assets	142	781
Net assets available for benefits at beginning of year	6,911	6,130
Net assets available for benefits at end of year	$ 7,053	$ 6,911

See accompanying notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2007

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 any share of future actuarial surpluses that are allocated to the Plan Members in accordance with the Plan.

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 Plan. 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 Plan 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 consolidated 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 City and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period.

These consolidated financial statements include the financial statements of the Plan and its wholly-owned subsidiary, 5332665 Manitoba Ltd., which was incorporated on July 14, 2006. The purpose of the subsidiary corporation is to invest in and hold certain private equity investments on behalf of the Plan.

b) Investments

Investments are stated at fair value. Fair value represents the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act.

Publicly traded equity investments are valued using published market prices. For private equity investments, where quoted market prices are not available, various methods of valuation are used by the external managers to determine fair value including the use of: discounted cash flows, earnings multiples, prevailing market rates for instruments with similar characteristics or other pricing models as appropriate.

Fixed income investments are valued using published 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 fair 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, 2006 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 6.0% 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, 2006 disclosed no actuarial surplus to be allocated in accordance with the Plan.

The results of the December 31, 2006 actuarial valuation were extrapolated to December 31, 2007 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, 2007, and the principal components of changes in actuarial present values during the year, were as follows:

	2007	2006
	(000's)	(000's)
Actuarial present value of accrued benefits, beginning of year	$ 756,011	$ 714,680
Experience gains and losses and other factors	318	2,989
Changes in actuarial assumptions	26,261	124
Interest accrued on benefits	46,732	44,661
Benefits accrued	25,648	24,425
Benefits paid	(32,452)	(30,267)
Administrative expenses paid	(660)	(601)
Actuarial present value of accrued benefits, end of year	$ 821,858	$ 756,011

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 fair values. The actuarial value placed on the assets smoothes out fluctuations in fair 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:

	2007	2006
	(000's)	(000's)
Fair value of net assets available for benefits	$ 856,643	$ 846,816
Fair value changes not reflected in actuarial value of assets	(22,944)	(70,114)
Actuarial value of net assets available for benefits	$ 833,699	$ 776,702

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 41% of its assets invested in fixed income securities as at December 31, 2007. The returns on fixed income securities are particularly sensitive to changes in nominal interest rates.

The term to maturity and related fair values of investments in bonds and debentures held by the Plan at December 31, 2007 are as follows:

Term to Maturity	2007 Fair Value	2006 Fair Value
	(000's)	(000's)
Less than one year	$ 68,851	$ 23,586
Two to five years	84,652	126,725
Greater than five years	180,965	175,789
	$ 334,468	$ 326,100

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, 2007, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $376,933,000. The Plan's concentration of credit risk as at December 31, 2007, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2007 Fair Value (000's)	2006 Fair Value (000's)
Government of Canada and Government of Canada guaranteed	$ 94,749	$ 108,212
Provincial and Provincial guaranteed	148,218	142,400
Canadian cities and municipalities	7,974	7,971
Corporations and other institutions	83,527	67,517
	$ 334,468	$ 326,100

The Plan's investments include short-term deposits with the City of Winnipeg which have a fair value of $39,112,000 at December 31, 2007.

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. As at December 31, 2007, the Plan's net foreign currency exposure after giving effect to the net related hedge was as follows:

	2007			2006
	Gross Exposure (000's)	Net Foreign Currency Hedge (000's)	Net Exposure (000's)	Net Exposure (000's)
United States	$ 101,025	$ 256	$ 101,281	$ 103,448
Euro	41,344	-	41,344	38,460
United Kingdom	28,566	-	28,566	22,922
Japan	21,087	-	21,087	20,009
Switzerland	8,361	-	8,361	8,135
Hong Kong	6,490	(289)	6,201	6,231
Other	29,379	-	29,379	26,981
	$ 236,252	$ (33)	$ 236,219	$ 226,186

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

	2007 (000's)	2006 (000's)
Bonds and debentures	$ 20,581	$ 19,390
Canadian equities	7,014	6,106
Foreign equities	5,931	4,349
Cash and short term-deposits	1,118	1,194
	$ 34,644	$ 31,039
Allocated to:		
Main Account – General Component	$ 32,229	$ 28,598
Main Account – Contribution Stabilization Reserve	2,151	2,209
Plan Members' Account	264	232
	$ 34,644	$ 31,039

6. Investment Transaction Costs

During 2007, the Plan incurred investment transaction costs in the form of brokerage commissions, in the amount of $317,754. Investment transaction costs are included in the current period change in fair value of investments.

7. Administrative Expenses

	2007 (000's)	2006 (000's)
Winnipeg Civic Employees' Benefits Program	$ 459	$ 423
Actuarial fees	151	114
Meetings and seminars	1	1
Consulting and professional fees	12	8
Legal fees	29	33
General and administrative expenses	8	22
	$ 660	$ 601

8. Commitments

The Plan's wholly-owned subsidiary, 5332665 Manitoba Ltd., has entered into an investment management agreement wherein it has authorized an investment manager to make private equity investment commitments on its behalf, with aggregate commitments not to exceed $20,000,000. Commitments will be funded over the next several years. As at December 31, 2007, $4,059,596 had been funded.

2007

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 4.4% over the past four years. The number of active members has increased 1.3% over this period, going from 7,919 at the end of 2003 to 8,025 at the end of 2007. The number of pensioners has grown 9.3% over this period, increasing from 4,104 at the end of 2003 to 4,487 at the end of 2007.

Total Plan membership for Police Employees has grown by 12.8% over the past four years. The number of active members has increased 6.7% over this period, going from 1,247 at the end of 2003 to 1,330 at the end of 2007. The number of police pensioners has grown substantially, going from 572 at the end of 2003 to 722 at the end of 2007, a 26.2% increase over the period.

The Civic Employees' Group Life Insurance Plan's most recent 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 was adopted effective January, 2006, in which contribution rates were reduced by an average of 33%. These revised rates continue to incorporate a 25% reduction on account of the actuarial surplus.

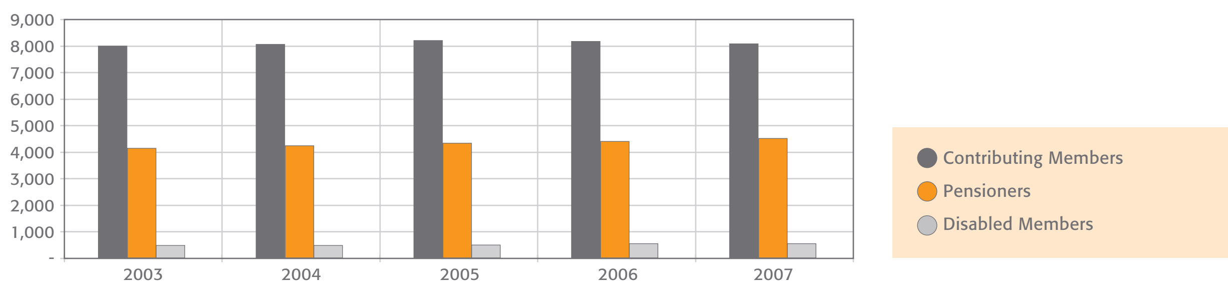
The Police Employees' Group Life Insurance Plan's most recent actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $5,419,000 and a contingency reserve in the amount of $1,085,000. The surplus is being utilized to finance reductions to contribution rates of 51% for basic life insurance. On the advice of the Plan's Actuary, a revised table of contribution rates payable by the members for optional additional insurance was adopted effective January, 2006, in which contribution rates were 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

	2007	2006	2005	2004	2003
Members					
Active Members	8,025	8,124	8,155	8,023	7,919
Disabled Members	491	488	461	435	435
Pensioners	4,487	4,348	4,297	4,187	4,104
Total	13,003	12,960	12,913	12,645	12,458
Deaths					
Active	24	12	13	18	16
Pensioners	123	136	130	145	144
Life Insurance In Force	(000's)	(000's)	(000's)	(000's)	(000's)
Basic	$ 817,963	$ 782,392	$ 781,590	$ 738,691	$ 702,260
Optional	200,385	194,765	199,341	183,655	179,594
Pensioners	121,823	115,035	110,212	104,292	99,291

Membership Profile

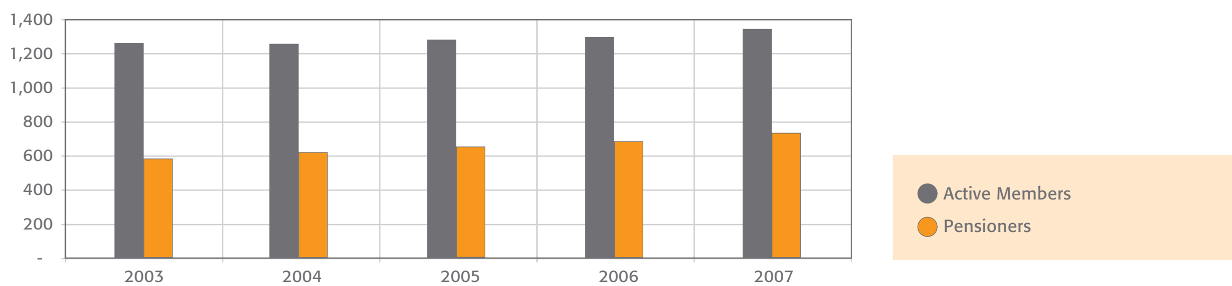


THE CITY OF WINNIPEG – POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

SUMMARY OF PLAN MEMBERSHIP

	2007	2006	2005	2004	2003
Members					
Active Members	1,330	1,289	1,266	1,246	1,247
Pensioners	722	679	644	607	572
Total	2,052	1,968	1,910	1,853	1,819
Deaths					
Active	1	2	1	1	-
Pensioners	9	7	7	6	3
Life Insurance In Force	(000's)	(000's)	(000's)	(000's)	(000's)
Basic	$ 195,836	$ 187,407	$ 174,971	$ 169,738	$ 157,181
Optional	50,053	46,033	41,659	40,630	37,061
Pensioners	43,041	39,250	36,407	33,270	30,530

Membership Profile



THE CITY OF WINNIPEG – EMPLOYEES' GROUP LIFE INSURANCE PLAN

FIVE YEAR FINANCIAL SUMMARY

	2007 (000's)	2006 (000's)	2005 (000's)	2004 (000's)	2003 (000's)
Investments at Market:					
Bonds and Debentures	$ 47,811	$ 47,831	$ 40,244	$ 37,652	$ 34,238
Real Return Bonds	775	782	822	760	679
Canadian Equities	42,774	46,484	45,067	43,525	37,668
Foreign Equities	26,999	31,387	25,937	21,512	19,610
Short-term Deposits	12,810	2,875	4,338	2,017	4,175
Other Liabilities	(1,224)	(399)	(362)	(383)	(411)
	$ 129,945	$ 128,960	$ 116,046	$ 105,083	$ 95,959
Net Assets:					
Civic Employees	107,364	106,862	96,281	87,381	80,039
Police Employees	22,581	22,098	19,765	17,702	15,920
	$ 129,945	$ 128,960	$ 116,046	$ 105,083	$ 95,959

Increase in Civic Employees' Net Assets

	2007	2006	2005	2004	2003
Contributions					
City of Winnipeg*	$ 981	$ 942	$ 947	$ 874	$ 838
Employees	1,308	1,235	1,370	1,260	1,207
Pensioners	152	148	144	130	131
Investment Income	2,472	11,962	10,647	8,984	10,230
	4,913	14,287	13,108	11,248	12,406
Decrease in Assets					
Actuarial Fees	-	34	65	-	54
Administration	107	100	99	101	90
Benefit Payments	3,926	3,221	3,718	3,489	3,500
Investment Management Fees	184	163	140	134	107
Claims Administration & Taxes	194	188	186	182	174
	4,411	3,706	4,208	3,906	3,925
Increase in Net Assets	$ 502	$ 10,581	$ 8,900	$ 7,342	$ 8,481
Annual Rates of Return	2.3%	12.6%	12.3%	11.4%	14.5%

Increase in Police Employees' Net Assets

	2007	2006	2005	2004	2003
Contributions					
City of Winnipeg	$ 190	$ 193	$ 174	$ 174	$ 155
Employees	230	230	221	220	189
Pensioners	40	32	30	28	26
Investment Income	518	2,459	2,160	1,797	1,982
	978	2,914	2,585	2,219	2,352
Decrease in Assets					
Actuarial Fees	-	4	50	-	52
Administration	23	20	20	20	16
Benefit Payments	405	495	397	366	85
Investment Management Fees	38	34	29	27	21
Claims Administration & Taxes	29	28	26	24	21
	495	581	522	437	195
Increase in Net Assets	$ 483	$ 2,333	$ 2,063	$ 1,782	$ 2,157
Annual Rates of Return	2.3%	12.6%	12.3%	11.4%	14.5%

* Includes participating employers

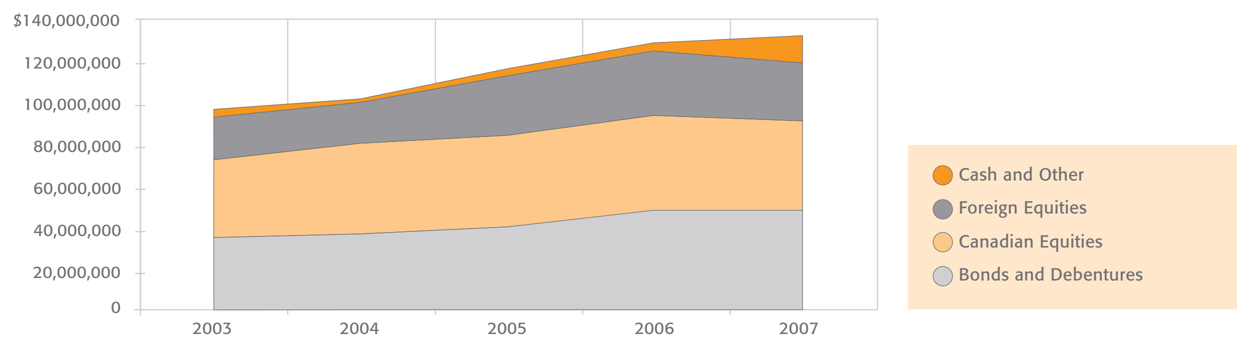
REPORT FROM THE DIRECTOR OF INVESTMENTS

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.

In 2007, the investment portfolio returned 2.3%. The year 2007 was tumultuous, as a strong Canadian dollar and rising energy prices reached record highs, against a backdrop of tightening global credit and slowing growth in the U.S. The years 1998 through 2000 and 2003-2006 experienced abnormally high real returns, interspersed by negative returns for 2001 and 2002. The Plan's four-year and ten-year annual rates of return of 9.5% and 7.3%, respectively, place the Plan at the 50th percentile and 74th 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 7.8%) can be attributed to the underperformance of our Canadian equity managers and the underperformance, until recently, of our passive investment in the S&P 500 Index relative to the performance of active managers. 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 four 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 a general decline in the global equity markets and significant withdrawals from Canadian equities, there was a decrease in allocation to equity investments - from 60% of the portfolio at the beginning of the year to 53% at year end with $7 million having been liquidated from Canadian equities and $5.7 million from U.S. equities and $3.6 million allocated to Non-North American equities and $10.3 million to short term investments.

Equity Investments

The Plan's Canadian equity managers underperformed the S&P/TSX Composite Index and the median pension fund in 2007 with a rate of return of 7.0%. The S&P/TSX Composite Index had a return of 9.8% in 2007 compared to a return of 17.3% in 2006.

The Plan's Foreign equity managers, collectively, experienced a loss of (7.0%) in Canadian dollar terms in 2007. This return was above the median due to above-median performance in U.S. equities. The U.S. market reported a loss of (10.6%) in Canadian dollars, in 2007. Over the last ten years, the U.S. stock market has significantly underperformed the Canadian stock market in Canadian dollars. The Plan's Non-North American manager reported a negative return of (5.3%) in 2007. The Europe, Australia, Far East Index declined 5.7% which was reflective of the Canadian dollar's appreciation of 12% against a basket of world currencies.

The World index's 4.7% gain in local currency terms translated into a loss of 9.5% in Canadian dollars for the year, once exchange rates were taken into account.

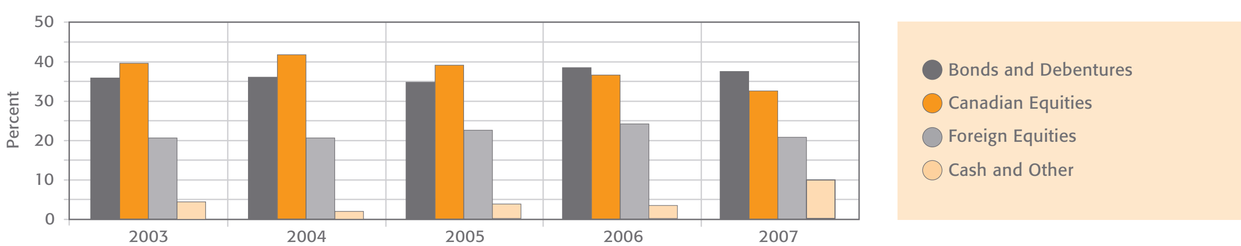
Fixed Income Investments

The Plan's bond portfolio achieved a rate of return of 4.0% in 2007. For the four- and ten-year periods ended December 31, 2007, the bond portfolio returned 5.9% and 6.8% annually, respectively, ranking at the median 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 2008

The Investment Committee anticipates maintaining the equity weighting in the portfolio at approximately 52% of the total portfolio.

Total Returns

	One Year	Four Years	Ten Years
Total Fund	2.3%	9.5%	7.3%
Bonds and Debentures	4.0%	5.9%	6.6%
Canadian Equities	7.0%	15.4%	10.6%
Foreign Equities	-7.0%	6.5%	3.6%
Benchmarks			
DEX Universe Bond Index	3.7%	5.3%	6.3%
S&P / TSX Composite Index	9.8%	16.3%	9.5%
S&P 500	-10.6%	2.1%	2.1%
Europe, Australia, Far East Stock Market Index	-5.7%	10.0%	4.7%
Consumer Price Index	2.4%	2.1%	2.2%

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

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

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, 2007 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, 2007 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
May 20, 2008

THE CITY OF WINNIPEG

CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

Statement of Net Assets

As at December 31	2007	2006
	(000's)	(000's)
Assets		
Investments, at market		
Bonds and debentures	$ 48,188	$ 48,209
Canadian equities	42,774	46,484
Foreign equities	26,999	31,387
Short-term deposits	12,810	2,875
	130,771	128,955
Accrued interest	398	404
Accounts receivable	78	71
Due from The Winnipeg Civic Employees' Pension Plan	-	26
Total Assets	131,247	129,456
Liabilities		
Accounts payable	257	496
Due to The Winnipeg Civic Employees' Pension Plan	1,045	-
Total Liabilities	1,302	496
Net Assets	$ 129,945	$ 128,960
Net Assets Comprised of:		
Civic Employees' (Note 4)	$ 107,364	$ 106,862
Police Employees' (Note 4)	22,581	22,098
	$ 129,945	$ 128,960

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	2007	2006
	(000's)	(000's)
Increase in Assets		
Contributions		
City of Winnipeg and participating employers	$ 981	$ 942
Employees – basic	984	944
Employees – optional	324	291
Pensioners	152	148
	2,441	2,325
Investment income	3,346	3,313
Current period change in market value of investments	(874)	8,649
Total increase in assets	4,913	14,287
Decrease in Assets		
Administration	107	100
Actuarial fees	-	34
Benefit payments	3,926	3,221
Investment management fees	184	163
Claims administration and taxes	194	188
Total decrease in assets	4,411	3,706
Increase in net assets	502	10,581
Net assets at beginning of year	106,862	96,281
Net assets at end of year	$ 107,364	$ 106,862

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	2007	2006
	(000's)	(000's)
Increase in Assets		
Contributions		
The City of Winnipeg	$ 190	$ 193
Employees – basic	191	193
Employees – optional	39	37
Pensioners	40	32
	460	455
Investment income	698	684
Current period change in market value of investments	(180)	1,775
Total increase in assets	978	2,914
Decrease in Assets		
Administration	23	20
Actuarial fees	-	4
Benefit payments	405	495
Investment management fees	38	34
Claims administration and taxes	29	28
Total decrease in assets	495	581
Increase in net assets	483	2,333
Net assets at beginning of year	22,098	19,765
Net assets at end of year	$ 22,581	$ 22,098

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS As at December 31, 2007

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

The Plan's investments are classified as held for trading financial assets and are stated at market value. The fixed income and equity investments are valued based on bid prices at year end. Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis. See Note 3 for the change in accounting policy adopted effective January 1, 2007. Prior to the application of the new accounting policy, the fixed income and equity investments were valued using published closing market prices.

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. Change in Accounting Policy

Effective January 1, 2007, the Plan adopted the Canadian Institute of Chartered Accountants Handbook Section 3855 Financial Instruments – Recognition and Measurement and Section 3861 Financial Instruments – Disclosure and Presentation and, as a result, now measures and presents its investments at market value, with fixed income and equity investments being valued using published bid market prices. In accordance with the related transitional provisions of the above sections, the new accounting policy was applied as at January 1, 2007 and the 2006 comparative financial statements were not restated. The implementation of the change in accounting policy at January 1, 2007 on the carrying value of the investments was immaterial.

4. 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.

5. 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, 2007 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, 2007, and the principal components of changes in actuarial present values during the year, were as follows:

	2007 (000's)	2006 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 59,179	$ 55,990
Experience gains and losses and other factors	-	-
Changes in actuarial assumptions	-	-
Interest accrued on benefits	3,275	3,082
Benefits accrued	2,360	2,269
Benefits paid	(1.648)	(2,162)
Actuarial present value of accrued benefits, end of year	$ 63,166	$ 59,179

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:

	2007 (000's)	2006 (000's)
Market value of net assets available for benefits	$ 107,364	$ 106,862
Market value changes not reflected in actuarial value of assets	(4,624)	(9,835)
Actuarial value of net assets available for benefits	$ 102,740	$ 97,027

6. 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, 2007 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, 2007, and the principal components of changes in actuarial present values during the year, were as follows:

	2007 (000's)	2006 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 12,600	$ 11,658
Experience gains and losses and other factors	-	-
Changes in actuarial assumptions	-	-
Interest accrued on benefits	700	649
Benefits accrued	526	515
Benefits paid	(256)	(222)
Actuarial present value of accrued benefits, end of year	$ 13,570	$ 12,600

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:

	2007 (000's)	2006 (000's)
Market value of net assets available for benefits	$ 22,581	$ 22,098
Market value changes not reflected in actuarial value of assets	(935)	(2,009)
Actuarial value of net assets available for benefits	$ 21,646	$ 20,089

7. 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 47% of its assets invested in fixed income securities as at December 31, 2007. 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, 2007 are as follows:

Term to Maturity	2007 Market Value (000's)	2006 Market Value (000's)
Less than one year	$ 5,726	$ 1,007
Two to five years	21,440	27,183
Greater than five years	21,022	20,019
	$ 48,188	$ 48,209

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, 2007, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $60,830,397. The Plan's concentration of credit risk as at December 31, 2007, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2007 Market Value (000's)	2006 Market Value (000's)
Government of Canada and Government of Canada guaranteed	$ 28,821	$ 31,410
Provincial and Provincial guaranteed	2,806	3,544
Canadian cities and municipalities	3,394	820
Corporations and other institutions	13,167	4,971
	$ 48,188	$ 40,745

The Plan's investments include short-term deposits with the City of Winnipeg which have a market value of $11,353,107 at December 31, 2007.

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, 2007 (2006 - $ nil).

As at December 31, 2007, the Plan's net foreign currency exposure was as follows:

	2007 Net Exposure (000's)	2006 Net Exposure (000's)
United States	$ 7,697	$ 14,676
Euro	6,622	5,497
United Kingdom	4,158	3,450
Japan	1,791	1,572
Hong Kong	1,164	1,123
Korea	962	827
Switzerland	840	890
Other	3,765	3,352
	$ 26,999	$ 31,387

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.

8. Investment Transaction Costs

During 2007, the Plan incurred investment transaction costs in the form of brokerage commissions, in the amount of $42,984. Investment transaction costs are included in the current period change in market value of investments.

2007

APPENDICES

INVESTMENT MANAGERS

As at December 31, 2007

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

Baillie Gifford Overseas Ltd.
Capital Guardian Trust Company
Franklin Templeton Investments Corp.

Private Equities

Hamilton Lane Advisors LLC
Richardson Capital Limited

FIXED INCOME INVESTMENTS SUMMARY

As at December 31, 2007

Description	Maturity Date	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Government of Canada bonds	2008 - 2023	$ 94,749	$ 28,821
Provincial bonds	2009 - 2024	148,218	2,806
Municipal bonds (excluding Winnipeg bonds)	2008 - 2015	7,974	3,394
Corporate and other institutions bonds	2008 - 2019	83,527	13,167
Accrued interest		1,483	398
Total bonds and debentures		$ 335,951	$ 48,586
Call funds – City of Winnipeg		$ 39,112	$ 11,353
Short term investment fund		1,851	-
Funds on deposit – Great-West Life		-	565
Cash		19	892
Total short-term investments		$ 40,982	$ 12,810

TOP 50 CORPORATE SHARE HOLDINGS*

AS AT DECEMBER 31, 2007

	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Manulife Financial Corporation	$ 17,471	2,633
Bank of Nova Scotia	15,062	1,714
Toronto - Dominion Bank	11,954	1,786
Royal Bank of Canada	11,113	2,063
Suncor Energy, Inc.	9,532	2,277
Rogers Communications Inc., Class B	9,248	1,217
Canadian Natural Resources Limited	8,134	429
Bank of Montreal	7,915	1,059
Canadian Imperial Bank of Commerce	7,624	1,080
TELUS Corporation	7,400	1,363
EnCana Corporation	6,092	1,898
Agrium Inc.	5,729	1,083
Potash Corporation of Saskatchewan Inc.	5,663	1,002
Sun Life Financial Services of Canada Inc.	5,497	163
Research in Motion Limited	5,309	545
Petro-Canada	4,877	827
Talisman Energy Inc.	4,864	680
Goldcorp Inc.	4,548	408
Loblaw Companies Limited	4,499	470
The Thompson Corporation	4,374	1,045
Canadian National Railway Company	4,086	834
Tim Hortons Inc.	4,019	380
ShawCor Limited, Class A, SV	3,849	11
Finning International Inc.	3,712	183
Yellow Pages Income Fund	3,694	401

	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Power Corporation of Canada, SV	$ 3,477	507
BCE Inc.	3,416	425
Nexen Inc.	3,327	297
Husky Energy Inc.	3,146	58
Exxon Mobil Corporation	3,121	157
Canadian Pacific Railway Limited	2,977	492
TransCanada Corporation	2,880	911
Alimentation Couche-Tard Inc., Class B, SV	2,737	141
Cameco Corp.	2,717	518
Magna International Inc., Class A, SV	2,632	485
Sherritt International Corporation, RV	2,618	535
Gildan Activewear Inc.	2,586	207
BAE Systems PLC	2,519	326
IGM Financial Inc.	2,451	28
RONA Inc.	2,420	116
Astral Media Inc., Class A, NV	2,403	13
Shoppers Drug Mart Corporation	2,341	208
Corus Entertainment Inc., Class B, NV	2,313	10
Great-West Lifeco Inc.	2,184	749
Celestica Inc., SV	2,168	378
Imperial Oil Ltd.	2,161	74
Torstar Corporation, Class B, NV	2,020	4
Peyto Energy Trust	2,007	7
SNC - Lavalin Group Inc.	2,001	38
Niko Resources Ltd.	1,969	159

*Includes effective holdings through participation in pooled funds, including index funds.

NOTES

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