

1982

CAISSE
DE DÉPÔT
ET PLACEMENT
DU QUÉBEC



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ET PLACEMENT
DU QUÉBEC

Seventeenth Annual Report 1982

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Highlights of the year (millions of dollars)

	1982	1981
Funds under management		
Total stated value	16 240.2	13 914.8
Surplus stated value over realization value of investments	(130.7)	(2 467.2)
Total realization value	16 109.5	11 447.6
Breakdown of funds under management		
Investments		
Bonds	10 309.0	7 259.7
Mortgage financing	1 029.8	913.7
Total — fixed income securities	11 338.8	8 173.4
Shares and convertible securities	3 075.8	2 447.8
Real estate investments	190.1	57.9
Total — variable income securities	3 265.9	2 505.7
Deposits and short-term investments	1 170.4	493.0
Total investments	15 775.1	11 172.1
Other assets	334.4	275.5
Total realization value	16 109.5	11 447.6
Depositors' holdings		
Régie des rentes du Québec	8 621.0	6 393.2
Commission administrative du régime de retraite	2 807.7	1 884.3
Régie de l'assurance automobile	1 684.2	1 014.3
Commission de la santé et de la sécurité du travail	1 636.0	1 118.1
Office de la construction du Québec	1 210.1	928.2
Other depositors	74.6	75.4
Total depositors' holdings	16 033.6	11 413.5
Liabilities	75.9	34.1
Total realization value	16 109.5	11 447.6
Income attributed to participation deposit holders	1 531.4	1 273.8
Net contributions	641.2	732.3
Internal rate of return on depositors' total holdings	34.5%	(2.6%)
Other statistics		
Administrative expenditures (in millions)	11.1	9.5
Assets per employee (in millions)	96.1	90.4
Number of depositors	14	14
Number of employees	169	154

Board of Directors



In the usual order, Messrs. Gaston Pelletier, Fernand Paré, Louis Laberge, Judge Richard Beaulieu, Claude Legault, Jean Campeau, Marcel Camu, Secretary, André Marier, Pierre Péladeau, Raymond Blais and Robert Normand.

Jean Campeau

Chairman of the Board
General Manager
Caisse de dépôt et placement du Québec

Claude Legault

Vice-chairman of the Board
President
Régie des rentes du Québec

Judge Richard Beaulieu*

President
Commission municipale du Québec

Raymond Blais

President
La Confédération des caisses populaires et d'économie Desjardins du Québec

Louis Laberge

President
Fédération des travailleurs du Québec

André Marier

President
Société québécoise d'initiatives agro-alimentaires

Robert Normand*

Deputy Minister
Ministère des Finances
Gouvernement du Québec

Fernand Paré

President and General Manager
La Solidarité, Compagnie d'assurance sur la vie

Pierre Péladeau

President
Quebecor Inc.

Gaston Pelletier

President
Lombard Odier Trust Company

*** Associate member**

At December 31, 1982, there were two vacancies on the Board of Directors.

Report of the Board of Directors

The Board was pleased with the 1982 results, the best annual performance recorded by the Caisse de dépôt et placement du Québec since its inception. Because of the high percentage of fixed income securities — mainly bonds — in its portfolios, Caisse return is in direct relation with interest rates. With respect to performance, short-term variations in these rates can lead either to summits as is the case for 1982, or to lows as happened in 1981. The Board therefore would like to stress that the performance on depositors' holdings must be measured over the full length of an economic and financial cycle and that, however efficient the daily management of these funds, the main criterion of performance is the asset mix in long-term investments.

Changes in the Board

During the year, the following changes occurred: upon termination of Mr. Alfred Rouleau's assignment, Mr. Raymond Blais, President and Chief Executive Officer of the Confédération des caisses populaires et d'économie Desjardins du Québec, was appointed to replace him; the new Deputy Minister of Finance, Mr. Robert Normand, succeeded to Mr. Michel Caron; lastly, in view of Mr. Georges Lafond's new functions at Hydro-Québec, another representative of this corporation will be named to the Board.

The Board wishes to express its gratitude to Messrs. Michel Caron, Georges Lafond and Alfred Rouleau for their valuable contribution to the progress of the Caisse.

A busy year

It was a busy year for the Board; eleven regular meetings were held, each with a particularly heavy agenda. As will be realized upon reading the section of this report on the Economy, conditions were difficult for everybody — citizens, corporations, financial institutions and governments — and it is in a context of volatile markets that Caisse had to define its policy and strategies and make investment choices accordingly.

The Board studied and approved the investment program for the year, the operating budget, the annual report and the financial statements. Numerous investment proposals recommended by the Management were also submitted. Various amendments to the regulations were referred to the Board for adoption, especially on the matter of managing the holdings of some depositors. It was proposed that the respective assets of each of these depositors be managed in future through an exclusive individual fund rather than through common funds. As a result, the following individual funds were authorized and attributed for operations as of January 1, 1983:

Individual Fund 301, for the Government and Public Employees Retirement Plan — unionized level — administered by the Commission administrative du régime de retraite (CARR);

Individual Fund 302, for the Government and Public Employees Retirement Plan — non-unionized level — administered by CARR;

Individual Fund 303, for the individual plans administered by CARR;

Individual Fund 304, for the General Retirement Plan for Mayors and Councillors of Québec municipalities, administered by CARR;

Individual Fund 311, for the Supplemental Pension Plan for employees of the Québec construction industry — active participants — administered by Office de la construction du Québec (OCQ);

Individual Fund 312, for the Supplemental Pension Plan for employees of the Québec construction industry — retired participants — administered by OCQ;

Individual Fund 313, for the Supplemental Pension Plan for employees of the Québec construction industry — complementary contributions — administered by OCQ;

Individual Fund 320, for the Supplemental Pension Plan of the Université du Québec.

The only individual fund existing before, that of the *Commission de la santé et de la sécurité du travail*, will be identified in the future as **Individual Fund 330**.

Special events

The Board was also asked to consider certain external events which, it was deemed, could affect the management and investment policies of Caisse.

One major concern of the Board was Federal Bill S-31 to limit the participation of certain investors, among which Caisse, in the equity capital of numerous corporations. It is the opinion of the Board that this Bill, or any other bill of the same nature, is contrary in essence to the legitimate financial interests of millions of Quebecers whose funds Caisse manages.

In the framework of a dynamic and vigilant administration, entrusted as it is with the collective savings of citizens, Caisse is expected to invest significantly in corporations and in sectors of activity which it deems profitable and safe. As a shareholder and as any other shareholder, it must protect the interests of the company and its own. The 10% limit proposed in Bill S-31 is clearly unjustifiable. It is detrimental to the interests of Caisse which rest on a fair balance between free choice of investment, return, security and diversification. In addition, the limit set on voting rights attached to shares of certain corporations, as specified in the Bill, constitutes a serious violation of the principle of equality between shareholders. Actually, this limit would prevent Caisse from attending to the security and profitability of its own investments, as is expected of any conscientious investor.

Disclosure of information

For several years now, in compliance with its legislation, Caisse publishes an annual report which gives relevant information on its operations, such as audited financial statements for each of the funds, the breakdown of their portfolios according to types of investments, the return on each category of deposits, the major acquisitions in new bonds issued by the Québec public sector and a statement of real estate investments.

In view of the increasingly important volume of its operations on financial and stock markets, Caisse feels it must now extend the range of information regarding its activities. Consequently, during the year it has decided to file with the Commission des valeurs mobilières du Québec and with various other regulatory bodies, both in Canada and in the United States, the insider reports required under prevailing statutes, even though it is not legally compelled to do so.

In addition, Caisse has adopted a general information policy concerning its corporate investments. Every year in its annual report it will publish the name of corporations listed on stock exchanges in which it had investments at year-end (**Table 35**). In each case, the number of shares will be given, their market value, and that of convertible securities and bonds. As for private corporations, which have few shareholders, such data will be published whenever Caisse is so authorized. Also, a summary of the sizeable mortgage investments will be supplied. However, should this information be deemed detrimental to its operations, economic interests or competitiveness, Caisse will abstain from such disclosure; the same holds true for any transaction project, transaction or series of transactions in progress which may cause prejudice to a corporation.

Appointments to certain boards

The Board is still of the opinion that it is not the role of Caisse to manage corporations but it believes that it must not, for all that, relinquish its responsibility towards its depositors and co-partners by not looking after its investments. When these are substantial, Caisse indeed must assume its responsibility of safeguarding the interests of the business and that of all shareholders. From this viewpoint, it stands to reason that Caisse wishes to be acknowledged as any other shareholder of equal importance; it particularly expects to be consulted on the appointment of certain directors or to be invited to propose nominees. In such instance, it surveys the milieu, especially the business and professional circles, for candidates best suited to favor the development of the company. It may occasionally, for reasons inherent to a corporation or to the nature of investment, propose members of its staff.

Wage policy

Given the particularly difficult economic situation, the Board adopted a wage policy of moderate total increase comparable to that in the private and public sectors. It is grateful for the understanding of Caisse personnel and their cooperation towards the efforts needed for improving the general situation. The Board is indeed very proud of the attitude of the staff, and acknowledges that Caisse is fortunate to have such a dynamic and efficient team which justifiably can consider itself among the best.

Senior staff appointments

Upon recommendation of the General Manager, the Board has approved the following appointments: Mr. Jacques Dumont, Deputy General Manager — planification et relations avec les déposants; Mr. Carmand Normand, Deputy General Manager — valeurs à revenu variable; Mr. Michel Bastien, Director — placements - actions; Mr. Denis Giroux, Director — placements - participations; and Mr. Gaston Meilleur, Director — placements - moyennes entreprises.

Report of the General Manager

The pages following the section devoted to the Economy present the report of the General Manager which gives an account of the administration of Caisse de dépôt et placement du Québec in the various fields of its activity.

On behalf of the Board of Directors,



Jean Campeau
Chairman
Montréal, February 21, 1983

The economy

In Québec as elsewhere, 1982 was marked by a major slowdown of the economic activity, a trend already noted in the second half of the preceding year. At the end of the year there were still few signs of recovery. To a large extent, this is due to the poor economic performance of the industrialized countries as a whole, specifically the United States, our major export market.

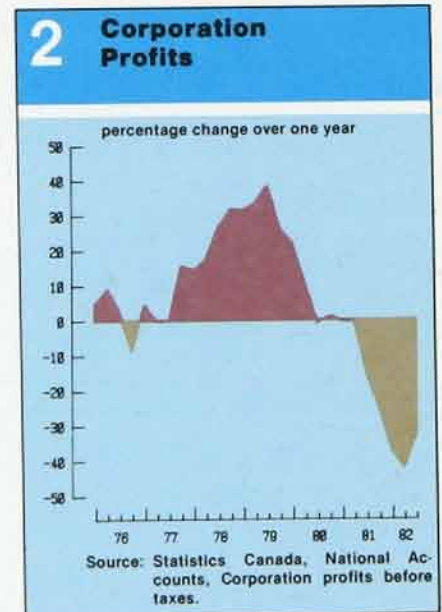
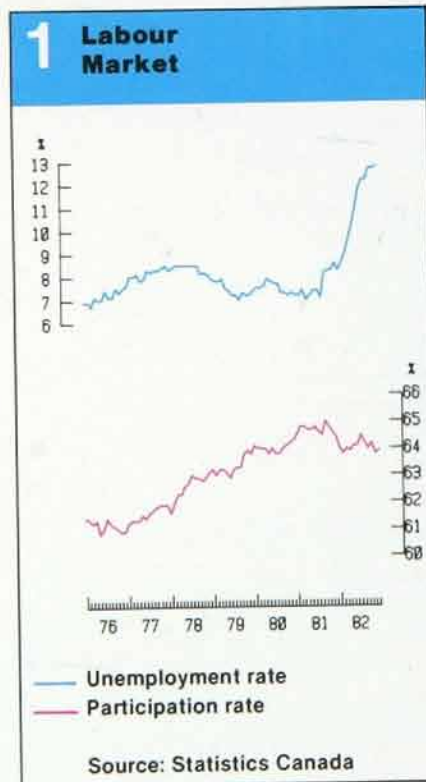
American economy

Economic activity in the United States experienced a marked decrease during the fourth quarter of 1981 and the first quarter of 1982. Real gross national product grew so slightly during the remaining of the year that it can hardly be referred to as a recovery. These phenomena are the direct consequence of the strict monetary policy enforced by the Federal Reserve Board since the end of 1979; obviously economic agents could not cope with the resulting high interest rates. Consumers had to withdraw, unable to bear the cost of credit and overwhelmed by rocketing mortgage rates. Corporations, after liquidating financially onerous inventories, proceeded with staff reductions as evidenced by an unemployment rate exceeding 10%, and then tagged along with a slowdown in production while postponing several investment projects.

The policy of the American administration to stimulate output by means of reduced taxation is, by and large, seen as a failure. At best, the lower personal income tax gave consumers a fighting chance during the crisis and the accelerated depreciation rates granted to companies have not triggered new investments, as was expected. The lagging activity however made it possible to repress the huge inflationary pressures noted since 1978; inflation, which had topped 14% early in 1980, gradually receded by half between the early months of 1982 and the end of that year, to settle at 5%. This progress in the fight against inflation caused interest rates to drop beginning in August and, despite slight tremors in the fall the trend at year-end remained on a downward course.

Canadian economy

Under persistent high interest rates, the recession initiated in the second half of 1981 took a turn to the worse early in 1982. As a result, unemployment hit record highs at the end of the year — nearly 13% (**Graph 1**) — despite a reduction in the labour force, a phenomenon unknown since the end of World War II. Consumers therefore retreated and, for the first time since the '40s, real personal expenditures fell (-2%). In addition, spending on residential properties dropped by nearly 30%. The sagging prices of raw materials, together with the low utilization of production capacity, were also responsible for the unprecedented decline in corporation profits (**Graph 2**), with the result that companies curtailed investments and accelerated liquidation of inventories.



On the whole, the real gross national product registered a fall of nearly 5%. This difficult situation nonetheless stifled inflationary pressures during the year and price increases, as measured by the Consumer Price Index, slipped under 10% at year-end. And, judging from the new wage settlements, increases were drastically reduced, from 13% to less than 9% in one year.

The situation notwithstanding, economic policies were maintained on the restrictive path, priority being given to the fight against inflation by federal authorities. At the fiscal level, the built-in stabilizers were indeed allowed to play their role but, on the other hand, attempts were made to control the deficit increase by a series of indirect taxes. As a result, the decrease in inflation rate was delayed, thus thwarting the government's priority goal. At the monetary level, the Bank of Canada, faithful to its policy of protecting the dollar and in an effort to support indirectly the fight against inflation, pursued a policy of high interest rates during the greater part of the year. These therefore followed in the wake of the American rates, the decline during the second half of the year being the result of a similar trend in the US.

Québec economy

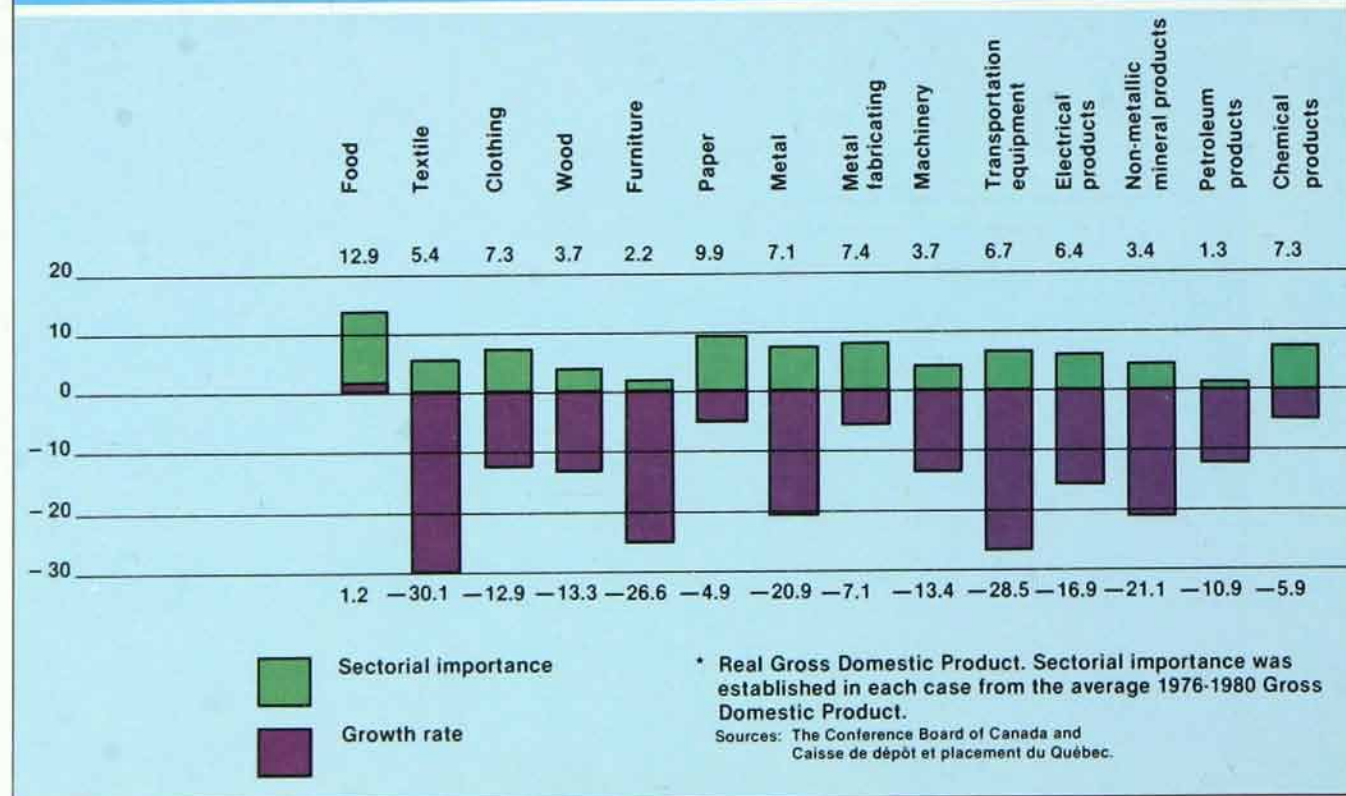
The North American economic environment had an impact on the Québec economy, as evidenced by overall available data. During the year, unemployment escalated more than 5 points to exceed 15%, despite a drop in the active labour force. Salary and wage increases of 4% were clearly below the rate of inflation; retail sales barely progressed. In addition, housing starts fell by 18%. Liabilities in commercial bankruptcies were sizeable, reaching \$548 million for the first eight months in 1982, compared to \$455 million for the whole year in 1981.

The economic situation affected all sectors of activity. Goods producing industries, whose cyclical movement is usually more pronounced, were the hardest hit. As regards services, the decrease is also exceptional and confirms the extent of the recession in Québec in 1982; losses recorded by the manufacturing industry give a clear indication of the stagnating conditions. Manufacturing industries which, without taking into consideration their indirect contribution to the economy, account for a quarter of the overall activity, reported a 12% output reduction for 1982, after zero growth in 1981. **Graph 3** shows that all sectors were downgraded: the high growth sectors as well as the traditional. In this regard, textile, furniture, primary metal fabricating, transport and non-metallic mineral products each dropped by more than 20%.

Faced with such a severe output contraction, industries were compelled to curb capital expenditure and staff requirement drastically. Except in the areas of finance, insurance and real estate, employment dropped with the manufacturing sector claiming more than half the losses. Two other sectors heavily affected by conditions were retail trade and construction which reported a cut of nearly 20 000 in their labour force. In the course of the year, investment intentions, previously valued at \$19.9 billion, were reduced by \$1.1 billion, with the result that, without accounting for inflation, growth was non-existent in 1982. In this instance again, the manufacturing industry represented nearly 50% of the decrease, while accounting for only 20% of overall investments. Two industries heavily dependent on foreign markets, pulp and paper and primary metals, felt the greatest impact of this cutback since they reduced their investment intentions by 30% and 15%, respectively.

For the first semester of 1983 at least, the outlook remains bleak. The situation however should improve in the second half of the year when the recovery ought to be initiated in the US. In 1984, a more sustained growth is expected.

3 Québec manufacturing industries and sectorial growth in 1982*

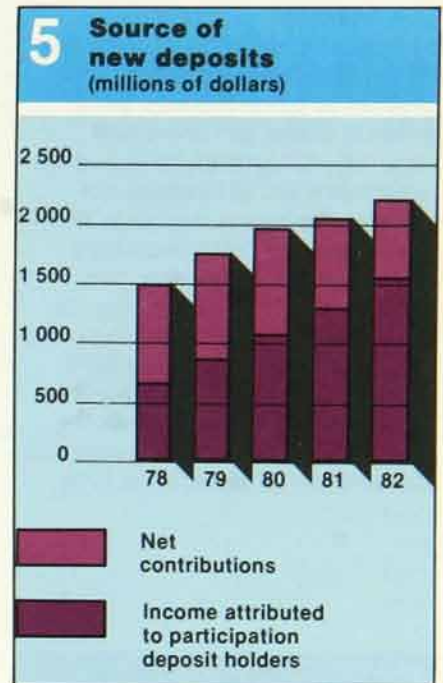


Report of the General Manager

Once again during the fiscal period the management of the Caisse de dépôt et placement du Québec experienced that the strength of any organization above all lies in the quality and efficiency of its human resources. This is especially true of an organization such as Caisse whose role is to assess continually and selectively the aggregate components and patterns of financial markets. Despite the restrictions due to the economic environment, the achievements highly justify this testimonial which should be an acknowledgment of the unfailing cooperation of our employees in the carrying out of their responsibilities.

Consequently, Caisse maintained the strategy and activity it had outlined for the present decade. For the second year in a row, the progression of assets under management exceeded two billion dollars, to reach a total of \$16.2 billion on December 31, a rise of \$2.3 billion over the last fiscal period, as can be noted in **Table 4**.

Despite the fact that net depositors' contributions were \$91 million less than last year, the income attributed to participation deposit holders reached a new high of \$1.5 billion, \$258 million more than in 1981 (**Graph 5**). In addition to such remarkable growth, the realization value of total investments registered a spectacular jump as a result of improved conditions on financial and stock markets, more specifically during the last quarter. Given the importance of bond securities in the total assets distribution under Caisse management — 66% — the gap between stated value and realization value reported at \$2.5 billion in 1981, was reduced to \$131 million.

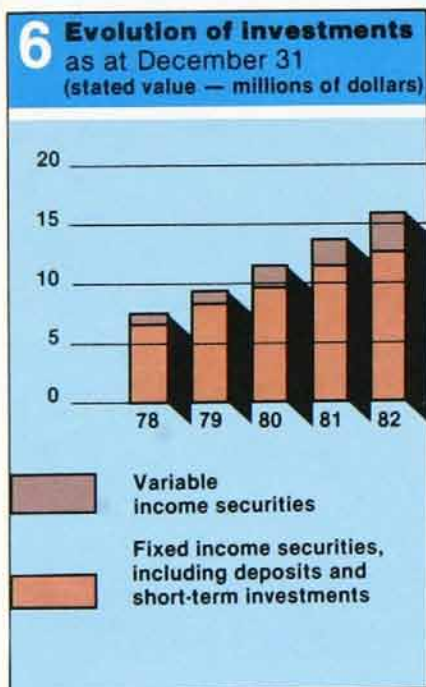


4 Summary of assets under management as at December 31, 1982 (millions of dollars)

	General Fund ¹	Segregated funds	Individual Fund	Portfolios under management	Stated value		Total realization value
					Total	Total change in 1982	
Investments							
Bonds	7 814.3	1 782.2	975.9	132.1	10 704.5	1 034.8	10 309.0
Shares and convertible securities	1 384.1	1 121.4	253.0	1.1	2 759.6	442.9	3 075.8
Mortgage financing	404.1	617.7	58.3	5.4	1 085.5	(19.1)	1 029.8
Real estate investments	187.4	0.2	—	—	187.6	132.3	190.1
Short-term investments	1 168.6	—	—	—	1 168.6	675.6	1 170.4
Deposits in General Fund	(376.8)	226.9	149.9	—	—	—	—
Total investments	10 581.7	3 748.4	1 437.1	138.6	15 905.8	2 266.5	15 775.1
Other assets	232.6	69.6	29.2	3.0	334.4	58.9	334.4
1982 Total	10 814.3	3 818.0	1 466.3	141.6	16 240.2	2 325.4	16 109.5
1981 Total	9 442.5	3 092.8	1 222.1	157.4	13 914.8	2 167.3	11 447.6
Net change in 1982	1 371.8	725.2	244.2	(15.8)	2 325.4		4 661.9

¹ For purposes of this presentation, assets of the General Fund reflect the reduction of demand deposits of the segregated funds and the Individual Fund and the interest accrued on those deposits. Assets of real estate subsidiaries are included in the General Fund.

Table 20 in the Financial Statistics Section indicates the following net variations in investments for 1982: \$1.03 billion in bonds, \$443 million in shares and convertible securities, \$132 million for real estate investments and \$676 million for short-term securities. Mortgage financing on the other hand recorded a \$19 million net decrease. All told, variable income securities, either in the case of equity participation or real estate investment, soared by \$575 million, or 25.4% of the net increase of \$2.3 billion. **Graph 6** outlines the evolution of these securities within the aggregate investments, since 1978.



Such results are evidence of the intention clearly formulated in the two preceding annual reports to boost the proportion of variable income securities in the investments of Caisse. In order to make this situation visible, the tables related to investment statistics by funds (**20 to 23**) and the ten-year retrospective (**Tables 39 and 40**) are presented.

Depositors

May it be recalled that Caisse was instituted in 1965, at the same time as the universal pension plan administered by Régie des rentes du Québec. At the outset, the Régie was the sole depositor. With time, that is from 1968 to 1978 as shown in the list given hereafter, Caisse was empowered to administer other funds, such as those of the supplemental pension plans of public agencies and of insurance plans, and these contributed to the rapid and regular expansion of the assets under its management which actually doubled every five years. At year-end, as may be observed in **Graph 7**, Régie des rentes represented 53.8% of total depositors' assets; the supplemental pension plans and insurance plans claimed 25.1% and 21.1%, respectively.

To some extent, the progression of Caisse assets is still dependent on the net contributions of its depositors. However, in 1982 these contributions were at their lowest since 1977, \$641 million. Among the depositors, Régie des rentes experienced the heaviest decline, \$131 million. As indicated in **Graph 8**, the relative part of this agency within the net overall contributions was only 0.2% for the year, as compared to 18.1% in 1981 and more than 20% for every year from 1978 to 1980.

7 Distribution of depositors' holdings as at December 31 (percentage)

	1982	1981	1980	1979
Régie des rentes du Québec	53.8	56.0	58.7	62.4
Commission administrative du régime de retraite	17.5	16.5	15.3	13.3
Régie de l'assurance automobile du Québec	10.5	8.9	7.6	5.8
Commission de la santé et de la sécurité du travail	10.2	9.8	9.6	9.2
Office de la construction du Québec and other depositors	8.0	8.8	8.8	9.3

List of depositors

as at December 31, 1982

	Initial deposit
To General Fund	
Fonds d'assurance-prêts agricoles et forestiers	1978
Fonds d'indemnisation automobile du Québec	1978
Régie de l'assurance automobile du Québec	1978
Régie de l'assurance-dépôts du Québec	1969
Régie des assurances agricoles du Québec	
Assurance-récolte du Québec	1968
Régimes d'assurance-stabilisation des revenus agricoles	1977
Régie des marchés agricoles du Québec	1967
Régie des rentes du Québec	1966
To segregated funds	
Office de la construction du Québec as administrator of the Supplemental pension plan for employees of the Québec construction industry ¹	1970
Commission administrative du régime de retraite ¹	
Government and public employees retirement plan	1973
General retirement plan for mayors and councillors of Québec municipalities	1975
Individual plans	1977
Supplemental pension plan of the Université du Québec	1971
To Individual Fund	
Commission de la santé et de la sécurité du travail ^{1,2}	1977

¹ The Caisse also administers a portfolio under management in this case.

² Prior to the 1977 creation of the individual funds, the Commission de la santé et de la sécurité du travail made deposits in the General Fund.

8 Depositors' net contributions (percentage)

	1982	1981	1980	1979	1978
Commission administrative du régime de retraite	48.4	40.3	29.1	25.8	21.0
Régie de l'assurance automobile du Québec	36.3	26.3	27.1	27.0	30.3
Commission de la santé et de la sécurité du travail	13.8	10.1	17.8	17.4	15.3
Régie des rentes du Québec	0.2	18.1	24.1	21.0	24.5
Office de la construction du Québec and other depositors	1.3	5.2	1.9	8.8	8.9

Detailed information on depositors' net contributions (deposits less withdrawals) will be found in the Financial Statistics Section, Table 38.

Investment policy

Caisse investment policy hinges on two major elements. First of all it is essentially bound by criteria of security and return and secondly, its action is directed towards the support of Québec economic development. For Caisse these requirements are absolutely compatible.

Yet, it goes without saying that the investment policy implemented should take into consideration the individual objectives and requirements of each and every one of its depositors. For example, it cannot be overlooked that the liability commitments of most of these depositors are in part or otherwise, directly or indirectly indexed to the cost of living. But, in spite of relative differences, their various objectives have enough in common that Caisse is able to define a general investment policy that serves the requirements of each fund.

This policy must take into account the necessary matching of depositors' assets and liabilities and consequently be devised in such a way that, on the long term, inflation will not create an imbalance between their holdings and their commitments. In this perspective and as hedge against inflation, the investment policy tends in the medium term to give greater relative importance to variable income securities within the aggregate assets.

There is also consensus on the need for diversifying investments. Also to be considered is the funds management expertise and the numerous economic and financial analyses constantly being carried out to identify investment risks and sectors, categories and instruments, which on the short or the long term offer the best return. Investments made according to such standards cannot but promote the economy of the milieu;

they leave no room for the deliberate support of low-profitability undertakings.

Investment planning

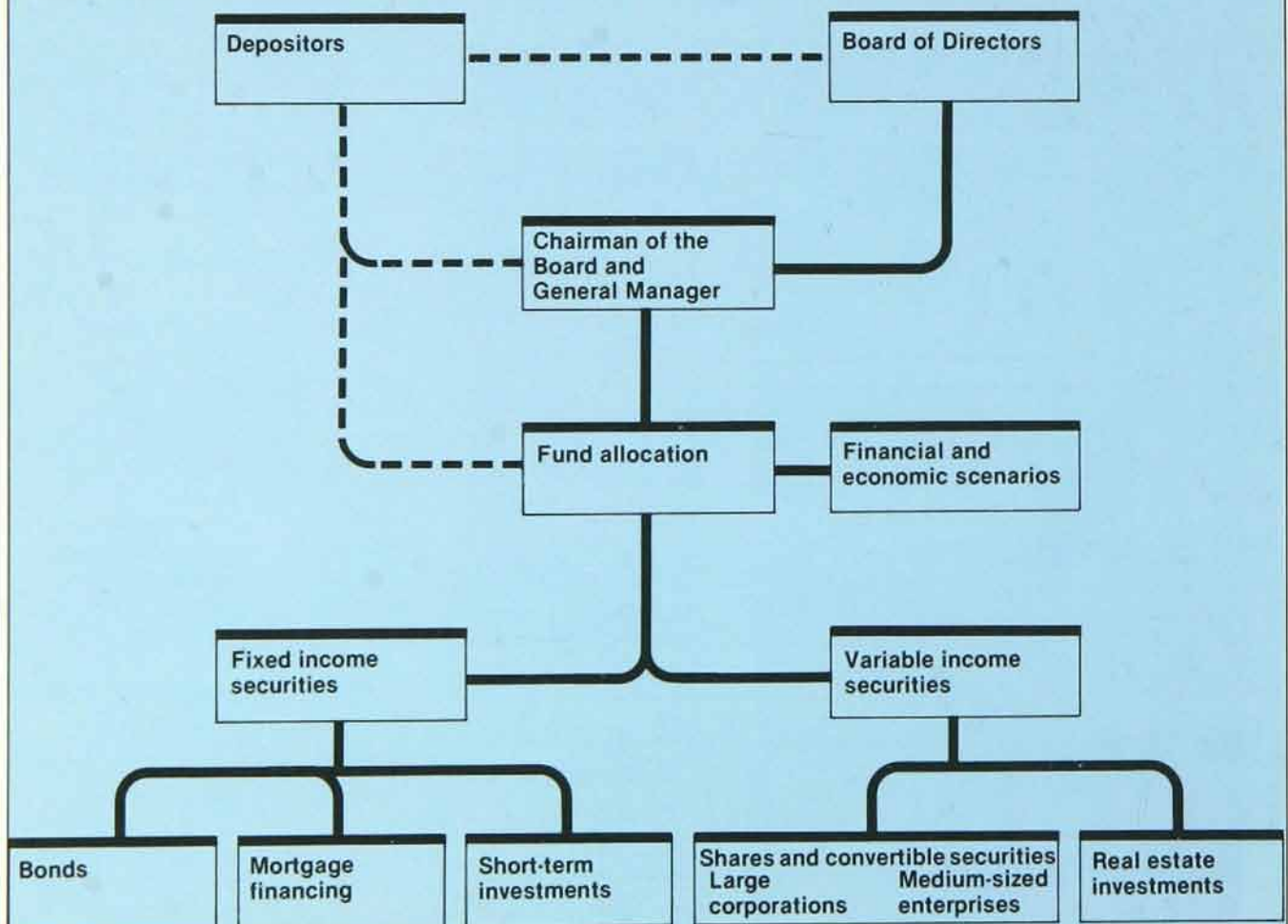
Now that the fundamental principles of Caisse investment policy have been explained, it is suitable to demonstrate how they are applied. The policy is planned at the board of directors level where depositors' requirements are necessarily taken into consideration. The Chairman and General Manager assumes responsibility for blending that policy with the investment strategy recommended by the proper departments.

More especially, from several economic and financial scenarios and anticipated returns on various markets, funds are distributed among variable income and fixed income securities in accordance with the global investment program approved by the Board. Eventually, the sectorial

strategy allows for the allotment of moneys according to most favorable markets. Finally, the strategies agreed upon are carried out at the operational level.

The investment planning illustrated in **Table 9** gives a clear idea of the complete structure implemented by Caisse since the early 80s, on the strength of objectives outlined earlier.

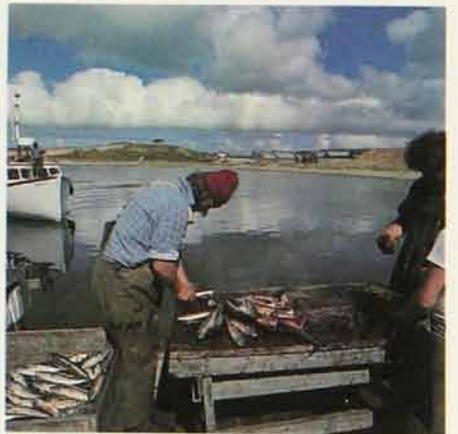
9 Investment planning



The role of Caisse is above all that of a funds manager and its goal is to maximize the return on its depositors' assets while protecting their holdings by a selection of investments which preserve their purchasing power.

Actually, with the money accruing from its depositors, Caisse makes money. Also, its investments contribute to a large extent to the financing of the government, various government corporations, school boards, municipalities, universities, hospitals and social service centers.

In addition, Caisse is a partner in the development, growth and profitability of numerous businesses, medium-sized or large, by means of various types of participation, namely equity capital.



Performance of funds

The results of Caisse administration were most encouraging last year, as can be appreciated from **Table 10**. In fact, the internal rate of return on the aggregate depositors' holdings was 34.5% in 1982. In part, this is due to the significant reduction of interest rates during the second half of the year which brought about a substantial appreciation in the listed value of fixed income securities, the largest element in Caisse investments. It is however more important to note that during the period extending from 1975 to 1982, which represents a full economic and financial cycle, the funds entrusted to Caisse management recorded an average compound annual return of 11.6%, compared to the average annual inflation rate of 9.7%. During that eight-year span, depositors consequently enjoyed a return 1.9% higher than inflation.

That table presents the performance of each of the six funds managed by Caisse, together with accepted indices. Compared to the results already quoted, the General Fund, with a return of 36.1% in 1982 and 11.1% for the period 1975-1982, is close to those of total assets. With regard to segregated funds, Bond Fund "O" displays a solid performance of 43.9% in 1982, followed closely by that of Government bonds Fund "G" at 42%. Stocks Fund "A" boasts figures superior to that of fixed income funds: 16.2% for the period 1975-1982. The Mortgage Fund "H" whose return can be measured over a five-year period only, posted results of 28.6% last year. Since the Individual Fund became operative only late in 1977, its 40.4% return in 1982 cannot, in all fairness, be compared to that of funds managed over a full cycle.

Distribution of assets

Given the weight factor of fixed income securities within overall investments, the performance of Caisse may, over a short period, be greatly influenced by changes in interest and inflation rates. The same stands true for longer periods that would not account for the economic cycle; it is therefore essential to measure performance over a complete cycle.

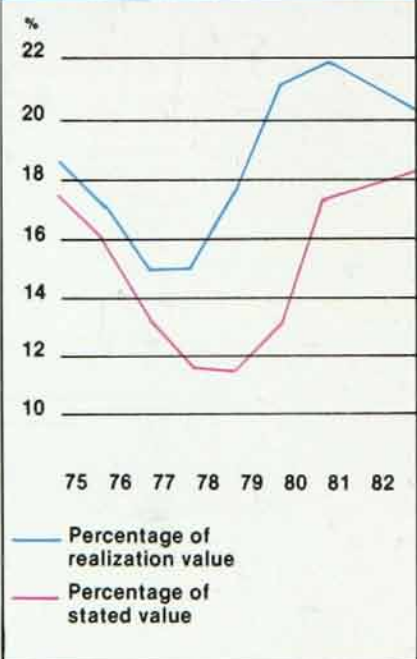
To become less dependent upon inflation, Caisse deemed it suitable to raise markedly the proportion of its investments in variable income securities; this is illustrated in **Graph 11**. The slight decrease noted in this proportion for 1982, as to realization value, is due to the spectacular recovery of fixed income securities, particularly bonds of Gouvernement du Québec.

10 Funds internal rate of return

	Year 1982	Compound average annual rate for the 1975-1982 period (8 years)
Total depositors' holdings	34.5%	11.6%
General Fund	36.1%	11.1%
Segregated funds		
Bonds (Fund "O")	43.9%	11.5%
Government bonds (Fund "G")	42.0%	*
Stocks (Fund "A")	15.7%	16.2%
Mortgages (Fund "H")	28.6%	*
Individual Fund	40.4%	*
TSE 300 Index	5.5%	17.8%
MYW Bond 50 Index	46.3%	10.2%
MYW Mortgage Index	28.2%	11.4%

The internal rate of return method is a generally accepted benchmark for measuring performance of funds.
* Historical data for investment realization value cover only a five-year period.

11 Evolution of variable income securities in total funds under management as at December 31



Variable income securities

The objective of our depositors to invest a greater portion of their funds in variable income securities in order to achieve better balance in asset mix is quite in agreement with the overall strategy of Caisse whose goal is higher equity participation in corporations and improved long-term profitability on its total assets. Both factors explain higher new investments of this nature.

The stated value of shares and convertible portfolios soared by \$443 million in 1982 reaching \$2.8 billion at December 31. Total realization value for these was \$3.1 billion then representing 19.1% of overall assets under management. **Tables 12 and 13** give a breakdown of investments in shares and bonds of 275 corporations according to their status and classification among the fourteen major sectors of activity of the TSE. During the year, net profits of \$56 million were recorded on the sale of shares and convertible securities. Real estate investments for their part increased to \$188 million in 1982, from \$55 million in 1981.

According to basic analyses, anticipated returns for variable income securities appear favorable for the period 1983-1986, and Caisse intends to keep very active on those markets. Another avenue with interesting possibilities is the international market, particularly for equities, a matter presently under consideration.

In order to ensure more efficient management and follow-up on investments, the variable income securities division was subdivided during the year into three departments: stock investments, participation investments, and investments in medium-sized enterprises. The real estate department, because of its many particularities comes under the fixed income securities division.

12 Summary of corporate investments as at December 31, 1982 (realization value — millions of dollars)

Status of corporations	Number of corporations	Shares and convertible securities	Bonds	Total	Percentage
Corporations and subsidiaries whose shares are listed on stock exchanges	178	2 958.7	497.8	3 456.5	92.0
Private corporations	73	27.4	110.6	138.0	3.6
Public corporations and cooperatives	24	89.7	74.5	164.2	4.4
Total 1982	275	3 075.8	682.9	3 758.7	100.0
1981	281	2 447.8	693.4	3 141.2	

13 Corporate investments by sectors of activity as at December 31, 1982 (realization value — millions of dollars)

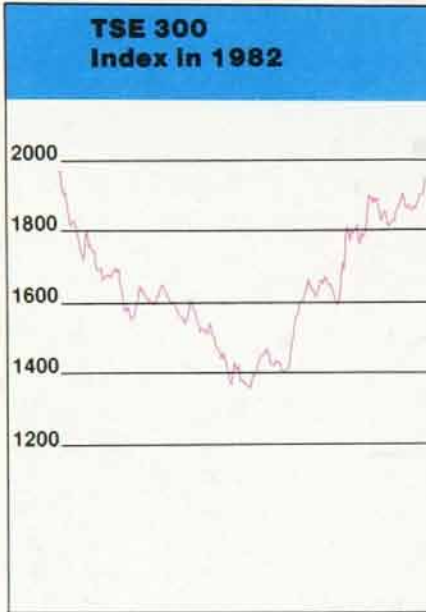
Sectors of activity	Number of corporations	Shares and convertible securities	Bonds	Total
Metals and minerals	15	507.4	38.3	545.7
Gold	2	24.4	—	24.4
Oil and gas	13	348.2	27.2	375.4
Paper and forest products	17	189.7	31.7	221.4
Consumer products	42	310.5	94.4	404.9
Industrial products	55	253.6	114.4	368.0
Real estate and construction	19	5.9	45.5	51.4
Transportation	6	256.1	7.4	263.5
Pipelines	5	127.9	0.5	128.4
Utilities	14	192.4	144.6	337.0
Communications	10	68.5	11.5	80.0
Merchandising	34	141.1	37.5	178.6
Financial services	34	574.9	129.9	704.8
Investment companies	9	75.2	—	75.2
Total	275	3 075.8	682.9	3 758.7

A listing of these investments will be found in the Financial Statistics Section, Table 35.

Stock investments

The Canadian stock market

As shown in the graph below, operations conducted in 1982 can be interpreted in the form of a large letter "V" representing the performance of the TSE 300 opening at 1954 and closing at 1958, after a drop to 1393 in mid-August.



After a high of 2390 reached in July 1981, the TSE 300 dropped by 25% and then recovered slightly. During the first quarter of 1982 a second major change was noted. At mid-March, the Index hit the 1537 mark and climbed once more to 1634 during the second week in April. A third slump to 1393 followed on August 12. That same day, the Dow Jones Index went down to 777.

During the whole sluggish period, unemployment worsened, food prices and interest rates hit record levels and until the end of June, investors withdrew from the stock market. Furthermore, the parliamentary difficulties related to the US budget and the Treasury financing of the deficit which had already been expected to exceed \$100 billion for the 1982-1983 period, entertained the pervading gloom.

In Canada, the Central Bank decided, early in the year, to maintain its high interest rate policy until such time as the US decided to lower theirs. The stock market reacted promptly to the first lowering of the bank rate early in July, but this easing of conditions was quickly repressed by economic realities. Only on August 12 did investors see the possibility of a softening up of the US monetary policy and an eventual recovery despite the fact that an important increase in the money supply had been announced at the same time as the Federal Reserve Board decided to reduce the bank rate once again.

The reaction was immediate. Managers poured a greater part of their funds into the stock market and kept an eye open for the best returns on long-term bonds. The same response was noted abroad. Amidst declining national economies and problems related to international loans, which seriously threatened the financial structure of several countries, there was a general move to the American dollar and US securities.

On November 3, the Dow Jones Index climbed to 1065 and the TSE 300, to 1887. In less than three months the first increased by 37% and the second, by 35%. For the rest of the year market conditions remained sluggish, closing however on a new surge which brought the Dow Jones Index at 1046 and the TSE 300 at 1958.

Strategy and performance in 1982

Early in the year, with deteriorating market conditions, the strategy of stock portfolios was systematically aimed at taking advantage of lowering interest rates and the ensuing recovery. As a result, banks, golds, oil and gas were found to be the best choices.

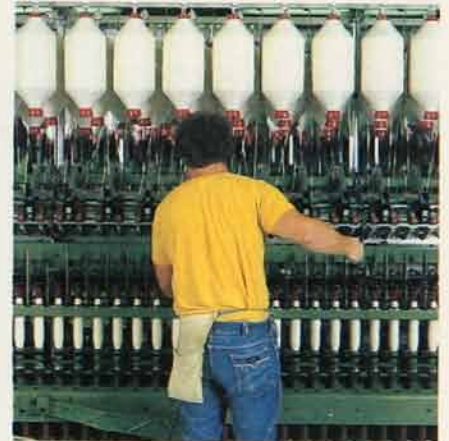
Implementation of that strategy was well ahead by mid-June and in August, some 90% of the stock investment program for the year was completed. A sudden rise in market prices near the end of summer was felt to be a good time for profit taking and for making certain adjustments, pausing for the next market phase. These operations, including those involving participation investments, generated transactions totalling nearly one billion dollars on North American stock markets.

The strategy proved profitable by year-end with a performance for each of the shares and convertible securities portfolios far better than that of the stock market indices. For instance, the 1982 return on overall share investments reached 14.3%, including the 4.4% as to dividend. In this return, any premium attached to certain large blocks of shares of some corporations was disregarded.

The investment policy of Caisse hinges on two major elements. First, it is essentially bound by criteria of security and return; secondly, its action is directed towards the support of Québec economic development. For Caisse these requirements are ab-

solutely compatible. Moreover, they imply the diversification of investments and, depending on the impact of the economic and financial cycles, a timely asset mix between fixed income securities, such as bonds and mortgages, and variable income securities, as shares and real estate

investments. With this in mind, Caisse has for the last few years endeavored to increase the relative importance of variable income securities in the overall assets under its management, as hedge against inflation.



Participation investments

The département des placements - participations was set up during the year for the purpose of following more closely the financial evolution of corporations in which Caisse has substantial investments, in order to ensure the long-term optimization of return. In addition, this department may promote partnership with certain corporations by way of transactions involving reorganization, merger, consolidation or acquisition.

Investments in medium-sized firms

As explained in the last annual report Caisse, through its département des placements - moyennes entreprises, is looking for financial participation in Québec medium-sized enterprises while aiming at adequate return.

In keeping with Caisse investment policy, this department is especially interested in firms which are not listed on the stock exchange but have an excellent business track record, with a solid management team and show an interesting growth potential. Generally these companies are looking for capital, either common shares, convertible or participating debentures, in amounts ranging from \$500 000 to \$5 000 000 and corresponding to a 10% to 30% equity participation. The new capital injected aims to promote modernization, expansion, acquisition or merger projects, or plans for consolidation.

It is clear that in the present economic conditions companies in Québec and in Canada are lacking capital. In its approach, Caisse believes it is answering a need while ensuring a profitable return on its investments. But this does not mean that it wants to take the place of traditional financial institutions.

The year 1982 was difficult for medium-sized enterprises, mostly because of the serious slowdown in activities and high interest rates. Hence the department did concentrate on the administration of its portfolio in order to support the firms most affected by the slump. Caisse is very happy with the quality of this portfolio since, during the year, only three among 68 companies — representing 1.9% of said portfolio — could not meet their commitments.

During the last fiscal period, 59 financing proposals for \$107 million were studied, as compared with 67 such requests in 1981, for a total of \$177 million. In view of Caisse standards, the economic situation prevented the realization of that many transactions; in 1982 therefore 11 financing proposals were authorized, for \$18.4 million, while 6, amounting to \$7.1 million, were completed. At December 31, the department's portfolio, including outstanding commitments, recorded 97 financing transactions among 68 enterprises, for a total of \$122.2 million.

14 Evolution of long-term investments in the private sector as at December 31 (stated value — millions of dollars)

	Shares and convertible securities	Bonds	Mortgage financing and real estate investments	Total
1978	920.1	677.8	677.5	2 275.4
1979	1 105.7	945.9	881.2	2 932.8
1980	1 496.4	964.3	982.0	3 442.7
1981	2 316.7	887.4	1 159.9	4 364.0
1982	2 759.6	746.6	1 273.1	4 779.3

Real estate investments

This department was set up early in 1981 and has just completed its first full year of operations. The economic context and high interest rates had a depressing effect on the real estate market therefore offering interesting bargains for investors. Caisse took advantage of this situation, adding substantially to its real estate portfolio.

During the year, Caisse acquired full ownership rights on four buildings and two equity participations in important shopping centers; these transactions for an amount of \$122 million required an outlay of \$60 million. Caisse was also adjudicated a property with a stated value of \$9.3 million. In addition, the Board approved another project to be finalized early in 1983.

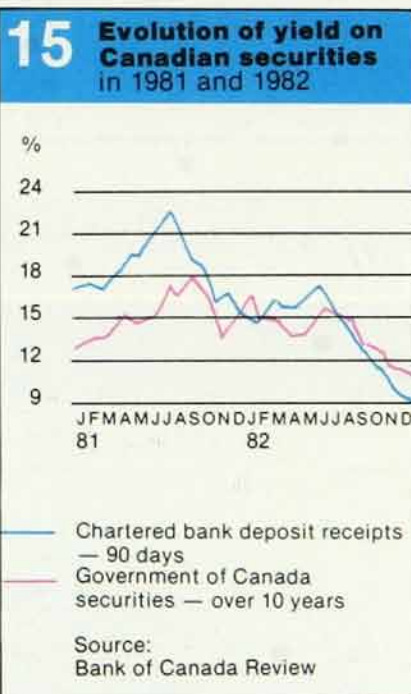
It is to be noted that these were made through Caisse wholly-owned subsidiaries whose financial statements are consolidated in the General Fund. A breakdown of all real estate investments at December 31, 1982, is given in **Table 37**.

In keeping with the acquisition program, administrative structures were set up in each of the subsidiaries to facilitate the professional and efficient management of wholly-owned properties with a view to increasing their return. An experienced staff was recruited for that purpose and is responsible for approximately 3 million square feet of office space.

Fixed income securities

The same pessimistic and disquieting conditions which prevailed in the second half of 1981 pervaded the early part of 1982. Investors were concerned with government financial needs and inflationary pressures. But after six months of general stagnation, the fear of a more pronounced slowdown and the apparent instability of international financial systems triggered a swift and important reduction in interest rates, as shown in **Graph 15**. In absolute terms, the downturn was greater in the case of short-term rates which dropped by 800 basis points, while long-term rates receded only by half, that is 400 points.

The downplay of short-term rates was due to investors on the lookout for temporary shelter, so concerned were they with the state of financial markets. The decline was later endorsed by monetary authorities, also worried about the situation, and this prompted the same investors to stretch their investment horizon in order to profit from the relatively more attractive return on long-term investments. Finally, the spreads between the various categories of securities were reduced, enabling the majority of borrowers to take advantage of lower credit cost.



The policy to lower the relative importance of fixed income securities was upheld in 1982. To a large extent the adjustments required by this policy affected bond securities and, at year-end, the stated value of those investments was \$10.7 billion. **Table 20** indicates that this amount corresponds to 67.3% of Caisse total investments, as compared to 70.9% and 75.7% at the end of 1981 and

1980, respectively. The decrease in the proportion of mortgage financing also went from 8.3% in 1980 and 8.1% in 1981, to 6.8% at the end of 1982. As regards the aggregate assets under management as shown in **Table 16**, the proportion of fixed income securities was down from 77.4% to 72.6% during the fiscal period.

Bond investments

As a result of the prevailing cautious attitude early in the year, the levels of interest rates were such during the summer that Caisse had to revise its strategies. It was decided to speed up the investment program and check the reduction of average maturity initiated the preceding year. Bonds held at December 31, as indicated in **Table 17**, had a realization value of \$10.3 billion, average maturity of 11.5 years and coupon of 11.93%. In this table, securities issued or guaranteed by the Gouvernement du Québec represent 78.1%; those issued or guaranteed by the Government of Canada, 4.3%, and those guaranteed by grants, 3.8%; municipal and school bonds, 7.2%, corporate and other securities, 6.6%.

16 Breakdown of funds under management as at December 31 (percentage of stated value)

	1982	1981	1980	1979	1978
Bonds	65.9	69.5	74.2	72.0	68.0
Mortgage financing	6.7	7.9	8.1	8.7	8.2
Total — fixed income securities	72.6	77.4	82.3	80.7	76.2
Shares and convertible securities	17.0	16.7	12.7	11.3	11.5
Real estate investments	1.1	0.4	0.3	0.3	0.3
Total — variable income securities	18.1	17.1	13.0	11.6	11.8
Short-term investments and other assets	9.3	5.5	4.7	7.7	12.0
	100.0	100.0	100.0	100.0	100.0

17 Breakdown of bond portfolios according to type of issuers as at December 31, 1982

Bonds	Realization value (millions of dollars)	Percentage	Average coupon %	Average maturity (years)
Issued or guaranteed by the Government of Canada	446.4	4.3	11.97	16.87
Issued or guaranteed by the Gouvernement du Québec	8 046.1	78.1	12.04	11.97
Guaranteed by grants	390.1	3.8	12.70	6.25
Municipal and school	743.1	7.2	11.16	6.30
Corporate and other	683.3	6.6	10.77	11.40
Total	10 309.0	100.0	11.93	11.52

During the year therefore, the overall bond portfolios have risen by \$1.03 billion, as compared with \$955 million in 1981. On the other hand a \$24 million decrease was recorded in securities issued or guaranteed by the Government of Canada and one of \$145 million, in those issued by Canadian provinces and corporations.

Acquisitions by Caisse of new bonds issued by the Gouvernement du Québec and Hydro-Québec, as shown in **Table 18**, reached the \$1.025 billion mark, \$875 and \$150 million, respectively, as compared with \$1.05 billion in 1981. Even if the percentage of acquisitions on the Canadian market grew notably during the fiscal period, that is from 51% to 70%, its proportion with respect to overall new issues remained at 23%.

With regard to acquisitions of new bonds issued on the Canadian market by municipalities and municipal bodies, school boards, and those guaranteed by grants, they totalled \$72 million in 1982, compared to \$141 million in 1981, as shown in the Financial Statistics Section, **Table 27**. The decrease noted was in part compensated by greater activity on the secondary market.

The combined effects of lower long-term interest rates, of narrowing spreads between Québec securities and those of the federal government together with the use of interest rate futures market were all particularly meaningful. In the first place, the shortfall between stated value and realization value in the aggregate bond portfolios was reduced from \$2.4 billion in 1981 to \$400 million in 1982; secondly, the internal rate of return of the bond funds was exceptional.

Management of cash and short-term investments

Short-term investments totalled \$1.17 billion at December 31, as indicated in **Table 20**. The \$676 million increase during the year reflects the intention already expressed to give such securities more strategic importance. For purposes of liquidity, this portfolio mainly included Treasury bills of Québec and Canada; however in order to diversify investments, a greater place was given to other short-term instruments. Average maturity was brought to a maximum 100 days at the end of summer and to approximately 60 days at the end of the year. On an average portfolio of \$969 million, the yield was 15.2%.

18 Summary of acquisitions by Caisse of new bonds issued or guaranteed by the Gouvernement du Québec in 1982 (nominal value — millions of dollars)

	Amounts of Issues			Amount acquired by Caisse ¹		
	Canadian market	Other markets	Total	Amount	Percentage of Canadian market	Percentage of total
Gouvernement du Québec	1 133	946	2 079	875	77	42
Hydro-Québec	325	1 955	2 280	150	46	6
Total 1982	1 458	2 901	4 359	1 025	70	23
1981	2 055	2 432	4 487	1 050	51	23

¹ Detailed information concerning acquisitions and distribution among the various funds will be found in the Financial Statistics Section, Tables 24 and 25.

Mortgage investments

In the course of the year, high cost of money and the uncertainty related to its evolution limited the scope of mortgage financing. Consequently, outlays for the year reached some \$100 million, a low point compared with the past, and distribution was as follows: \$18 million to General Fund, \$52 million to Mortgage Fund (Fund "H") and \$30 million to Individual Fund. Of these outlays, 75% were for housing.

Stated value of mortgage financing in overall portfolios was \$1.1 billion, of which 59% for residential property, 35% and 6% for commercial and industrial buildings, respectively. The breakdown given in **Table 19** distributes these mortgages into 22 713 loans. In addition, **Table 36** in the Financial Statistics Section presents the list of mortgages outstanding at December 31, 1982, whose original amount exceeded \$5 million.

In keeping with market trends, the weighted average return on Caisse mortgage portfolios rose while average maturities were shortened. In the General Fund, yield and average maturity were respectively 11.47% and 9.9 years from 10.54% and 10.5 years in 1981. The Mortgage Segregated Fund (Fund "H") reported these figures: from 11.81% and 4.9 years in 1981, to 12.22% and 4.3 years in 1982; in the Individual Fund evolution went from 19.89% and 3 years to 18.32% and 2.2 years.

Caisse mortgage commitments of \$69 million at the end of 1982 — 1981, \$91 million — along with an 18% dwindling in housing starts in Québec are indicative of conditions prevailing on that market. Moreover, the recent lowering of interest rates together with renewed activity in financing proposals augurs well for a higher level of these investments in 1983. Such is the context which prompted Caisse, as authorized lender in the Corvée-Habitation Housing Program, to earmark an amount of \$50 million to stimulate activity in the field of housing construction and encourage home ownership. If need be, this amount can be increased.

Funds under management

Under the regulations in force in 1982, depositors' holdings were still managed through six different funds and three portfolios under separate management, the latter representing less than 1% of overall assets entrusted to Caisse. Among the six funds, the first is the General Fund which accounts for 67% of total assets, then, the Individual Fund of the Commission de la santé et de la sécurité du travail, 9%, and lastly, the segregated funds with approximately 23%. It may be recalled that through these four last funds are managed, since 1970, the plans administered by the Office de la construction du Québec and the pension funds of public agencies in compliance with the Act governing supplemental pension plans and the Act respecting the Caisse de dépôt et placement du Québec and regulations. As explained in the Report of the Board of Directors, the plans under the jurisdiction of Commission administrative du régime de retraite, of Office de la Construction du Québec, as well as plans of the employees of Université du Québec can be managed since January 1, 1983, through individual funds in keeping with order in council number 2985 of December 21, 1982.

19 Distribution of mortgage financing as at December 31, 1982

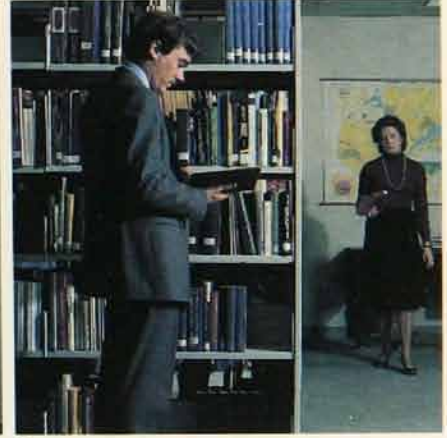
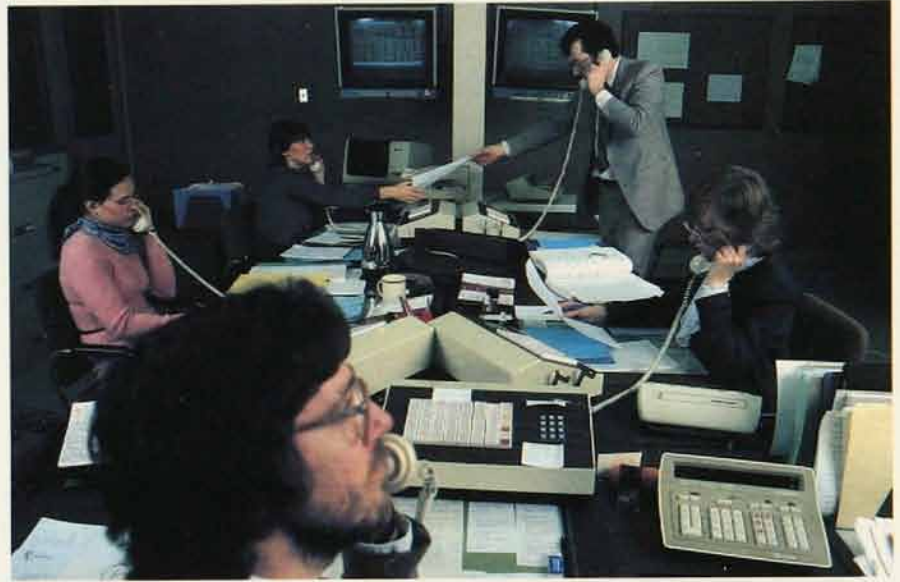
Category	Number	Balance (dollars)	Percentage
To \$100 000	22 088	432 263 995	39.8
\$ 100 001 — \$ 250 000	225	36 347 774	3.4
\$ 250 001 — \$ 500 000	163	56 857 173	5.2
\$ 500 001 — \$1 000 000	103	74 146 235	6.8
\$1 000 001 — \$5 000 000	110	235 172 153	21.7
\$5 000 001 and more	24	250 778 905	23.1
Total	22 713	1 085 566 235	100.0

Breakdown of financing category in excess of five million dollars will be found in the Financial Statistics Section, Table 36.

1. Each year, transactions totalling billions of dollars are made by Caisse specialists on money, financial and stock markets;
 2. always on the forefront, Caisse set up as early as 1974 a word processing center which contributes in no small way today to the operating efficiency of its various departments;
 3. being prominently involved in mortgage financing and real estate investments, Caisse can boast investments of some 1.2 billion dollars throughout Québec;

4. Caisse documentation center offers a range of specialized books, business magazines and newspapers on which staff can depend when undertaking research work on economic, financial and business matters;

5. a multitude of transactions which are conducted over the telephone are finalized at the cage, at the date and conditions agreed upon;
 6. with the help of a most modern data processing center, Caisse has seen the average assets per employee triple in ten years to reach the \$96 million mark at year-end.



5

6

General Fund

At December 31, the assets of that fund totalled approximately \$11.2 billion. The breakdown of investments (**Table 21**) indicates a net increase for the year of \$1.6 billion, that is \$676 million in short-term investments and \$941 million in long-term investments, of which \$295 million in variable income securities. The revival of real estate activities in 1982 meant an added \$133 million for that type of investments and their proportion, among aggregate investments of the General Fund, jumped to 1.72%, from 0.59%, in 1981.

The increased assets in 1982 result mainly from the net reinvested income of \$1.03 billion attributed to participation deposit holders, and from new net contributions of \$233 million. According to the balance sheet, participation deposit holders' equity was \$10.2 billion, including the general reserve of \$274 million. This equity, whose global realization value is nearly \$10 billion, belongs for the most part to Régie des rentes du Québec and Régie de l'assurance automobile du Québec as indicated in **Table 34**.

Table 28 shows that the current yield on average participation deposits in the General Fund has improved, from 10.50% in 1981 to 10.88%. The unit realization value in that fund has also recovered appreciably in 1982, from \$674 in 1981 to \$800 at year-end.

Segregated funds

The combined assets of the four segregated funds totalled \$3.8 billion at December 31, an increase of \$725 million over the last period. For each fund, **Table 22** gives a summary of investments by category of securities. Net investments were \$684 million more in 1982, allotting \$470 million for long-term securities and \$214 million for deposits in the General Fund. The Bond Fund (Fund "O") and the Stocks Fund (Fund "A") claimed the greatest share of increased long-term investments, with \$310 and \$159 million, respectively. This headway of the combined assets of segregated funds is due especially to the \$349 million income attributed to participation deposit holders which was reinvested, as well as to their net contributions of \$323 million.

The audited financial statements of the four segregated funds give their respective position at December 31, 1982, that is the day before transfer of each depositor's assets was made into each new Individual Fund. Note 6 to the financial statements of Funds "O", "G" and "A", as well as Note 7 to those of Fund "H", explain that a transfer is scheduled, retroactively to January 1, 1983, which will make possible the apportionment to depositors of income accumulated at December 31, 1979 and of the general reserve as of the date of transfer. Operation of these funds will then be terminated.

A breakdown of depositors' holdings in the segregated funds, at realization value, together with their relative importance appears in **Table 34**. Hence, assets of the Commission administrative du régime de retraite are \$2.8 billion, those of the Supplemental pension plan for employees of the construction industry, \$1.2 billion, the Supplemental pension plan of the Université du Québec, \$25 million. Together, these represent slightly more than 25% of total holdings.

As regards yield on average deposits of various categories in the segregated funds, it is given in **Tables 30 to 33**. Participation deposits recorded a yield of 12.56% for Fund "O", 9.91% for Fund "G", 5.87% for Fund "A" and 11.92% for Fund "H". Unit realization value at December 31, 1982 was set as follows: \$1 994 for Fund "O", 21.3% over 1981; \$1 156 for Fund "G", an improvement of 26.5%; \$2 565 for Fund "A", 5.7% higher and lastly, \$2 073 for Fund "H", a progression of 12.4%.

Individual Fund

The Individual Fund of Commission de la santé et de la sécurité du travail was set up in 1977. At December 31, 1982, its assets were close to \$1.5 billion, \$244 million higher than in 1981. Part of this growth reflects the reinvestment of an amount of \$141 million from income on participation deposits and also net contributions of the Commission, totalling \$85 million. The breakdown of investments at December 31 is given in **Table 23**; the net change in 1982 is \$242 million of which \$122 million for shares and convertible securities. The distribution of those within aggregate investments of the Individual Fund has consequently risen, from 11% in 1981 to 17.6% at the end of 1982.

According to **Table 34**, assets of the Commission at realization value stood at \$1.6 billion at December 31 and represented 10.2% of the total. Since December 20, 1982, the Individual Fund of the Commission has been designated as **Individual Fund 330**.

Administration

Under Caisse regulations, administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

For 1982, administrative expenditures amounted to \$11 091 000, a 16.6% rise over the previous year. As outlined in the statement of income and expenditure of the General Fund, \$6 456 000 were charged to that Fund. Note 7 to these financial statements indicates that distribution of the balance of these expenditures was as follows: \$3 674 000 to segregated funds, \$856 000 to Individual Fund and \$105 000 to portfolios under management.

Expenditures charged to "Salaries and Fringe Benefits" are \$5 998 000 (in 1981, \$5 056 000) and correspond to 54.1% of total, as compared with 53.2% in 1981. During the fiscal period, the number of employees went from 154 to 169. This is due mainly to a new general plan for data processing resources adopted late in 1981 and aimed at keeping Caisse in the vanguard of information systems in the field of investment planning, portfolio management and performance evaluation. Despite this increase in staff, average assets per employee reached \$96.1 million as opposed to \$90.4 million a year earlier.

Under the item "Premises", the \$195 000 additional charges mainly stem from the decision announced in the last annual report to move into new headquarters in September 1982, located in the BNP Tower, 1981 McGill College Avenue in Montréal. Depreciation of related expenses for the 1982 fiscal period came to \$95 000. Note 1f) to the financial statements of the General Fund mentions that these expenses covering the setting up of the new premises, moving expenses and purchase of a telephone system are to be charged to administrative expenditures for each of the ten years of the lease.

On the whole, these represent 78% of the \$1 581 000 increase in the 1982 administrative expenditures. On the other hand, a slight decrease can be noted in charges related to securities servicing and safekeeping as well as to material and equipment. Lastly, it is suitable to mention that during the fiscal period a new system for controlling the operating budget was implemented.

In closing this report, I wish to express to our personnel the appreciation of the members of the Board, of the depositors and my own, for their unfailing professionalism.

Management staff

Direction générale

Jean Campeau
Chairman of the Board and General Manager

Gérard J. Blondeau
Director — Communications
Marcel Camu
Secretary
Serge Desjardins
Director — Bureau de la vérification interne
Jean-Claude Scraire
Director — Affaires juridiques
Jean Trudel
Director — Souscription à forfait

Direction de la planification et des relations avec les déposants

Jacques Dumont
Deputy General Manager
Jean Faubert
Assistant to the Deputy General Manager
Denise Simard Chaput
Director — Relations avec les déposants
Louis Journault
Director — Répartition des investissements par secteurs de l'actif
Pierre Mayer
Director — Études économiques

Direction des valeurs à revenu fixe

Jean Labrecque
Deputy General Manager
Yvon Sauvageau
Director — Placements — obligations
Pierre Garceau
Manager — Encaisse et valeurs à court terme
Paul Robillard
Portfolio Manager
Jacques Bouré
Director — Placements — hypothèques
Dominique Colard
Director — Placements — immeubles
André Baron
Regional director

Direction des valeurs à revenu variable

Carmand Normand
Deputy General Manager
Michel Bastien
Director — Placements — actions
Pierre Dufresne
Assistant to the Director — Contrôle et performance
Philippe Girard
Senior Portfolio Manager
Reynald N. Harpin
Chief — Service de la recherche
Maurice Hébert
Portfolio Manager
Claude L. Langevin
Portfolio Manager
Denis Giroux
Director — Placements — participations
Serge Leclerc
Advisor
Gaston Meilleur
Director — Placements — moyennes entreprises

Direction de l'administration

Pierre E. Langlois
Deputy General Manager
Yves Benoit
Director — Ressources informatiques
Gody Lienhard
Director — Ressources matérielles
Alain Tessier
Director — Ressources comptables
Louise M. Zakaib
Director — Ressources humaines

Financial statements

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The Caisse de dépôt et placement du Québec is required to submit to the ministre des Finances before March 15 of each year a report of its operations which must be forthwith tabled before the Assemblée nationale. This document must include the financial statements of Caisse various funds, duly audited; the report by the Vérificateur général du Québec testifies in each case that all investments and transactions have been made in compliance with the Act respecting the Caisse de dépôt et placement du Québec (R.S.Q., chapter C-2).

The **General Fund** is a pooled fund consisting of different categories of investments whose makeup is established by the Board.

The **segregated funds** — four in number — also are pooled funds but are made up, respectively, of investments of the same type and in proportions reflecting directives issued to Caisse by administrators of the supplemental pension plans.

An **Individual Fund** is managed separately and comprises investments which meet the specific requirements of a given depositor.

The Act respecting the Caisse provides for three types of deposits: **demand deposits, term deposits and participation deposits** which, according to each case, are assigned to the General Fund, an Individual Fund or, for supplemental pension plans, to segregated funds.

Caisse accepts demand deposits and term deposits from day to day; it accepts participation deposits in its funds or withdrawals of such deposits only on the dates stipulated in the regulations. Demand and term deposits constitute evidences of indebtedness of Caisse towards the depositors.

As for participation deposits in a determined fund, they are expressed in the form of units whose holders, on a pro rata basis, share the net income of the fund for the year; net income is established after the capital gain or loss on the sale of investments has been transferred to the general reserve account.

Caisse administrative expenditures are recorded in the General Fund and apportioned among its various funds and portfolios on a pro rata basis of the weighted assets of each.

General Fund

Caisse de dépôt et placement du Québec
(R.S.Q., chapter C-2)

Balance sheet

as at December 31, 1982

(thousands of dollars)

Assets	1982	1981
Investments (Note 2)		
Portfolios:		
• Bonds	\$ 7 814 328	\$ 7 120 682
• Shares and convertible securities	1 384 125	1 221 867
• Mortgage and real estate investments	404 123	452 591
• Real estate	188 060	54 972
• Short-term investments	1 168 548	492 950
	10 959 184	9 343 062
Cash	2 594	448
Investment income accrued and receivable	230 237	189 073
Advances to segregated funds	—	29 276
Other assets	2 933	444
	235 764	219 241
	\$11 194 948	\$ 9 562 303
Liabilities		
Deposits (Note 3)		
Demand	\$ 485 614	\$ 302 356
Term	166 300	107 969
Income to be paid out to depositors (Note 4)	267 280	235 093
Interests on demand and term deposits to be paid out to depositors and to other funds	6 273	5 679
Transactions in process of settlement	1 811	4 018
Mortgages payable	17 651	5 933
Other liabilities	51 444	7 922
	996 373	668 970
Participation deposit holders' equity		
Participation deposits (Note 5)	9 925 073	8 651 502
General reserve (Note 6)	273 502	241 831
	10 198 575	8 893 333
	\$11 194 948	\$ 9 562 303

On behalf of the Board of Directors,
Jean Campeau
Claude Legault

Auditor's Report

I have examined the balance sheet of the General Fund of the Caisse de dépôt et placement du Québec as at December 31, 1982 and the statement of income and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the investments and the financial transactions of the General Fund were made in compliance with the Act respecting the Caisse de dépôt et placement du Québec and these financial statements present fairly the financial position of this Fund as at December 31, 1982 and the results of its operations for the year then ended, in accordance with the accounting policies disclosed in Note 1, applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec,
Rhéal Chatelain, C.A.
Québec, March 4, 1983

General Fund

Income and expenditure

for the year ended December 31, 1982
(thousands of dollars)

Income	1982	1981
Investment income		
Interest on bonds	\$ 847 571	\$ 745 454
Dividends, interest on convertible securities	72 844	75 033
Interest on mortgage and real estate investments	44 318	45 340
Income on real estate	12 420	3 646
Interest on short-term investments — net	140 285	79 441
	1 117 438	948 914
Gain and loss on sale of investments	31 671	40 355
Other income	326	98
Total income	1 149 435	989 367
Expenditure		
Administrative expenditures		
Salaries and fringe benefits	5 998	5 056
Travel expenses	238	214
Professional fees	613	380
Service fees on mortgages	1 580	1 497
Service and safekeeping charges	284	297
Fidelity and other insurance	151	203
Premises	1 138	943
Material and equipment	371	397
Stationery and office supplies	93	74
Documentation and information	308	258
Communications	222	191
Depreciation of setup costs	95	—
	11 091	9 510
Allocation of administrative expenditures to other funds and portfolios (Note 7)	4 635	3 849
Administrative expenditures of the General Fund	6 456	5 661
Balance of income	1 142 979	983 706
Interest on demand and term deposits — net	81 643	79 522
Net income	1 061 336	904 184
Transfer of gain and loss on sale of investments to general reserve (Note 6)	(31 671)	(40 355)
Income attributed to participation deposit holders (Note 4)	\$ 1 029 665	\$ 863 829

Notes to financial statements

1. Disclosure of accounting policies

The financial statements of the General Fund of the Caisse have been prepared by Management following the accrual basis, within reasonable limits of the relative importance of transactions and within the framework of accounting policies which may be summed up as follows:

a) Basis of consolidation

For administrative purposes, certain real estate investments of the General Fund are held by wholly-owned subsidiaries, the accounts of which are consolidated with those of the General Fund. The subsidiaries so included are:

- Cadim Inc.
- Développements Pasteur Inc.
- Immeubles Cadimont Inc.
- Immeubles Cadev Inc.
- Les Immeubles Trans-Québec Inc.

Separate financial statements cover the segregated funds and the Individual Fund.

b) Investments

Investments in bonds, mortgage financing and real estate investments, real estate, and short-term investments are accounted for at amortized cost; shares, convertible securities and land, at cost.

c) Recording of transactions

Purchases and sales of investments are recorded according to the settlement date.

d) Dividend income

Dividends are taken into income on record date.

e) Interest on short-term investments — net

This item includes interest earned on short-term investments, interest charges on loans and foreign exchange gain or loss.

f) Fixed assets

Purchases of furniture and equipment together with leasehold improvements are charged to administrative expenditures. However, setup costs in new premises in 1982 will exceptionally be charged to administrative expenditures for each of the ten years of the lease. Such costs cover layout of new offices, moving expenses and purchase of telephone system.

g) Interest earned on advances

Interest earned on advances to participation deposit holders, to segregated funds or to the Individual Fund, is deducted from interest on demand and term deposits.

h) Foreign currency conversion

Current assets and liabilities in foreign currency are converted into Canadian dollars at the exchange rate prevailing on the date of the balance sheet. Investments are converted at rates in effect on the date of each transaction or at trade-in value set in term contracts. Income is converted at the average rate prevailing throughout the periods.

i) Administrative expenditures

Administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

2. Realization value of investments

At December 31, the realization value of investments was as follows:

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Portfolios:		
• Bonds	\$ 7 452 671	\$ 5 286 413
• Shares and convertible securities	1 589 610	1 371 419
• Mortgage and real estate investments	353 488	343 401
• Real estate	190 579	57 543
• Short-term investments	1 170 368	492 950
	\$10 756 716	\$ 7 551 726

3. Deposits

Moneys entrusted to the Caisse are deposited on a demand, term or participation basis; at the option of the depositor. Demand and term deposits constitute an indebtedness of the Caisse towards the depositors and bear interest.

Demand and term deposits of the General Fund include the following deposits of the segregated funds and the Individual Fund, broken down as follows at December 31:

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Individual Fund	\$ 149 959	\$ 104 621
Segregated funds		
Bonds (Fund "O")	77 615	—
Government bonds (Fund "G")	5 273	4 315
Stocks (Fund "A")	100 951	9 122
Mortgages (Fund "H")	43 068	—
	\$ 376 866	\$ 118 058

4. Distribution of net income

At the end of each quarter, the net income of the Fund, after deduction of the amount transferred to general reserve, is apportioned among holders of participation deposits. At the beginning of the following quarter, such income is credited to the demand deposit account of the depositors.

5. Participation deposits

Participation deposits are expressed in units, each unit giving its holder a proportionate share in the net equity and net income of the Fund. The value of a unit of participation at the end of each quarter is established by dividing the realization value of the net assets of such Fund by the total number of units outstanding at that date; such value is used to calculate the price at which a unit is to be issued or cancelled at the beginning of the following quarter.

a) Changes during the year

	1982		1981	
	Number of units	(thousands of dollars)	Number of units	(thousands of dollars)
Balance at beginning of year	10 539 302	\$ 8 651 502	8 982 303	\$ 7 545 443
Units issued	1 954 156	1 273 571	1 556 999	1 106 059
Balance at year-end	12 493 458	\$ 9 925 073	10 539 302	\$ 8 651 502

b) Realization value at December 31

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Net assets of the Fund according to balance sheet	\$10 198 575	\$ 8 893 333
Deduct:		
Investments		
According to balance sheet	10 959 184	9 343 062
According to realization value (Note 3)	10 756 716	7 551 726
	202 468	1 791 336
Total realization value of units	\$ 9 996 107	\$ 7 101 997
Unit realization value (in dollars)	\$ 800	\$ 674

6. General reserve

The general reserve is made up of capital gain or loss on the sale of investments and the variance between book value and realization value of cancelled units of participation deposits.

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Balance at beginning of year	\$ 241 831	\$ 201 476
Transfer from statement of income and expenditure	31 671	40 355
Balance at year-end	\$ 273 502	\$ 241 831

7. Administrative expenditures

Administrative expenditures apportioned during the year ended December 31 have been charged as follows:

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Individual Fund	\$ 856	\$ 640
Segregated funds		
Bonds (Fund "O")	921	727
Government bonds (Fund "G")	62	62
Stocks (Fund "A")	935	711
Mortgages (Fund "H")	1 756	1 593
Portfolios under management	105	116
	\$ 4 635	\$ 3 849

Segregated Fund — Bonds (Fund "O")

Caisse de dépôt et placement du Québec
(R.S.Q., chapter C-2)

Balance sheet

as at December 31, 1982

(thousands of dollars)

Assets	1982	1981
Investments (Note 2)		
Bonds	\$ 1 679 532	\$ 1 369 505
Demand deposits in General Fund	77 615	—
	1 757 147	1 369 505
Accrued interest	47 875	36 202
	\$ 1 805 022	\$ 1 405 707
Liabilities		
Income to be paid out to depositors (Note 3)	\$ 19 455	\$ 14 588
Advances from General Fund	—	1 760
Transactions in process of settlement	281	2 424
	19 736	18 772
Participation deposit holders' equity (Note 6)		
Participation deposits (Note 4)	1 625 176	1 232 847
Accumulated income at December 31, 1979	183 248	183 248
General reserve (Note 5)	(23 138)	(29 160)
	1 785 286	1 386 935
	\$ 1 805 022	\$ 1 405 707

On behalf of the Board of Directors,
Jean Campeau
Claude Legault

Auditor's Report

I have examined the balance sheet of the Segregated Fund — Bonds (Fund "O") of the Caisse de dépôt et placement du Québec as at December 31, 1982 and the statement of income and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the investments and the financial transactions of the Segregated Fund — Bonds (Fund "O") were made in compliance with the Act respecting the Caisse de dépôt et placement du Québec and these financial statements present fairly the financial position of this Fund as at December 31, 1982 and the results of its operations for the year then ended, in accordance with the accounting policies disclosed in Note 1, applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec,
Rhéal Chatelain, C.A.
Québec, March 4, 1983

Segregated Fund — Bonds (Fund "O")

Income and expenditure

for the year ended December 31, 1982

(thousands of dollars)

Income	1982	1981
Investment income		
Interest on bonds	\$ 194 788	\$ 144 018
Interest on deposits in General Fund — net	9 649	6 837
	204 437	150 855
Gain and loss on sale of investments	6 022	(16 771)
	210 459	134 084
Expenditure		
Administrative expenditures	921	727
Net income	209 538	133 357
Transfer of gain and loss on sale of investments to general reserve (Note 5)	(6 022)	16 771
Income attributed to participation deposit holders (Note 3)	\$ 203 516	\$ 150 128

Notes to financial statements

1. Disclosure of accounting policies

The financial statements of the Segregated Fund — Bonds (Fund "O") of the Caisse have been prepared by Management following the accrual basis, within reasonable limits of the relative importance of transactions and within the framework of accounting policies which may be summed up as follows:

a) Investments

Investments in bonds are accounted for at amortized cost.

b) Recording of transactions

Purchases and sales of investments are recorded according to the settlement date.

c) Administrative expenditures

Administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

2. Realization value of investments

At December 31, 1982, the realization value of investments was \$ 1 816 315 000 (1981, \$ 1 120 219 000).

3. Distribution of net income

At the closing of each monthly period, the net income of the fund, after deduction of the transfer to the general reserve account, is apportioned among participation deposit holders. At the beginning of the new period, such income is paid into the demand deposit account of depositors.

4. Participation deposits

Participation deposits are expressed in units, each unit giving its holder a proportionate share in the net equity and net income of the Fund. The value of a unit of participation at the end of each month is established by dividing the realization value of the net assets of such Fund by the total number of units outstanding at that date; such value is used to calculate the price at which a unit is to be issued or cancelled at the beginning of the following month.

a) Changes during the year

	1982		1981	
	Number of units	(thousands of dollars)	Number of units	(thousands of dollars)
Balance at beginning of year	692 093	\$ 1 232 847	489 210	\$ 887 603
Units issued	232 919	392 329	202 883	345 244
Balance at year-end	925 012	\$ 1 625 176	692 093	\$ 1 232 847

b) Realization value at December 31

	1982		1981	
	(thousands of dollars)		(thousands of dollars)	
Net assets of the Fund according to balance sheet	\$ 1 785 286		\$ 1 386 935	
Add:				
Investments				
According to realization value (Note 2)	1 816 315		1 120 219	
According to balance sheet	1 757 147		1 369 505	
	59 168		(249 286)	
Total realization value of units	\$ 1 844 454		\$ 1 137 649	
Unit realization value (in dollars)	\$ 1 994		\$ 1 644	

5. General reserve

The general reserve is made up of capital gain or loss on the sale of investments since January 1, 1980, and the variance between book value and realization value of cancelled units of participation deposits since the Fund was set up. Until December 31, 1979, the net annual income was held as accumulated income in the Fund.

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Balance at beginning of year (debit)	\$ (29 160)	\$ (12 389)
Transfer from statement of income and expenditure	6 022	(16 771)
Balance at year-end (debit)	\$ (23 138)	\$ (29 160)

6. Transfer of a depositor's assets from a Segregated Fund to an Individual Fund

The amendments to the regulations of the Caisse, approved by the Government on December 21, 1982, now authorize the transfer of a depositor's assets from a Segregated Fund to an Individual Fund.

The Caisse expects that the assets of participation deposit holders, equal to the Fund's net assets, will be transferred retroactively to January 1, 1983, in an Individual Fund to be created for this purpose for each depositor.

With this transfer, the accumulated income at December 31, 1979, and the general reserve on the date of transfer will be considered attributed to the depositors of the Fund and the operations of the Segregated Fund — Bonds (Fund "O") will then be terminated.

Segregated Fund — Government Bonds (Fund "G")

Caisse de dépôt et placement du Québec
(R.S.Q., chapter C-2)

Balance sheet

as at December 31, 1982

(thousands of dollars)

Assets	1982	1981
Investments (Note 2)		
Bonds	\$ 102 657	\$ 103 898
Demand deposits in General Fund	5 273	4 315
	107 930	108 213
Accrued interest	2 992	3 037
	\$ 110 922	\$ 111 250
Liabilities		
Income to be paid out to depositor (Note 3)	\$ 920	\$ 939
Participation deposit holder's equity (Note 6)		
Participation deposits (Note 4)	86 116	86 116
Accumulated income at December 31, 1979	25 293	25 293
General reserve (Note 5)	(1 407)	(1 098)
	110 002	110 311
	\$ 110 922	\$ 111 250

On behalf of the Board of Directors,
Jean Campeau
Claude Legault

Auditor's Report

I have examined the balance sheet of the Segregated Fund — Government Bonds (Fund "G") of the Caisse de dépôt et placement du Québec as at December 31, 1982 and the statement of income and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the investments and the financial transactions of the Segregated Fund — Government Bonds (Fund "G") were made in compliance with the Act respecting the Caisse de dépôt et placement du Québec and these financial statements present fairly the financial position of this Fund as at December 31, 1982 and the results of its operations for the year then ended, in accordance with the accounting policies disclosed in Note 1, applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec,
Rhéal Chatelain, C.A.
Québec, March 4, 1983

Segregated Fund — Government Bonds (Fund "G")

Income and expenditure

for the year ended December 31, 1982
(thousands of dollars)

Income	1982	1981
Investment income		
Interest on bonds	\$ 10 408	\$ 10 628
Interest on deposits in General Fund — net	696	620
	11 104	11 248
Gain and loss on sale of investments	(309)	(786)
	10 795	10 462
Expenditure		
Administrative expenditures	62	62
Net income	10 733	10 400
Transfer of gain and loss on sale of investments to general reserve (Note 5)	309	786
Income attributed to participation deposit holder (Note 3)	\$ 11 042	\$ 11 186

Notes to financial statements

1. Disclosure of accounting policies

The financial statements of the Segregated Fund — Government Bonds (Fund "G") of the Caisse have been prepared by Management following the accrual basis, within reasonable limits of the relative importance of transactions and within the framework of accounting policies which may be summed up as follows:

a) Investments

Investments in bonds are accounted for at amortized cost.

b) Recording of transactions

Purchases and sales of investments are recorded according to the settlement date.

c) Administrative expenditures

Administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

2. Realization value of investments

At December 31, 1982, the realization value of investments was \$96 009 000 (1981, \$75 452 000).

3. Attribution of net income

At the closing of each monthly period, the net income of the Fund, after deduction of the transfer to the general reserve account, is attributed to the participation deposit holder. At the beginning of the new period, such income is paid into the demand deposit account of the depositor.

4. Participation deposits

Participation deposits are expressed in units, each unit giving its holder a proportionate share in the net equity and net income of the Fund. The value of a unit of participation at the end of each month is established by dividing the realization value of the net assets of such Fund by the total number of units outstanding at that date; such value is used to calculate the price at which a unit is to be issued or cancelled at the beginning of the following month.

a) Changes during the year

	1982		1981	
	Number of units	(thousands of dollars)	Number of units	(thousands of dollars)
Balance at beginning and year-end	84 816	\$ 86 116	84 816	\$ 86 116

b) Realization value at December 31

	1982		1981	
	(thousands of dollars)		(thousands of dollars)	
Net assets of the Fund according to balance sheet	\$ 110 002		\$ 110 311	
Deduct:				
Investments				
According to balance sheet		107 930		108 213
According to realization value (Note 2)		96 009		75 452
		11 921		32 761
Total realization value of units	\$ 98 081		\$ 77 550	
Unit realization value (in dollars)	\$ 1 156		\$ 914	

5. General reserve

The general reserve is made up of capital gain or loss on the sale of investments since January 1, 1980, and the variance between book value and realization value of cancelled units of participation deposits since the Fund was set up. Until December 31, 1979, the net annual income was held as accumulated income in the Fund.

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Balance at beginning of year (debit)	\$ (1 098)	\$ (312)
Transfer from statement of income and expenditure	(309)	(786)
Balance at year-end (debit)	\$ (1 407)	\$ (1 098)

6. Transfer of a depositor's assets from a Segregated Fund to an Individual Fund

The amendments to the regulations of the Caisse, approved by the Government on December 21, 1982, now authorize the transfer of a depositor's assets from a Segregated Fund to an Individual Fund.

The Caisse expects that the assets of the participation deposit holder, equal to the Fund's net assets, will be transferred retroactively to January 1, 1983, in an Individual Fund to be created for this purpose for the depositor.

With this transfer, the accumulated income at December 31, 1979, and the general reserve on the date of transfer will be considered attributed to the depositor of the Fund and the operations of the Segregated Fund — Government Bonds (Fund "G") will then be terminated.

Segregated Fund — Stocks (Fund "A")

Caisse de dépôt et placement du Québec
(R.S.Q., chapter C-2)

Balance sheet

as at December 31, 1982

(thousands of dollars)

Assets	1982	1981
Investments (Note 2)		
Shares and convertible securities	\$ 1 121 381	\$ 961 961
Demand deposits in General Fund	100 951	9 122
	1 222 332	971 083
Investment income accrued and receivable	7 733	7 883
	\$ 1 230 065	\$ 978 966
Liabilities		
Income to be paid out to depositors (Note 3)	\$ 8 005	\$ 8 320
Transactions in process of settlement	29	—
	8 034	8 320
Participation deposit holders' equity (Note 6)		
Participation deposits (Note 4)	974 489	745 337
Accumulated income at December 31, 1979	129 634	129 634
General reserve (Note 5)	117 908	95 675
	1 222 031	970 646
	\$ 1 230 065	\$ 978 966

On behalf of the Board of Directors,
Jean Campeau
Claude Legault

Auditor's Report

I have examined the balance sheet of the Segregated Fund — Stocks (Fund "A") of the Caisse de dépôt et placement du Québec as at December 31, 1982 and the statement of income and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the investments and the financial transactions of the Segregated Fund — Stocks (Fund "A") were made in compliance with the Act respecting the Caisse de dépôt et placement du Québec and these financial statements present fairly the financial position of this Fund as at December 31, 1982 and the results of its operations for the year then ended, in accordance with the accounting policies disclosed in Note 1, applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec,
Rhéal Chatelain, C.A.
Québec, March 4, 1983

Segregated Fund — Stocks (Fund "A")

Income and expenditure

for the year ended December 31, 1982

(thousands of dollars)

Income	1982	1981
Investment income		
Dividends, interest on convertible securities	\$ 53 634	\$ 50 773
Interest on deposits in General Fund — net	6 403	6 494
	60 037	57 267
Gain and loss on sale of investments	22 233	74 267
	82 270	131 534
Expenditure	935	711
Administrative expenditures		
Net income	81 335	130 823
Transfer of gain and loss on sale of investments to general reserve (Note 5)	(22 233)	(74 267)
Income attributed to participation deposit holders (Note 3)	\$ 59 102	\$ 56 556

Notes to financial statements

1. Disclosure of accounting policies

The financial statements of the Segregated Fund — Stocks (Fund "A") of the Caisse have been prepared by Management following the accrual basis, within reasonable limits of the relative importance of transactions and within the framework of accounting policies which may be summed up as follows:

a) Investments

Investments in shares and convertible securities are accounted for at cost.

b) Recording of transactions

Purchases and sales of investments are recorded according to the settlement date.

c) Dividend income

Dividends are taken into income on record date.

d) Administrative expenditures

Administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

2. Realization value of investments

At December 31, 1982, the realization value of investments was \$1 306 253 000 (1981, \$971 167 000).

3. Distribution of net income

At the closing of each monthly period, the net income of the Fund, after deduction of the transfer to the general reserve account, is apportioned among participation deposit holders. At the beginning of the new period, such income is paid into the demand deposit account of depositors.

4. Participation deposits

Participation deposits are expressed in units, each unit giving its holder a proportionate share in the net equity and net income of the Fund. The value of a unit of participation at the end of each month is established by dividing the realization value of the net assets of such Fund by the total number of units outstanding at that date; such value is used to calculate the price at which a unit is to be issued or cancelled at the beginning of the following month.

a) Changes during the year

	1982		1981	
	Number of units	(thousands of dollars)	Number of units	(thousands of dollars)
Balance at beginning of year	399 976	\$ 745 337	330 708	\$ 557 232
Units issued	109 197	229 152	69 268	188 105
Balance at year-end	509 173	\$ 974 489	399 976	\$ 745 337

b) Realization value at December 31

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Net assets of the Fund according to balance sheet	\$ 1 222 031	\$ 970 646
Add:		
Investments		
According to realization value (Note 2)	1 306 253	971 167
According to balance sheet	1 222 332	971 083
	83 921	84
Total realization value of units	\$ 1 305 952	\$ 970 730
Unit realization value (in dollars)	\$ 2 565	\$ 2 427

5. General reserve

The general reserve is made up of capital gain or loss on the sale of investments since January 1, 1980, and the variance between book value and realization value of cancelled units of participation deposits since the Fund was set up. Until December 31, 1979, the net annual income was held as accumulated income in the Fund.

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Balance at beginning of year	\$ 95 675	\$ 21 408
Transfer from statement of income and expenditure	22 233	74 267
Balance at year-end	\$ 117 908	\$ 95 675

6. Transfer of a depositor's assets from a Segregated Fund to an Individual Fund

The amendments to the regulations of the Caisse, approved by the Government on December 21, 1982, now authorize the transfer of a depositor's assets from a Segregated Fund to an Individual Fund.

The Caisse expects that the assets of the participation deposit holders, equal to the Fund's net assets, will be transferred retroactively to January 1, 1983, in an Individual Fund to be created for this purpose for each depositor.

With this transfer, the accumulated income at December 31, 1979, and the general reserve on the date of transfer will be considered attributed to the depositors of the Fund and the operations of the Segregated Fund — Stocks (Fund "A") will then be terminated.

Segregated Fund — Mortgages (Fund "H")

Caisse de dépôt et placement du Québec
(R.S.Q., chapitre C-2)

Balance sheet

as at December 31, 1982

(thousands of dollars)

Assets	1982	1981
Investments (Note 2)		
Portfolios:		
• Mortgage financing	\$ 617 668	\$ 615 704
• Real estate investments (Note 3)	243	311
	617 911	616 015
Demand deposits in General Fund	43 068	—
	660 979	616 015
Accrued interest	11 029	10 429
	\$ 672 008	\$ 626 444
Liabilities		
Income to be paid out to depositors (Note 4)	\$ 6 647	\$ 16 143
Advances from General Fund	—	27 516
Other liabilities	5 310	5 984
	11 957	49 643
Participation deposit holders' equity (Note 7)		
Participation deposits (Note 5)	530 196	447 020
Accumulated income at December 31, 1979	129 482	129 482
General reserve (Note 6)	373	299
	660 051	576 801
	\$ 672 008	\$ 626 444

On behalf of the Board of Directors,
Jean Campeau
Claude Legault

Auditor's Report

I have examined the balance sheet of the Segregated Fund — Mortgages (Fund "H") of the Caisse de dépôt et placement du Québec as at December 31, 1982 and the statement of income and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the investments and the financial transactions of the Segregated Fund — Mortgages (Fund "H") were made in compliance with the Act respecting the Caisse de dépôt et placement du Québec and these financial statements present fairly the financial position of this Fund as at December 31, 1982 and the results of its operations for the year then ended, in accordance with the accounting policies disclosed in Note 1, applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec,
Rhéal Chatelain, C.A.
Québec, March 4, 1983

Segregated Fund — Mortgages (Fund "H")

Income and expenditure

for the year ended December 31, 1982
(thousands of dollars)

Income	1982	1981
Investment income		
Interest on mortgage financing	\$ 75 659	\$ 65 279
Interest on deposits in General Fund — net	1 243	(2 029)
	76 902	63 250
Other income	26	14
	76 928	63 264
Gain and loss on sale of investments	74	606
	77 002	63 870
Expenditure		
Administrative expenditures	1 756	1 593
Net income	75 246	62 277
Transfer of gain and loss on sale of investments to general reserve (Note 6)	(74)	(606)
Income attributed to participation deposit holders (Note 4)	\$ 75 172	\$ 61 671

Notes to financial statements

1. Disclosure of accounting policies

The financial statements of the Segregated Fund — Mortgages (Fund "H") of the Caisse have been prepared by Management following the accrual basis, within reasonable limits of the relative importance of transactions and within the framework of accounting policies which may be summed up as follows:

a) Investments

Mortgage financing and real estate investments are accounted for at amortized cost.

b) Interest paid on advances

Interest paid on advances by the General Fund is deducted from interest on deposits in the General Fund.

c) Administrative expenditures

Administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

2. Realization value of investments

At December 31, 1982, the realization value of investments was as follows:

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Portfolios:		
• Mortgage financing	\$ 607 857	\$ 533 825
• Real estate investments	202	354
	608 059	534 179
Demand deposits in General Fund	43 068	—
	\$ 651 127	\$ 534 179

3. Real estate investments

Real estate investments represent the net balance of foreclosed mortgages on residential buildings.

4. Distribution of net income

At the closing of each monthly period, the net income of the Fund, after deduction of the transfer to the general reserve account, is apportioned among participation deposit holders. At the beginning of the new period, such income is paid into the demand deposit account of the depositors.

5. Participation deposits

Participation deposits are expressed in units, each unit giving its holder a proportionate share in the net equity and net income of the Fund. The value of a unit of participation at the end of each month is established by dividing the realization value of the net assets of such Fund by the total number of units outstanding at that date; such value is used to calculate the price at which a unit is to be issued or cancelled at the beginning of the following month.

a) Changes during the year

	1982		1981	
	Number of units	(thousands of dollars)	Number of units	(thousands of dollars)
Balance at beginning of year	268 390	\$ 447 020	240 233	\$ 395 621
Units issued	45 326	83 176	28 157	51 399
Balance at year-end	313 716	\$ 530 196	268 390	\$ 447 020

b) Realization value at December 31

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Net assets of the Fund according to balance sheet	\$ 660 051	\$ 576 801
Deduct:		
Investments		
According to balance sheet	660 979	616 015
According to realization value (Note 2)	651 127	534 179
	9 852	81 836
Total realization value of units	\$ 650 199	\$ 494 965
Unit realization value (in dollars)	\$ 2 073	\$ 1 844

6. General reserve

The general reserve is made up of capital gain or loss on the sale of investments since January 1, 1980, and the variance between book value and realization value of cancelled units of participation deposits since the Fund was set up. Until December 31, 1979, the net annual income was held as accumulated income in the Fund.

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Balance at beginning of year (debit)	\$ 299	\$ (307)
Transfer from statement of income and expenditure	74	606
Balance at year-end	\$ 373	\$ 299

7. Transfer of a depositor's assets from a Segregated Fund to an Individual Fund

The amendments to the regulations of the Caisse, approved by the Government on December 21, 1982, now authorize the transfer of a depositor's assets from a Segregated Fund to an Individual Fund.

The Caisse expects that the assets of participation deposit holders, equal to the Fund's net assets, will be transferred retroactively to January 1, 1983, in an Individual Fund to be created for this purpose for each depositor.

With this transfer, the accumulated income at December 31, 1979, and the general reserve on the date of transfer will be considered attributed to the depositors of the Fund and the operations of the Segregated Fund — Mortgages (Fund "H") will then be terminated.

Individual Fund

Caisse de dépôt et placement du Québec
(R.S.Q., chapter C-2)

Balance sheet

as at December 31, 1982

(thousands of dollars)

Assets	1982	1981
Investments (Note 2)		
Portfolios:		
• Bonds	\$ 975 875	\$ 930 136
• Shares and convertible securities	253 025	131 480
• Mortgage financing	58 269	29 015
	1 287 169	1 090 631
Demand deposits in General Fund	149 959	104 621
	1 437 128	1 195 252
Investment income accrued and receivable	29 189	26 802
	\$ 1 466 317	\$ 1 222 054
Liabilities		
Net income to be paid out to depositor (Note 4)	\$ 28 558	\$ 133 884
Other liabilities	172	8 150
	28 730	142 034
Participation deposit holder's equity		
Participation deposits (Note 3)	1 437 587	1 093 795
General reserve (Note 5)	—	(13 775)
	1 437 587	1 080 020
	\$ 1 466 317	\$ 1 222 054

On behalf of the Board of Directors,
Jean Campeau
Claude Legault

Auditor's Report

I have examined the balance sheet of the Individual Fund of the Caisse de dépôt et placement du Québec as at December 31, 1982 and the statement of income and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the investments and the financial transactions of the Individual Fund were made in compliance with the Act respecting the Caisse de dépôt et placement du Québec and these financial statements present fairly the financial position of this Fund as at December 31, 1982 and the results of its operations for the year then ended, in accordance with the accounting policies disclosed in Note 1, applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec,
Rhéal Chatelain, C.A.
Québec, March 4, 1983

Individual Fund

Income and expenditure

for the year ended December 31, 1982

(thousands of dollars)

Income	1982	1981
Investment income		
Interest on bonds	\$ 107 006	\$ 104 504
Dividends, interest on convertible securities	11 191	4 222
Interest on mortgage financing	8 148	1 092
Interest on deposits in General Fund — net	11 907	8 735
	138 252	118 553
Other income	—	10
	138 252	118 563
Gain and loss on sale of investments	3 888	(10 276)
	142 140	108 287
Expenditure		
Administrative expenditures	856	640
Net income	141 284	107 647
Transfer of gain and loss on sale of investments to general reserve (Note 5)	84	10 276
Income attributed to participation deposit holder	\$ 141 368	\$ 117 923

Notes to financial statements

1. Disclosure of accounting policies

The financial statements of the Individual Fund of the Caisse have been prepared by Management following the accrual basis, within reasonable limits of the relative importance of transactions and within the framework of accounting policies which may be summed up as follows:

a) Investments

Investments in shares and convertible securities and mortgage financing are accounted for at cost; bonds, at amortized cost.

b) Recording of transactions

Purchases and sales of investments are recorded according to the settlement date.

c) Dividend income

Dividends are taken into income on record date.

d) Administrative expenditures

Administrative expenditures are paid for by the General Fund and apportioned among the various funds and portfolios on a pro rata basis of the weighted assets of each.

2. Realization value of investments

At December 31, the realization value of investments was as follows:

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Portfolios:		
• Bonds	\$ 914 750	\$ 680 217
• Shares and convertible securities	280 394	113 938
• Mortgage financing	63 204	30 005
	1 258 348	824 160
Demand deposits in General Fund	149 959	104 621
	\$ 1 408 307	\$ 928 781

3. Participation deposits

The holder of participation deposits in this Fund is the Commission de la santé et de la sécurité du travail.

Until October 31, 1982, participation deposits were expressed in units, each unit giving its holder a proportionate share in the net equity and net income of the Fund. The value of a unit of participation at the end of each monthly period was established by dividing the realization value of the net assets of the Fund by the total number of units outstanding at that date; that value was used to calculate the price at which a unit was issued or cancelled at the beginning of the following month.

Since November 1, 1982, participation deposits are expressed in participation units with a par value of \$1 000 each. At the end of the quarterly period of the Fund, the net income is paid out to the depositor; said payment can also be made by means of participation units. Upon withdrawal of one unit from the Fund, the amount paid to the depositor is equal to the par value of the unit, to which has been added or subtracted the gain or loss incurred on the disposal of securities for that withdrawal.

a) Changes during the year

	1982		1981	
	Number of units	(thousands of dollars)	Number of units	(thousands of dollars)
Balance at beginning of year	1 087 614	\$ 1 093 795	761 585	\$ 839 760
Units issued during the year	321 138	256 769	326 029	254 035
	1 408 752	1 350 564	1 087 614	1 093 795
Units issued in settlement of balance of income payable*	87 023	87 023	—	—
Conversion of units**	(58 188)	—	—	—
Balance at year-end	1 437 587	\$ 1 437 587	1 087 614	\$ 1 093 795

* At December 31, 1982, an amount of \$100 882 000 representing income to be paid out to depositor for the years 1978 and 1979 less an amount of \$13 859 000 equal to the Fund general reserve at October 31, 1982, was transferred to the participation deposits account in the form of units with a par value of \$1 000 each.

** Conversion of units held at December 31, 1982, into units with a par value of \$1 000 each.

b) Realization value at December 31

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Net assets of the Fund according to balance sheet	\$ 1 437 587	\$ 1 080 020
Income to be paid out (Note 3a)	—	100 882
	1 437 587	1 180 902
Deduct:		
Investments		
According to balance sheet	1 437 128	1 195 252
According to realization value (Note 2)	1 408 307	928 781
	28 821	266 471
Total realization value of units	\$ 1 408 766	\$ 914 431
Unit realization value (in dollars)	\$ 980	\$ *774

* Unit value adjusted for comparison purposes.

4. Attribution of net income

At the end of each quarterly period of the Fund, net income for said period is paid out to the depositor. At December 31, 1982, the net income to be paid out to depositor is made up of the net income attributed during the months of November and December 1982, paid to the depositor January 1, 1983.

5. General reserve

	1982	1981
	(thousands of dollars)	(thousands of dollars)
Balance at beginning of year (debit)	\$ (13 775)	\$ (3 499)
Transfer from statement of income and expenditure	(84)	(10 276)
Transferred to income payable*	13 859	—
Balance at year-end (debit)	—	\$ (13 775)

* At December 31, 1982, the balance of the general reserve which was made up of capital gain or loss on the sale of investments since January 1, 1980, was applied against income payable to depositor.

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Summary of investments as at December 31, 1982 (millions of dollars)

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Bonds

Stated value %	Breakdown of portfolios	General Fund ¹	Segregated funds	Individual Fund	Portfolios under management	Total ²			Net change in 1982 (stated value)
						Nominal value	Stated value	Realization value	
	Issued or guaranteed by the Government of Canada								
2.40	Government of Canada	147.3	118.8	114.7	1.2	415.0	382.0	410.1	(57.1)
0.21	Other	27.0	5.0	1.5	—	33.5	33.5	36.3	33.3
2.61		174.3	123.8	116.2	1.2	448.5	415.5	446.4	(23.8)
	Issued or guaranteed by the Gouvernement du Québec								
37.51	Gouvernement du Québec	4 695.5	836.8	398.2	35.3	6 029.8	5 965.8	5 822.8	942.1
14.25	Hydro-Québec	1 662.2	394.6	196.2	13.8	2 335.2	2 266.8	2 115.2	193.1
0.69	Sidbec	95.7	10.0	5.0	—	111.0	110.7	99.2	(2.6)
0.07	Other	10.0	—	—	1.0	11.5	11.0	8.9	—
52.52		6 463.4	1 241.4	599.4	50.1	8 487.5	8 354.3	8 046.1	1 132.6
	Guaranteed by grants								
0.67	Cegeps	66.1	25.1	12.2	3.1	108.6	106.5	99.9	2.1
0.61	Hospitals	53.0	30.1	6.2	7.0	97.7	96.3	94.6	20.7
0.95	Universities	85.1	45.2	19.2	1.7	154.0	151.2	147.2	20.5
0.27	Social service centers	19.8	17.1	4.5	1.1	43.6	42.5	46.1	1.1
0.01	School boards	2.2	—	—	—	2.2	2.2	2.3	2.2
2.51		226.2	117.5	42.1	12.9	406.1	398.7	390.1	46.6
	Municipal and school Municipalities and municipal bodies								
3.53	Municipalities and municipal bodies	310.1	148.6	61.5	41.0	576.3	561.2	537.8	25.9
1.43	School boards	150.0	29.7	29.8	18.2	232.3	227.7	205.3	(1.3)
4.96		460.1	178.3	91.3	59.2	808.6	788.9	743.1	24.6
0.00	Other governments	—	—	—	0.5	0.5	0.5	0.4	(4.4)
4.70	Corporate	490.3	121.2	126.9	8.2	767.9	746.6	682.9	(140.8)
67.30	Total	7 814.3	1 782.2	975.9	132.1	10 919.1	10 704.5	10 309.0	1 034.8

Mortgage financing

3.69	Residential								
	Insured mortgages	77.5	490.0	14.4	5.1	—	587.0	572.2	18.2
0.24	Conventional mortgages	7.0	23.6	6.9	0.3	—	37.8	37.0	5.0
3.93		84.5	513.6	21.3	5.4	—	624.8	609.2	23.2
2.37	Commercial	267.2	77.3	33.0	0.0	—	377.5	341.1	(40.2)
0.36	Industrial	27.4	26.8	4.0	—	—	58.2	55.7	(2.1)
0.16	Other	25.0	—	—	—	—	25.0	23.8	—
6.82	Total	404.1	617.7	58.3	5.4	—	1 085.5	1 029.8	(19.1)
74.12	Total fixed income securities	8 218.4	2 399.9	1 034.2	137.5	—	11 790.0	11 338.8	1 015.7

Shares and convertible securities

4.20	Metals and minerals	343.2	288.0	36.2	—	—	667.4	507.4	76.4
0.11	Gold	6.7	8.3	2.9	—	—	17.9	24.4	5.9
1.89	Oil and gas	126.7	134.4	39.0	—	—	300.1	348.2	72.1
1.48	Paper and forest products	165.3	63.2	7.6	—	—	236.1	189.7	78.5
1.48	Consumer products	112.3	94.9	27.8	—	—	235.0	310.5	13.0
1.23	Industrial products	96.4	77.0	21.8	0.7	—	195.9	253.6	30.9
0.01	Real estate and construction	1.1	—	—	—	—	1.1	5.9	(1.2)
1.43	Transportation	111.8	94.2	21.5	—	—	227.5	256.1	56.7
0.68	Pipelines	46.0	48.7	13.1	—	—	107.8	127.9	49.6
1.01	Utilities	80.4	66.1	14.6	0.2	—	161.3	192.4	(46.5)
0.33	Communications	28.4	18.7	5.7	—	—	52.8	68.5	3.5
0.61	Merchandising	50.5	38.7	7.0	0.2	—	96.4	141.1	4.1
2.50	Financial services	178.8	169.2	49.7	—	—	397.7	574.9	66.7
0.39	Investment companies	36.5	20.0	6.1	—	—	62.6	75.2	33.2
17.35	Total	1 384.1	1 121.4	253.0	1.1	—	2 759.6	3 075.8	442.9

Real estate investments

0.07	Land	10.8	—	—	—	—	10.8	12.8	(2.4)
1.11	Land and buildings	176.6	0.2	—	—	—	176.8	177.3	134.7
1.18	Total	187.4	0.2	—	—	—	187.6	190.1	132.3
18.53	Total variable income securities	1 571.5	1 121.6	253.0	1.1	—	2 947.2	3 265.9	575.2
92.65	Total long-term investments	9 789.9	3 521.5	1 287.2	138.6	—	14 737.2	14 604.7	1 590.9
7.35	Short-term investments	1 168.6	—	—	—	1 165.4	1 168.6	1 170.4	675.6
—	Deposits in General Fund	(376.8)	226.9	149.9	—	—	—	—	—
100.00	Total investments²	10 581.7	3 748.4	1 437.1	138.6	—	15 905.8	15 775.1	2 266.5

¹ For purposes of this presentation, investments of the General Fund do not reflect demand deposits of the segregated funds and the Individual Fund. Investments of real estate subsidiaries are included in the General Fund.

² Investments of the various funds and portfolios are accounted for separately.

Summary of investments as at December 31, 1982 (thousands of dollars)

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Bonds

Stated value %	Breakdown of portfolios	Nominal value	Stated value	Realization value	Yield ¹ %	Net change in 1982 (stated value)
	Issued or guaranteed by the Government of Canada					
1.34	Government of Canada	161 180	147 255	162 809	13.13	(48 215)
0.25	Other	26 999	27 041	29 206	14.92	27 041
1.59		188 179	174 296	192 015	13.41	(21 174)
	Issued or guaranteed by the Gouvernement du Québec					
42.85	Gouvernement du Québec	4 747 823	4 695 494	4 569 365	12.07	726 037
15.17	Hydro-Québec	1 711 842	1 662 194	1 496 423	10.85	51 383
0.87	Sidbec	95 950	95 743	85 829	10.14	(2 587)
0.09	Other	10 542	9 977	8 126	7.86	(44)
58.98		6 566 157	6 463 408	6 159 743	11.72	774 789
	Guaranteed by grants					
0.60	Cegeps	67 370	66 085	61 485	9.86	(1 051)
0.48	Hospitals	53 892	52 949	50 711	12.11	14 866
0.78	Universities	86 666	85 149	83 806	13.32	11 736
0.18	Social service centers	20 580	19 798	21 341	16.07	916
0.02	School boards	2 243	2 202	2 343	14.33	2 202
2.06		230 751	226 183	219 686	12.28	28 669
	Municipal and school					
2.83	Municipalities and municipal bodies	319 187	310 185	299 450	12.19	25 988
1.37	School boards	153 297	149 978	134 475	10.16	354
4.20		472 484	460 163	433 925	11.53	26 342
—	Other governments	—	—	—	—	(2 293)
4.47	Corporate	499 637	490 278	447 302	11.68	(112 687)
71.30	Total	7 957 208	7 814 328	7 452 671	11.76	693 646
	Mortgage financing					
	Residential					
0.71	Insured mortgages	—	77 458	65 605	10.50	(5 322)
0.06	Conventional mortgages	—	7 052	5 431	9.48	(108)
0.77		—	84 510	71 036	10.41	(5 430)
2.44	Commercial	—	267 152	233 076	11.85	(39 760)
0.25	Industrial	—	27 461	25 605	11.89	(3 278)
0.23	Other	—	25 000	23 771	10.63	—
3.69	Total	—	404 123	353 488	11.47	(48 468)
74.99	Total fixed income securities	—	8 218 451	7 806 159	11.75	645 178

Shares and convertible securities

3.13	Metals and minerals	—	343 269	263 519	1.27	35 976
0.06	Gold	—	6 674	10 298	1.43	3 346
1.16	Oil and gas	—	126 668	163 710	4.56	25 282
1.51	Paper and forest products	—	165 288	139 458	4.50	75 175
1.03	Consumer products	—	112 243	151 536	6.17	(4 391)
0.88	Industrial products	—	96 394	126 961	4.50	10 538
0.01	Real estate and construction	—	1 118	5 878	2.70	(1 201)
1.02	Transportation	—	111 865	133 361	4.68	20 769
0.42	Pipelines	—	45 992	58 217	6.12	20 619
0.73	Utilities	—	80 436	97 369	12.12	(38 916)
0.26	Communications	—	28 387	37 409	3.90	(1 789)
0.46	Merchandising	—	50 478	79 799	5.64	(1 900)
1.63	Financial services	—	178 794	276 544	9.45	509
0.33	Investment companies	—	36 519	45 551	3.67	18 241
12.63	Total	—	1 384 125	1 589 610	4.98	162 258

Real estate investments

0.10	Land	—	10 751	12 766	10.45	(2 408)
1.62	Land and buildings	—	177 309	177 813	12.42	135 496
1.72	Total	—	188 060	190 579	12.30	133 088
14.35	Total variable income securities		1 572 185	1 780 189	5.86	295 346
89.34	Total long-term investments		9 790 636	9 586 348	10.80	940 524
10.66	Short-term investments	1 165 436	1 168 548	1 170 368	11.44	675 598
100.00	Total investments²	—	10 959 184	10 756 716	10.87	1 616 122

¹ As regards bonds, debentures and mortgage financing, yield is that at maturity; in the case of shares, yield is that of dividend on cost; for real estate investments, yield represents current income on the amount invested. Gain and loss on sale of investments is not taken into account in any of these cases.

² Investments of real estate subsidiaries are included in the General Fund.

Summary of investments as at December 31, 1982 (thousands of dollars)

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Fund "O" — Bonds

Stated value %	Breakdown of portfolios	Nominal value	Stated value	Realization value	Yield ¹ %	Net change in 1982 (stated value)
	Issued or guaranteed by the Government of Canada					
3.17	Government of Canada	128 420	118 791	128 013	12.76	(13 410)
0.13	Other	5 000	5 000	5 475	14.50	5 000
3.30		133 420	123 791	133 488	12.83	(8 410)
	Issued or guaranteed by the Gouvernement du Québec					
20.73	Gouvernement du Québec	786 284	776 909	804 844	13.26	198 943
10.15	Hydro-Québec	395 546	380 354	410 322	14.08	114 236
0.26	Sidbec	10 000	9 969	8 895	10.64	1
31.14		1 191 830	1 167 232	1 224 061	13.50	313 180
	Guaranteed by grants					
0.57	Cegeps	21 976	21 443	20 546	11.71	3 841
0.76	Hospitals	28 606	28 386	29 398	15.30	6 161
1.14	Universities	43 451	42 748	43 439	14.62	10 844
0.46	Social service centers	17 290	17 103	19 523	17.59	269
2.93		111 323	109 680	112 906	14.69	21 115
	Municipal and school Municipalities and municipal bodies					
3.48	Municipalities and municipal bodies	133 234	130 225	129 391	13.56	5 534
0.73	School boards	27 908	27 443	25 360	11.42	11
4.21		161 142	157 668	154 751	13.19	5 545
	Other governments					
—	Corporate	—	—	—	—	(1 616)
3.23	Corporate	129 688	121 161	113 494	11.58	(19 787)
44.81	Total Bonds — Fund "O"	1 727 403	1 679 532	1 738 700	13.36	310 027

Fund "G" — Government Bonds

	Issued or guaranteed by the Gouvernement du Québec					
1.60	Gouvernement du Québec	60 000	59 917	53 220	9.83	2
0.38	Hydro-Québec	14 600	14 229	12 227	10.48	5
1.98		74 600	74 146	65 447	9.96	7
	Guaranteed by grants					
0.10	Cegeps	3 690	3 623	3 428	10.54	11
0.05	Hospitals	1 800	1 773	1 652	10.40	4
0.06	Universities	2 550	2 492	2 044	10.46	2
0.21		8 040	7 888	7 124	10.49	17

	Municipal and school					
0.49	Municipalities and municipal bodies	18 647	18 339	16 004	10.51	(1 270)
0.06	School boards	2 313	2 284	2 161	10.45	5
0.55		20 960	20 623	18 165	10.50	(1 265)
2.74	Total Bonds — Fund "G"	103 600	102 657	90 736	10.11	(1 241)

Fund "A" — Shares and convertible securities

7.68	Metals and minerals	—	287 967	210 079	1.22	29 912
0.22	Gold	—	8 262	10 419	1.08	1 721
3.59	Oil and gas	—	134 460	144 602	3.63	30 039
1.69	Paper and forest products	—	63 194	44 848	3.64	2 947
2.53	Consumer products	—	94 930	124 481	5.64	1 461
2.06	Industrial products	—	77 001	101 268	4.68	9 541
—	Real estate and construction	—	—	—	—	—
2.51	Transportation	—	94 163	102 109	4.23	25 679
1.30	Pipelines	—	48 706	54 232	5.46	20 434
1.76	Utilities	—	66 087	76 913	11.51	(13 652)
0.50	Communications	—	18 744	25 274	4.37	1 609
1.03	Merchandising	—	38 668	52 324	4.81	2 664
4.52	Financial services	—	169 196	235 356	8.55	35 995
0.53	Investment companies	—	20 003	23 397	5.09	11 070
29.92	Total shares and convertible securities — Fund "A"	—	1 121 381	1 205 302	4.65	159 420

Fund "H" — Mortgage financing

	Residential					
13.07	Insured mortgages	—	490 050	485 755	12.25	11 014
0.63	Conventional mortgages	—	23 573	23 947	13.28	(1 081)
13.70		—	513 623	509 702	12.30	9 933
2.06	Commercial	—	77 228	72 254	11.73	(5 537)
0.72	Industrial	—	26 817	25 901	12.13	(2 432)
16.48	Mortgage financing	—	617 668	607 857	12.22	1 964
0.00	Real estate investments	—	243	202	—	(68)
16.48	Total mortgage financing and real estate investments — Fund "H"	—	617 911	608 059	12.22	1 896
93.95	Total segregated funds long-term investments	—	3 521 481	3 642 797	10.29	470 102
6.05	Segregated funds deposits in General Fund	—	226 907	226 907	9.83	213 470
100.00	Total investments	—	3 748 388	3 869 704	10.26	683 572

¹ As regards bonds, debentures and mortgage financing, yield is that at maturity; in the case of shares, yield is that of dividend on cost; for real estate investments, yield represents current income on the amount invested. Gain and loss on sale of investments is not taken into account in any of these cases.

Summary of investments as at December 31, 1982 (thousands of dollars)

23

Bonds

Stated value %	Breakdown of portfolios	Nominal value	Stated value	Realization value	Yield ¹ %	Net change in 1982 (stated value)
	Issued or guaranteed by the Government of Canada					
7.98	Government of Canada	124 070	114 660	118 217	11.96	4 431
0.10	Other	1 500	1 502	1 590	15.71	1 502
8.08		125 570	116 162	119 807	12.00	5 933
	Issued or guaranteed by the Gouvernement du Québec					
27.70	Gouvernement du Québec	400 050	398 163	366 076	11.20	19 351
13.66	Hydro-Québec	199 260	196 265	184 807	11.63	27 509
0.35	Sidbec	5 000	4 985	4 434	10.59	1
41.71		604 310	599 413	555 317	11.33	46 861
	Guaranteed by grants					
0.85	Cegeps	12 447	12 236	11 540	10.97	32
0.43	Hospitals	6 315	6 198	6 203	12.13	(4)
1.34	Universities	19 587	19 172	16 319	10.64	18
0.31	Social service centers	4 500	4 446	4 584	13.68	—
2.93		42 849	42 052	38 646	11.27	46
	Municipal and school Municipalities and school boards					
4.28	Municipalities and municipal bodies	63 370	61 499	57 859	11.47	134
2.07	School boards	30 219	29 819	27 670	10.94	(284)
6.35		93 589	91 318	85 529	11.30	(150)
8.83	Corporate	130 012	126 930	115 451	11.10	(6 951)
67.90	Total	996 330	975 875	914 750	11.38	45 739
	Mortgage financing					
	Residential					
1.00	Insured mortgages	—	14 368	15 811	17.68	14 234
0.48	Conventional mortgages	—	6 938	7 441	16.91	6 244
1.48		—	21 306	23 252	17.43	20 478
	Commercial					
2.30	Commercial	—	33 023	35 770	18.96	5 112
0.28	Industrial	—	3 940	4 182	17.82	3 664
4.06	Total	—	58 269	63 204	18.32	29 254
71.96	Total fixed income securities	—	1 034 144	977 954	11.77	74 993

Shares and convertible securities

2.52	Metals and minerals	—	36 173	33 801	2.05	10 531
0.20	Gold	—	2 948	3 685	1.03	769
2.71	Oil and gas	—	38 961	39 997	3.33	16 785
0.53	Paper and forest products	—	7 585	5 341	4.48	308
1.94	Consumer products	—	27 839	34 422	5.88	15 980
1.52	Industrial products	—	21 818	25 153	4.07	11 126
—	Real estate and construction	—	—	—	—	—
1.49	Transportation	—	21 460	20 607	3.75	10 244
0.91	Pipelines	—	13 095	15 435	6.17	8 566
1.02	Utilities	—	14 594	18 003	11.42	5 984
0.40	Communications	—	5 684	5 847	3.29	3 702
0.49	Merchandising	—	7 071	8 832	3.69	3 412
3.46	Financial services	—	49 697	62 971	8.26	30 214
0.42	Investment companies	—	6 100	6 300	4.59	3 924
17.61	Total	—	253 025	280 394	5.16	121 545
17.61	Total variable income securities	—	253 025	280 394	5.16	121 545
89.57	Total long-term investments	—	1 287 169	1 258 348	10.47	196 538
10.43	Deposits in General Fund	—	149 959	149 959	9.83	45 338
100.00	Total investments	—	1 437 128	1 408 307	10.40	241 876

¹ As regards bonds, debentures and mortgage financing, yield is that at maturity; in the case of shares, yield is that of dividend on cost; for real estate investments, yield represents current income on the amount invested. Gain and loss on sale of investments is not taken into account in any of these cases.

Participations in bond issues of the Québec public sector

24

Participation in new Gouvernement du Québec and Hydro-Québec issues on the Canadian market in 1982

58

Date of offer	Nature	Nominal value	Date of maturity	Nominal rate	Yield to maturity	Amount purchased by Caisse	
						Price	(nominal value)
		\$					\$
February 5	Private	150 000 000	February 15, 1986	16.50	16.50	100.00	150 000 000
February 22	Public	175 000 000	March 22, 1987-1997	16.25-16.50	16.50-16.31	99.17	75 000 000
July 13	Private	150 000 000	May 1, 1988	17.20	17.20	100.00	150 000 000
August 23	Private	125 000 000	September 8, 1989	15.25	15.25	100.00	125 000 000
October 14	Private	150 000 000	April 18, 1989	14.45	14.45	100.00	150 000 000
November 1	Private	150 000 000	November 10, 1987	12.75	12.75	100.00	150 000 000
November 24	Public	160 000 000	December 22, 1992	12.75	12.79	99.75	75 000 000
		1 060 000 000	Total — Gouvernement du Québec				875 000 000
July 27	Private	100 000 000	February 20, 1993	16.90	16.90	100.00	100 000 000
August 23	Public	154 000 000	September 15, 1987	15.25	15.32	99.75	50 000 000
		254 000 000	Total — Hydro-Québec				150 000 000
		1 314 000 000	Total				1 025 000 000

Breakdown among funds of acquisitions by Caisse of new bonds issued or guaranteed by the Gouvernement du Québec on the Canadian market (nominal value — millions of dollars)

25

Year ended December 31	General Fund	Segregated funds	Individual Fund	Total	Issues	
					Private	Public
1966-1977	2 624.7	196.9	116.0	2 937.6	1 573.0	1 364.6
1978	555.5	89.0	125.5	770.0	585.0	185.0
1979	837.0	121.0	132.0	1 090.0	910.0	180.0
1980	1 030.0	185.0	160.0	1 375.0	1 050.0	325.0
1981	815.0	230.0	5.0	1 050.0	725.0	325.0
1982	785.0	240.0	—	1 025.0	825.0	200.0
Total	6 647.2	1 061.9	538.5	8 247.6	5 668.0	2 579.6

26

Acquisitions by Caisse of new bonds issued or guaranteed by the Gouvernement du Québec on the Canadian market

(nominal value — millions of dollars)

Year ended December 31	Gouvernement du Québec	Hydro- Québec	Other issuers	Total
1966-1977	1 842.2	949.3	146.1	2 937.6
1978	585.0	185.0	—	770.0
1979	775.0	315.0	—	1 090.0
1980	975.0	400.0	—	1 375.0
1981	900.0	150.0	—	1 050.0
1982	875.0	150.0	—	1 025.0
Total	5 952.2	2 149.3	146.1	8 247.6

Acquisitions by Caisse of new bonds issued by the Québec public sector on the Canadian market

(nominal value — millions of dollars)

Year ended December 31	Municipalities and municipal bodies	School boards	Guaranteed by grants					Social service centers	Total
			Cegeps	Hospitals	Universities	School boards			
1976-1977	112.7	52.5	32.0	17.5	32.8	—	—	247.5	
1978	24.1	12.3	—	17.4	1.3	—	—	55.1	
1979	54.7	9.3	0.7	0.7	2.3	—	—	67.7	
1980	64.6	15.8	2.4	7.6	6.5	—	13.9	110.8	
1981	67.5	5.2	1.7	11.7	30.0	—	25.0	141.1	
1982	36.4	—	1.5	15.8	9.9	7.1	1.3	72.0	
Total	360.0	95.1	38.3	70.7	82.8	7.1	40.2	694.2	

As at December 31, 1982, Caisse held in its overall bond portfolios securities issued by 272 municipalities and municipal bodies; 123 school boards; 38 cegeps; 8 universities; 72 hospitals and 4 social service centers.

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28 Yield on average deposits of various categories in General Fund

	Average deposits (thousands of dollars)	Interest paid or due (thousands of dollars)	Yield		
			1982	1981	1980
Demand deposits	339 781	47 642	14.021	18.221	11.759
Term deposits	232 509	34 001	14.624	17.536	10.947
Participation deposits	9 467 912	1 029 665	10.875	10.500	9.586

29 Yield on average deposits of various categories in Individual Fund

	Average deposits (thousands of dollars)	Interest paid or due (thousands of dollars)	Yield		
			1982	1981	1980
Demand deposits	86 303	12 298	14.250	18.954	14.495
Term deposits	—	—	—	—	13.949
Participation deposits ¹	1 315 046	141 368	10.752	10.929	10.587

¹ Participation deposits include income to be paid out to depositor for the years 1978 and 1979.

30 Yield on average deposits of various categories in Segregated Fund — Bonds (Fund "O")

	Average deposits (thousands of dollars)	Interest paid or due (thousands of dollars)	Yield		
			1982	1981	1980
Demand deposits	68 284	9 665	14.154	18.553	14.083
Term deposits	—	—	—	17.500	12.660
Participation deposits ¹	1 620 290	203 516	12.560	11.771	10.965

¹ Participation deposits include accumulated income at December 31, 1979.

31 Yield on average deposits of various categories in Segregated Fund — Government Bonds (Fund "G")

	Average deposits (thousands of dollars)	Interest paid or due (thousands of dollars)	Yield		
			1982	1981	1980
Demand Deposits	4 950	696	14.058	18.139	12.667
Term deposits	—	—	—	—	—
Participation deposits ¹	111 409	11 042	9.911	10.041	9.887

¹ Participation deposits include accumulated income at December 31, 1979.

32 Yield on average deposits of various categories in Segregated Fund — Stocks (Fund "A")

	Average deposits (thousands of dollars)	Interest paid or due (thousands of dollars)	Yield		
			1982	1981	1980
Demand deposits	46 722	6 403	13.705	17.316	12.569
Term deposits	—	—	—	16.500	14.371
Participation deposits ¹	1 007 650	59 102	5.865	7.273	8.217

¹ Participation deposits include accumulated income at December 31, 1979.

33 Yield on average deposits of various categories in Segregated Fund — Mortgages (Fund "H")

	Average deposits (thousands of dollars)	Interest paid or due (thousands of dollars)	Yield		
			1982	1981	1980
Demand deposits	11 196	1 242	11.097	(18.463)	13.336
Term deposits	—	—	—	—	—
Participation deposits ¹	630 707	75 172	11.919	11.164	10.454

¹ Participation deposits include accumulated income at December 31, 1979.

Depositors

34

Depositors' holdings with Caisse at realization value as at December 31, 1982

(thousands of dollars)

Régie des rentes du Québec
 Commission administrative du régime de retraite
 Government and public employees retirement plan
Account N° 1
Account N° 2
 General retirement plan for the mayors and
 councillors of the municipalities of Québec
 Individual plans

Régie de l'assurance automobile du Québec
 Commission de la santé et de la sécurité du travail
 Office de la construction du Québec
 Supplemental pension plan for employees of
 the Québec construction industry

Régie des assurances agricoles du Québec
 Assurance-récolte du Québec
 Régimes d'assurance-stabilisation des revenus
 agricoles

Supplemental pension plan of the Université
 du Québec

Fonds d'assurance-prêts agricoles et forestiers
 Fonds d'indemnisation automobile du Québec
 Régie des marchés agricoles du Québec
 Régie de l'assurance-dépôts du Québec

Total 1982

1981
 1980
 1979

	Participation deposits							Accrued interest and income	Depositors' holdings		Net change in 1982
	General Fund	Segregated funds	Individual Fund	Sub-total	Portfolios under management	Total long-term holdings	Demand and term deposits (net)		Amount	Percentage	
Régie des rentes du Québec	8 327 005	—	—	8 327 005	—	8 327 005	70 658	223 329	8 620 992	53.77	2 227 815
Commission administrative du régime de retraite Government and public employees retirement plan	—	2 194 600	—	2 194 600	—	2 194 600	21 714	19 503	2 235 817	13.94	739 844
<i>Account N° 1</i>	—	523 101	—	523 101	5 957	529 058	17 360	4 869	551 287	3.44	174 976
<i>Account N° 2</i>	—	7 867	—	7 867	—	7 867	66	79	8 012	0.05	2 963
General retirement plan for the mayors and councillors of the municipalities of Québec	—	12 273	—	12 273	—	12 273	166	125	12 564	0.08	5 574
Individual plans	—	2 737 841	—	2 737 841	5 957	2 743 798	39 306	24 576	2 807 680	17.51	923 357
Régie de l'assurance automobile du Québec	1 606 157	—	—	1 606 157	—	1 606 157	34 677	43 410	1 684 244	10.51	669 905
Commission de la santé et de la sécurité du travail	49 748	—	1 408 766	1 458 514	95 730	1 554 244	48 646	33 072	1 635 962	10.20	517 889
Office de la construction du Québec	—	—	—	—	—	—	22 000	230	22 230	0.14	9 071
Supplemental pension plan for employees of the Québec construction industry	—	1 136 033	—	1 136 033	16 265	1 152 298	24 195	11 410	1 187 903	7.41	272 867
Régie des assurances agricoles du Québec	—	—	—	—	—	—	16 301	169	16 470	0.10	6 198
Assurance-récolte du Québec	—	—	—	—	—	—	15 455	142	15 597	0.10	(2 194)
Régimes d'assurance-stabilisation des revenus agricoles	—	—	—	—	—	—	—	—	—	—	—
Supplemental pension plan of the Université du Québec	—	24 813	—	24 813	—	24 813	0	236	25 049	0.16	1 486
Fonds d'assurance-prêts agricoles et forestiers	11 049	—	—	11 049	—	11 049	2 085	362	13 496	0.08	2 449
Fonds d'indemnisation automobile du Québec	2 148	—	—	2 148	—	2 148	1 565	73	3 786	0.02	(7 398)
Régie des marchés agricoles du Québec	—	—	—	—	—	—	142	1	143	0.00	(1 383)
Régie de l'assurance-dépôts du Québec	—	—	—	—	—	—	17	0	17	0.00	17
Total 1982	9 996 107	3 898 687	1 408 766	15 303 560	117 952	15 421 512	275 047	337 010	16 033 569	100.00	4 620 079
1981	7 101 997	2 680 895	914 432	10 697 324	108 598	10 805 922	292 267	315 301	11 413 490	—	—
1980	7 041 284	2 467 216	795 674	10 304 174	131 446	10 435 620	207 529	265 834	10 908 983	—	—
1979	6 164 068	1 941 668	669 933	8 775 669	147 182	8 922 851	104 531	166 709	9 194 091	—	—

Specific investments

35

Investments in corporate securities as at December 31, 1982
(realization value — thousands of dollars) (see note at the end)

62

	Shares		Convertible securities	Bonds	Total
	Number	Amount			
Alcan Aluminium Limited	6 297 946	217 279	—	—	217 279
Algoma Steel Corporation, Limited	338 200	8 370	—	3 346	11 716
AMCA International Limited	771 800	14 664	—	—	14 664
Bank of Montreal					
common	2 908 772	77 082			77 082
warrants	100 000	750			750
preferred A	100 000	2 750			2 750
					80 582
Bank of Montreal Leasing Corporation	—	—	—	6 096	6 096
Bank of Nova Scotia, The	3 900 100	143 385	2 220	6 612	152 217
Banque d'Épargne de la Cité et du District de Montréal, La	—	—	—	8 445	8 445
Bell Canada	4 291 759	104 612	—	119 527	224 139
Bow Valley Industries Ltd.	872 600	14 399	—	—	14 399
Brascade Holdings Inc.					
common	126 000	1 193			1 193
preferred A, B, C, D	447 000	177 848			177 848
					179 041
Brunswick Mining and Smelting Corporation Limited	544 800	7 491	—	—	7 491
C-I-L Inc.	315 300	7 094	—	11 964	19 058
Camchib Resources Inc.	—	—	10 830	—	10 830
Campbell Red Lake Mines Limited	400 400	13 814	—	—	13 814
Campeau Corporation	—	—	—	28 922	28 922
Canadian Imperial Bank of Commerce				6 804	6 804
common	2 038 200	66 751			66 751
warrants	104 400	967			967
					74 522
Canadian Occidental Petroleum Ltd.	323 500	5 175	—	—	5 175
Canadian Tire Corporation, Limited	201 410	10 473	—	6 373	16 846
Canadian Pacific Limited	7 109 400	255 050	—	3 421	258 471
Canadian Pacific Enterprises Limited	2 910 000	52 380	—	—	52 380
Churchill Falls (Labrador) Corporation Limited	—	—	—	8 713	8 713
Canada Cement Lafarge Ltd.	517 000	6 398	2 537	3 748	12 683
Cominco Ltd.	125 500	6 056	—	—	6 056
Consolidated-Bathurst Inc.	840 000	13 440	—	—	13 440
Continental Bank of Canada	—	—	—	16 339	16 339
Continental Bank, Mortgage Corporation	—	—	—	5 474	5 474
Coopérative Fédérée de Québec	—	—	—	7 208	7 208
Delta — des gouverneurs Inc.	613 408	—	918	6 028	6 946
Denison Mines Limited	254 900	7 169	—	—	7 169
Dofasco Inc.				13 965	13 965
class A	717 000	25 095			25 095
					39 060
Dofor Inc.					
class A	41 000 000	41 000			41 000
class B	30 000 000	30 000			30 000
					71 000
Domco Industries Limited	208 700	605	—	—	605

Dome Mines Limited	550 000	10 588	—	—	10 588
Dominion Textile Inc.	1 608 503	22 519	—	3 448	25 967
Domtar Inc.	4 385 633	88 261	—	185	88 446
Donohue St-Félicien Inc.	—	—	—	9 583	9 583
Falconbridge Limited	83 000	4 025	—	1 756	5 781
G.M. Plastics Group Ltd.	—	—	—	3 214	3 214
common	221 375	1 663	—	—	1 663
preferred	21 872	2 187	—	—	2 187
					7 064
Gaz Métropolitain, inc.	2 014 000	14 098	—	3 739	17 837
Genstar Corporation	661 700	13 399	—	2 434	15 833
Gulf Canada Limited	4 730 600	69 185	—	2 402	71 587
Hudson's Bay Company	—	—	—	1 006	1 006
common	195 000	3 559	—	—	3 559
preferred	202 737	2 813	—	—	2 813
					7 378
Innat Ltd.	—	—	—	21 461	21 461
Imperial Oil Limited	2 950 600	84 830	—	9 583	94 413
Inco Limited	3 138 380	45 899	—	8 460	54 359
Inglis Limited	60 000	960	6 401	—	7 361
John Labatt Limited	—	—	19 389	4 347	23 736
class A	1 151 400	41 738	—	—	41 738
					65 474
Laurentide Financial Corporation Ltd.	—	—	—	5 044	5 044
La Verendrye Management Corporation	—	—	—	—	—
class A	296 576	1 520	—	—	1 520
class B	108 289	681	—	—	681
					2 201
Logistec Corporation	190 125	951	—	—	951
MacMillan Bloedel Limited	—	—	—	—	—
common	312 564	7 501	—	—	7 501
preferred B	105 000	2 152	—	—	2 152
					9 653
Marine Industries Limitée	—	—	90	9 293	9 383
Mercantile Bank of Canada, The	640 000	9 840	—	4 067	13 907
Molson Companies Limited, The	—	—	1 287	9 864	11 151
class A	659 863	23 095	—	—	23 095
class B	52 400	1 697	—	—	1 697
					35 943
Moore Corporation Limited	977 200	50 325	—	—	50 325
National Bank of Canada	2 188 563	19 697	—	7 956	27 653
Noranda Mines Limited	180 000	3 510	—	2 484	5 994
Norcen Energy Resources Limited	1 680 000	48 931	—	921	49 852
Northern and Central Gas Corporation Limited	—	—	55 677	—	55 677
Northern Telecom Limited	752 500	64 245	—	—	64 245
Nova, an Alberta Corporation	8 760 200	77 747	—	64	77 811
Oshawa Group Limited, The	—	—	—	—	—
class A	444 300	10 273	—	—	10 273
					10 273
PanCanadian Petroleum Limited	377 600	32 851	—	—	32 851
Peerless Rug Limited	—	—	—	10 751	10 751
Placer Development Limited	633 100	13 454	—	—	13 454
Prenor Group Ltd.	543 353	2 309	—	—	2 309
Provigo Inc.	5 787 927	69 455	—	3 038	72 493
Quebec-Telephone	741 881	15 208	—	10 037	25 245
Ranger Oil Limited	2 150 000	15 856	—	—	15 856

Specific investments

Investments in corporate securities as at December 31, 1982 (continued)

(realization value — thousands of dollars) (see note at the end)

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	Shares		Convertible securities	Bonds	Total
	Number	Amount			
Rolland Inc.					
class A	115 000	633	—	1 186	1 186
class B	90 600	430	—	—	633
					430
					2 249
Royal Bank of Canada, The	5 636 173	164 859	10 041	7 130	182 030
Royal Bank Mortgage Corporation	—	—	—	5 260	5 260
Seagram Company Ltd., The	1 210 000	109 807	—	6 550	116 357
Shell Canada Limited				14 240	14 240
class A	1 674 000	34 735	—	—	34 735
					48 975
Sidbec-Normines Inc.	—	—	—	22 667	22 667
Simpsons-Sears Limited				4 698	4 698
class B	357 500	2 323	—	—	2 323
					7 021
Société d'investissement Desjardins	77 149	10 785	—	—	10 785
Southam Inc.	677 900	21 693	—	—	21 693
Steinberg Inc.				1 200	1 200
class A	488 300	13 795	—	—	13 795
					14 995
Stelco Inc.			1 376	17 111	18 487
class A	782 000	16 423	—	—	16 423
					34 910
Superior Oil Company	515 250	18 227	—	—	18 227
Teck Corporation					—
class B	625 200	6 096	—	—	6 096
Tele-Metropole Inc.	395 200	7 311	—	—	7 311
Texaco Canada Inc.	832 000	23 401	—	—	23 401
Thomson Newspapers Limited					—
class A	1 037 500	28 921	—	—	28 921
Toronto-Dominion Bank, The	1 746 600	69 427	—	6 257	75 684
TransCanada PipeLines Limited	1 098 200	29 926	—	53	29 979
Trust Général du Canada	400 250	4 804	—	2 068	6 872
Vidéotron (1979) Ltée	30 000	7 341	—	—	7 341
Walker Resources Ltd., Hiram				7 367	7 367
common	2 701 900	53 363	—	—	53 363
preferred	985 392	21 556	—	—	21 556
					82 286
Westburne International Industries Ltd.	739 600	9 615	—	—	9 615
Westcoast Transmission Company Limited	1 097 000	15 905	—	21	15 926
Weston Limited, George	231 000	9 759	—	3 739	13 498

Note

In this table are listed the major holdings in corporate securities whose realization value is generally defined as exceeding 5 million dollars together with those of a similar nature in companies where the Caisse owns more than 10% of the voting rights. This table is subject to the disclosure standards applicable to the annual list of such investments.

The annual list must not provide any information deemed to be detrimental to the operations of the Caisse, to its economic interest or competitiveness; or which may reveal an intended transaction, a transaction or series of transactions in progress; or which may cause prejudice to a company. Consequently, there may occasionally exist variations between the investments in the annual list and those registered in the books of the Caisse, at December 31. However, whenever possible without contravening the above standards, the annual list must state the total amount of these variations, computed according to the realization value of the securities involved. At year-end, this amount was \$1.132 million. Investments in any private company governed by the Québec Securities Act do not appear in this list unless the company has agreed to such disclosure.

Mortgage financing outstanding at December 31, 1982, whose original amount was higher than \$5 000 000

Corporation	Address	City	Original amount (in dollars)	Year
Aménagement Westcliff Ltée	861, rue Principale	Granby	12 671 222	1981
Bois-Fontaine Inc.	880, chemin Sainte-Foy	Québec	7 180 000	1981
Carrefour de l'Estrie Inc.	3100, boulevard Portland	Sherbrooke	15 000 000	1974
Centre Commercial Victoriaville Ltée	475, boulevard Jutras est	Victoriaville	7 700 000	1977
Centre Métro Inc.	2020, rue University	Montréal	7 000 000	1974
Commonwealth Holiday Inns of Canada Ltd.	395, rue de la Couronne	Québec	6 721 250	1981
Compagnie Canaprev Inc., La	700, boulevard Dorchester ouest	Montréal	14 200 000	1982
Entrepôts Frigorifiques A.F.C. Ltée, Les	5757, chemin Saint-François	Saint-Laurent	5 200 000	1981
Gestion DWS Hines Ltée	1801, avenue McGill College	Montréal	15 000 000	1978
Groupe Ro-Na Inc., Le	12504, rue Nobel	Boucherville	6 900 000	1982
Immeubles Alliance Ltée, Les	680, rue Sherbrooke ouest	Montréal	10 000 000	1977
Investec Inc.	85, rue Sainte-Catherine ouest	Montréal	5 700 000	1977
Ivanhoe Inc. and Kerrybrooke Development Ltd.	2100, boulevard Lapinière	Brossard	23 500 000	1978
Jardins Mérici Inc., Les	7, Jardins de Mérici	Québec	11 920 000	1976
L'Industrielle, Compagnie d'Assurance sur la Vie	3800, rue Marly	Sainte-Foy	15 000 000	1979
Place du Royaume Inc.	boulevard Talbot	Chicoutimi	7 800 000	1979
Place Vincent-Massey	351, boulevard Saint-Joseph	Hull	7 440 000	1973
* Placements Immobiliers La Laurentienne, Les	500, Grande-Allée est	Québec	25 000 000	1981
Placements Jonsag	route 170	Jonquière	5 400 000	1981
Promenades Montarville Inc., Les	1001, rue de Montarville	Boucherville	5 800 000	1980
Schaan Properties Limited	101, Place Charles-Lemoyne	Longueuil	6 793 000	1974
Société immobilière Procan	215, rue Saint-Jacques	Montréal	25 000 000	1979
Société municipale d'habitation de Montréal	425, rue Sherbrooke est	Montréal	5 800 000	1980
Université Laval	Cité Universitaire	Québec	7 947 000	1979
			260 672 472	

* Real estate corporation of which Caisse holds half the common share capital.

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Municipalities	Land and buildings	Realization value	Stated value
Baie-Comeau	Route 138 ouest (Bloc 59, Lafleche District)	\$ 5 071 000	\$ 5 899 917
Baie-Comeau	29, rue Low	30 000	39 730
Charlesbourg	4155, 4e avenue ouest	1 000 000	736 677
Baie-d'Urfé	19 000, route Trans Canada	687 000	748 362
Deux-Montagnes	2801, boulevard des Promenades	5 700 000	9 292 558
Dorval	1345, boulevard Hymus	564 000	655 313
Gaspé	39, Sandy Beach	4 580 000	5 430 802
Hauterive	755 — 757 — 759, rue Amédée	35 000	54 569
Jonquière	3497, boulevard Saint-François	696 000	969 455
Laval	1640, boulevard Saint-Martin	440 000	162 416
Laval	2775, Bovet	774 600	783 068
Laval	2345, Montée Saint-Aubin	1 192 000	1 364 386
Laval	146, rue Malard	30 000	30 629
Montréal	800, boulevard de Maisonneuve est and 501, rue Sherbrooke est	60 800 000	60 534 756
Montréal	1440, rue Sainte-Catherine ouest	10 100 000	9 094 413
Pointe-Claire	241, boulevard Hymus	1 771 000	1 544 092
Pointe-Claire	5901, route Trans Canada	981 500	1 104 883
Port-Cartier	6, rue Bordages	22 000	32 080
Québec	Condominiums Mérici (construction in progress)	562 395	562 395
Québec	690 and 700, boulevard Saint-Cyrille est	28 800 000	28 400 180
Rimouski	80-84, Saint-Germain	3 760 000	2 690 345
Sainte-Foy	1000 and 1020, route de l'Église	10 200 000	9 007 665
Sainte-Foy	2875, boulevard Laurier	8 575 000	7 255 930
Sainte-Foy	2725, rue Dalton and 2700, rue Watt	639 000	542 450
Saint-Laurent	5605 — 15 — 25, Côte de Liesse and 155, rue Authier	995 000	1 121 110
Sept-Iles	36, rue de la Vérendrye	45 000	51 148
Sept-Iles	18, rue Tanguay	40 000	35 357
Sherbrooke	3333, rue King ouest	558 000	394 886
Ville d'Anjou	10251, boulevard Ray-Lawson	3 600 000	3 058 554
Ville Mont-Royal	Centre d'achats Rockland	21 846 977	21 846 977
Ville Mont-Royal	8191, Montview	1 419 800	1 607 331
Total — Land and buildings		\$ 175 515 272	\$ 175 052 434

Municipalities	Land	Realization value	Stated value
Alma	Avenue Dupont	\$ 343 000	\$ 300 000
Baie-Comeau	232, LaSalle	42 500	40 000
Cap-de-la-Madeleine	300, rue Barkoff	483 000	200 000
Côte Saint-Luc	7600, rue Earle	154 000	80 000
Hull	351, boulevard Saint-Joseph	965 000	560 000
Laval	1716, boulevard des Laurentides	84 500	84 000
Longueuil	1999, boulevard Roland-Therrien	538 000	500 000
Montréal	800, boulevard de Maisonneuve est	1 589 000	2 400 000
Montréal	410, rue Sherbrooke ouest	538 000	249 987
Montréal	5425, rue Casgrain	798 000	230 000
Montréal	625, avenue Président Kennedy	423 000	600 000
Montréal	2020, rue University	1 248 000	1 275 000
Québec	2770, rue Duval	180 000	66 680
Québec	Les Jardins de Mérici Inc.	1 018 277	1 018 277
Québec	Mérid — Chemin Saint-Louis	3 625 000	2 586 276
Québec	Place Haute-Ville	2 500 000	2 500 000
Québec	1805, rue de Grandville	176 500	85 000
Rivière-du-Loup	385, rue Lafontaine	111 000	155 000
Sainte-Foy	2986 — 88 — 90 — 3000 — 02 — 04, rue Laverdure and 3001 — 03 — 05, rue d'Entremont	130 000	100 000
Sainte-Foy	3385, rue Maricourt	51 500	40 000
Sainte-Foy	2280, Chemin Sainte-Foy	173 000	78 029
Sept-Iles	490, boulevard Laure	65 000	71 500
Sept-Iles	791, boulevard Laure	30 000	31 500
	Total — Land	15 266 277	13 251 249
	Total real estate investments	\$ 190 781 549	\$ 188 303 683

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Assets under management (stated value)

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
General Fund ¹	10 814.3	9 442.5	8 169.1	6 909.7	5 872.8	4 891.0	4 299.1	3 688.9	3 156.4	2 630.9
Segregated funds										
Fund "O"	1 805.0	1 403.9	1 070.2	785.8	599.9	435.9	281.5	161.1	77.6	31.2
Fund "G"	110.9	111.3	112.0	111.1	100.6	91.3	—	—	—	—
Fund "A"	1 230.1	979.0	719.1	534.6	343.2	236.1	166.1	99.3	46.8	21.6
Fund "H"	672.0	598.6	542.5	478.1	367.5	300.2	172.9	109.7	58.3	33.0
	3 818.0	3 092.8	2 443.8	1 909.6	1 411.2	1 063.5	620.5	370.1	182.7	85.8
Individual Fund	1 466.3	1 222.1	962.7	750.4	503.6	309.8	—	—	—	—
Portfolios under management	141.6	157.4	171.9	184.0	200.5	229.8	401.2	246.4	219.4	234.8
	16 240.2	13 914.8	11 747.5	9 753.7	7 988.1	6 494.1	5 320.8	4 305.4	3 558.5	2 951.5

Income attributed to participation deposit holders

General Fund	1 029.7	863.8	724.9	580.2	455.9	381.1	327.0	262.6	213.4	165.8
Segregated funds										
Fund "O"	203.5	150.1	102.0	58.0	48.9	35.3	24.0	10.3	4.5	1.8
Fund "G"	11.0	11.2	11.0	10.5	9.3	6.0	—	—	—	—
Fund "A"	59.1	56.6	49.5	68.6	26.9	12.5	10.1	6.4	2.2	2.1
Fund "H"	75.2	61.7	52.8	43.2	32.6	23.9	14.7	8.2	4.3	2.4
	348.8	279.6	215.3	180.3	117.7	77.7	48.8	24.9	11.0	6.3
Individual Fund	141.4	117.9	88.5	63.0	37.9	23.2	—	—	—	—
Portfolios under management	11.5	12.5	13.1	13.3	15.7	19.1	27.7	17.3	15.7	9.0
	1 531.4	1 273.8	1 041.8	836.8	627.2	501.1	403.5	304.8	240.1	181.1

Net contributions

General Fund	233.3	295.1	497.3	437.4	475.9	158.4	249.1	265.4	280.9	293.5
Segregated funds	322.9	327.2	292.2	275.0	257.2	287.9	227.5	170.4	86.8	21.3
Individual Fund and portfolios under management	85.0	110.0	98.6	150.2	132.5	83.1	116.2	11.0	—	—
	641.2	732.3	888.1	862.6	865.6	529.4	592.8	446.8	367.7	314.8

Depositors' net contributions

Régie des rentes du Québec	1.3	132.6	214.1	180.6	212.0	236.1	298.7	254.4	241.1	244.3
Régie de l'assurance automobile du Québec	232.9	192.9	240.8	233.1	261.8	—	—	—	—	—
Commission administrative du régime de retraite										
Government and public employees retirement plan										
— Contributions of unionized employees	260.5	235.8	217.3	175.0	150.7	144.9	101.0	67.7	34.7	6.8
— Contributions of non-unionized employees and employers	50.1	59.1	41.3	47.3	31.1	64.2	38.9	13.7	0.4	—
	310.6	294.9	258.6	222.3	181.8	209.1	139.9	81.4	35.1	6.8
Office de la construction du Québec										
Supplemental pension plan for employees of the Québec construction industry	13.8	31.1	28.8	54.5	68.9	74.8	84.2	86.8	49.4	11.5
Commission de la santé et de la sécurité du travail	88.4	73.9	157.8	150.2	132.5	83.1	72.5	22.1	22.7	25.2
Other depositors	(5.8)	6.9	(12.0)	21.9	8.6	(73.7)	(2.5)	2.1	19.3	27.0
	641.2	732.3	888.1	862.6	865.6	529.4	592.8	446.8	367.6	314.8

Depositors' net contributions in percentage

Régie des rentes du Québec	0.2	18.1	24.1	21.0	24.5	44.6	50.4	57.0	65.6	77.6
Régie de l'assurance automobile du Québec	36.3	26.3	27.1	27.0	30.3	—	—	—	—	—
Commission administrative du régime de retraite Government and public employees retirement plan	48.4	40.3	29.1	25.8	21.0	39.5	23.6	18.2	9.5	2.2
Office de la construction du Québec Supplemental pension plan for employees of the Québec construction industry	2.2	4.2	3.2	6.3	7.9	14.1	14.2	19.4	13.4	3.6
Commission de la santé et de la sécurité du travail	13.8	10.1	17.8	17.4	15.3	15.7	12.2	4.9	6.2	8.0
Other depositors	(0.9)	1.0	(1.3)	2.5	1.0	(13.9)	(0.4)	0.5	5.3	8.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Funds entrusted to Caisse by depositors

(stated value)

Régie des rentes du Québec										
Holdings	8 648.2	7 757.8	6 858.2	5 991.4	5 272.0	4 617.0	4 009.0	3 393.1	2 885.7	2 437.5
Net income	889.1	767.0	652.7	538.8	443.0	371.9	317.1	253.0	207.1	162.9
Net contributions	1.3	132.6	214.1	180.6	212.0	236.1	298.7	254.4	241.1	244.3
Régie de l'assurance automobile du Québec										
Holdings	1 580.6	1 184.0	873.2	555.9	278.2	—	—	—	—	—
Net income	163.7	117.9	76.5	44.6	16.4	—	—	—	—	—
Net contributions	232.9	192.9	240.8	233.1	261.8	—	—	—	—	—
Commission administrative du régime de retraite Government and public employees retirement plan										
Holdings	2 582.6	2 035.4	1 557.7	1 166.1	830.5	571.5	312.0	133.2	44.0	6.9
Net income	236.6	182.8	133.5	113.3	66.0	41.1	21.5	7.7	2.0	0.1
Net contributions	310.6	294.9	258.6	222.3	181.8	209.1	139.9	81.4	35.1	6.8
Office de la construction du Québec Supplemental pension plan for employees of the Québec construction industry										
Holdings	1 181.8	1 052.4	920.4	797.4	670.2	545.9	394.7	280.3	174.8	114.7
Net income	115.6	100.9	85.3	72.7	55.4	41.3	30.2	18.7	10.7	8.4
Net contributions	13.8	31.1	28.8	54.5	68.9	74.8	84.2	86.8	49.4	11.5
Commission de la santé et de la sécurité du travail										
Holdings	1 683.9	1 445.6	1 221.9	954.6	725.6	539.1	414.9	311.6	267.4	227.7
Net income	149.9	149.8	109.5	78.8	54.0	41.1	30.8	22.1	17.0	6.9
Net contributions	88.4	73.9	157.8	150.2	132.5	83.1	72.5	22.1	22.7	25.2
Other statistics										
Administrative expenditures (in millions)	11.1	9.5	8.3	7.1	5.9	6.7	4.6	3.9	2.6	2.3
Assets per employee (in millions)	96.1	90.4	83.9	72.8	70.1	53.2	47.1	42.2	41.4	35.1
Number of depositors	14	14	14	14	17	14	13	12	11	11
Number of employees	169	154	140	134	114	122	113	102	86	84

¹ For purposes of this presentation, assets of the General Fund do not reflect demand deposits of the segregated funds and the Individual Fund as well as interest accrued on those deposits. Moreover, assets of the segregated funds and the Individual Fund do not reflect the advances of General Fund and pertinent accrued interest if any. Assets of real estate subsidiaries are included in the General Fund.

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Investments (stated value)

Bonds

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Government of Canada and guaranteed	415.5	439.3	626.8	415.7	224.5	125.9	81.5	86.1	43.4	64.5
Gouvernement du Québec and guaranteed	8 354.3	7 221.7	6 145.4	4 789.0	3 710.8	2 988.4	2 470.1	1 923.7	1 627.0	1 406.8
Guaranteed by grants	398.7	352.1	287.3	261.8	263.8	254.2	221.4	165.4	138.3	113.8
Municipal and school	788.9	764.3	689.8	619.0	552.4	525.4	422.6	349.5	281.4	233.1
Other governments	0.5	4.9	0.9	1.0	1.0	2.1	1.3	1.5	1.4	1.4
Corporate	746.6	887.4	964.3	945.9	677.8	593.2	534.5	430.2	361.6	290.6
Total bonds	10 704.5	9 669.7	8 714.5	7 032.4	5 430.3	4 489.2	3 731.4	2 956.4	2 453.1	2 110.2
Mortgage financing	1 085.5	1 104.6	951.0	856.1	652.1	495.7	371.1	301.2	244.8	162.2
Total fixed income securities	11 790.0	10 774.3	9 665.5	7 888.5	6 082.4	4 984.9	4 102.5	3 257.6	2 697.9	2 272.4
Shares and convertible securities¹										
Metals and minerals	667.4	591.0	218.5	164.8	181.0	157.1				
Golds	17.9	12.0	—	2.5	4.5	5.1				
Oil and gas	300.1	228.0	149.6	103.6	105.6	104.0				
Paper and forest products	236.1	157.6	141.1	119.0	40.7	48.9				
Consumer products	235.0	222.0	181.7	100.3	68.3	57.7				
Industrial products	195.9	165.0	135.2	116.8	106.3	94.1				
Real estate and construction	1.1	2.3	3.8	5.0	6.2	8.2				
Transportation	227.5	170.8	95.7	43.7	41.7	36.3				
Pipelines	107.8	58.2	24.9	15.0	32.4	39.4				
Utilities	161.3	207.8	143.6	143.7	93.6	79.1				
Communications	52.8	49.3	38.8	26.7	12.0	5.0				
Merchandising	96.4	92.3	64.9	40.8	46.1	39.1				
Financial services	397.7	331.0	275.6	197.2	160.9	142.5				
Investment companies	62.6	29.4	23.0	26.6	20.8	24.9				
Total shares and convertible securities	2 759.6	2 316.7	1 496.4	1 105.7	920.1	841.4	823.8	721.5	656.1	518.6
Real estate investments	187.6	55.3	31.0	25.1	25.4	25.4	25.4	26.0	25.7	23.9
Total variable income securities	2 947.2	2 372.0	1 527.4	1 130.8	945.5	866.8	849.2	747.5	681.8	542.5
Total long-term investments	14 737.2	13 146.3	11 192.9	9 019.3	7 027.9	5 851.7	4 951.7	4 005.1	3 379.7	2 814.9
Deposits and short-term investments	1 168.6	493.0	314.7	535.5	797.6	436.3	272.2	225.3	119.5	85.9
Total investments	15 905.8	13 639.3	11 507.6	9 554.8	7 825.5	6 288.0	5 223.9	4 230.4	3 499.2	2 900.8

Components of portfolios in percentage of stated value

Bonds										
Gouvernement du Québec and guaranteed	52.5	52.9	53.4	50.1	47.4	47.5	47.3	45.4	46.5	48.5
Garanteed by grants	2.5	2.6	2.5	2.7	3.4	4.1	4.2	3.9	4.0	3.9
Municipal and school	5.0	5.6	6.0	6.5	7.0	8.4	8.1	8.3	8.0	8.0
	60.0	61.1	61.9	59.3	57.8	60.0	59.6	57.6	58.5	60.4
Government of Canada and other governments	2.6	3.3	5.4	4.4	2.9	2.0	1.6	2.0	1.3	2.3
Corporate	4.7	6.5	8.4	9.9	8.7	9.4	10.2	10.2	10.3	10.0
	67.3	70.9	75.7	73.6	69.4	71.4	71.4	69.8	70.1	72.7
Total bonds	6.8	8.1	8.3	8.9	8.3	7.9	7.1	7.1	7.0	5.6
Mortgage financing	74.1	79.0	84.0	82.5	77.7	79.3	78.5	76.9	77.1	78.3
Total fixed income securities	17.3	17.0	13.0	11.6	11.8	13.4	15.8	17.2	18.8	17.9
Shares and convertible securities	1.2	0.4	0.3	0.3	0.3	0.4	0.5	0.6	0.7	0.8
Real estate investments	18.5	17.4	13.3	11.9	12.1	13.8	16.3	17.8	19.5	18.7
Total variable income securities	92.6	96.4	97.3	94.4	89.8	93.1	94.8	94.7	96.6	97.0
Total long-term investments	7.4	3.6	2.7	5.6	10.2	6.9	5.2	5.3	3.4	3.0
Deposits and short-term investments	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Distribution of long-term investments in percentage of stated value

Public sector	67.6	66.8	69.2	67.5	67.6	66.6	64.6	63.1	61.9	64.6
Private sector	32.4	33.2	30.8	32.5	32.4	33.4	35.4	36.9	38.1	35.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Unit realization value (in dollars)

General Fund	800	674	784	812	849	851	839	786	774	883
Segregated funds ²	1 994	1 644	1 924	2 081	2 085	1 960	1 783	1 516	1 389	1 376
Fund "O"	1 156	914	1 965	1 149	1 158	1 089	—	—	—	—
Fund "G"	2 565	2 427	2 924	2 506	1 851	1 445	1 283	1 138	940	1 266
Fund "A"	2 073	1 844	1 952	2 048	1 965	1 813	1 647	1 491	1 356	1 235

¹ The Caisse adopted in 1977 the listing used by the Toronto Stock Exchange for its investments in shares by sectors of activity.

² Until December 31, 1979, income of segregated funds were accumulated in each fund; since January 1, 1980, they are paid to depositors.

as at December 31

(stated value — millions of dollars)

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General Fund¹

Bonds

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Government of Canada and guaranteed	174.3	195.5	344.5	216.1	122.3	81.5	56.4	64.2	36.7	57.1
Gouvernement du Québec and guaranteed	6 463.4	5 688.6	4 904.7	3 905.6	3 070.6	2 538.9	2 208.6	1 799.3	1 534.3	1 317.5
Guaranteed grants	226.2	197.5	170.6	158.1	158.0	156.3	148.2	123.7	103.3	87.8
Municipal and school	460.1	433.8	390.8	355.0	314.8	304.3	267.6	233.4	183.7	141.3
Other governments	—	2.3	—	—	—	—	—	—	—	—
Corporate	490.3	602.9	674.6	682.6	495.4	444.8	420.4	357.3	318.5	261.9
Total bonds	7 814.3	7 120.6	6 485.2	5 317.4	4 161.2	3 525.8	3 101.2	2 577.9	2 176.5	1 865.6
Mortgage financing	404.1	452.6	417.1	391.6	315.3	269.5	224.4	199.0	197.9	128.9
Total fixed income securities	8 218.4	7 573.2	6 902.3	5 709.0	4 476.5	3 795.3	3 325.6	2 776.9	2 374.4	1 994.5
Shares and convertible securities	1 384.1	1 221.9	879.4	720.2	612.8	618.3	661.4	638.7	601.9	491.7
Real estate investments	187.4	55.0	31.0	25.1	25.4	25.4	25.4	26.0	25.7	23.9
Total variable income securities	1 571.5	1 276.9	910.4	745.3	638.2	643.7	686.8	664.7	627.6	515.6
Total long-term investments	9 789.9	8 850.1	7 812.7	6 454.3	5 114.7	4 439.0	4 012.4	3 441.6	3 002.0	2 510.1
Short-term investments	791.8	374.9	189.2	316.8	635.7	313.9	207.1	181.5	97.9	75.0
Total General Fund investments	10 581.7	9 225.0	8 001.9	6 771.1	5 750.4	4 752.9	4 219.5	3 623.1	3 099.9	2 585.1

Segregated funds²

Bonds

Government of Canada and guaranteed	123.8	132.2	158.3	110.7	59.5	18.3	7.8	10.8	0.8	1.5
Gouvernement du Québec and guaranteed	1 241.4	928.2	636.4	436.3	319.6	236.6	114.1	44.1	12.1	3.0
Guaranteed by grants	117.5	96.4	58.7	50.4	50.6	45.2	31.9	20.0	13.9	5.0
Municipal and school	178.3	174.0	139.0	116.3	92.6	81.0	36.6	21.2	8.8	3.1
Other governments	—	1.6	—	—	—	—	—	—	—	—
Corporate	121.2	141.0	142.1	127.3	98.6	87.5	65.3	49.2	32.2	17.6
Total bonds	1 782.2	1 473.4	1 134.5	841.0	620.9	468.6	255.7	145.3	67.8	30.2
Mortgage financing	617.7	615.7	525.6	463.8	336.0	225.3	145.1	100.6	44.7	25.3
Total fixed income securities	2 399.9	2 089.1	1 660.1	1 304.8	956.9	693.9	400.8	245.9	112.5	55.5
Shares and convertible securities	1 121.4	961.9	615.1	382.9	304.2	215.5	150.3	75.6	46.3	18.6
Real estate investments	0.2	0.3	—	—	—	—	—	—	—	—
Total variable income securities	1 121.6	962.2	615.1	382.9	304.2	215.5	150.3	75.6	46.3	18.6
Total long-term investments	3 521.5	3 051.3	2 275.2	1 687.7	1 261.1	909.4	551.1	321.5	158.8	74.1
Deposits in General Fund	226.9	13.5	123.3	182.1	125.6	98.3	60.6	43.8	21.6	10.9
Total segregated funds investments	3 748.4	3 064.8	2 398.5	1 869.8	1 386.7	1 007.7	611.7	365.3	180.4	85.0

Individual Fund

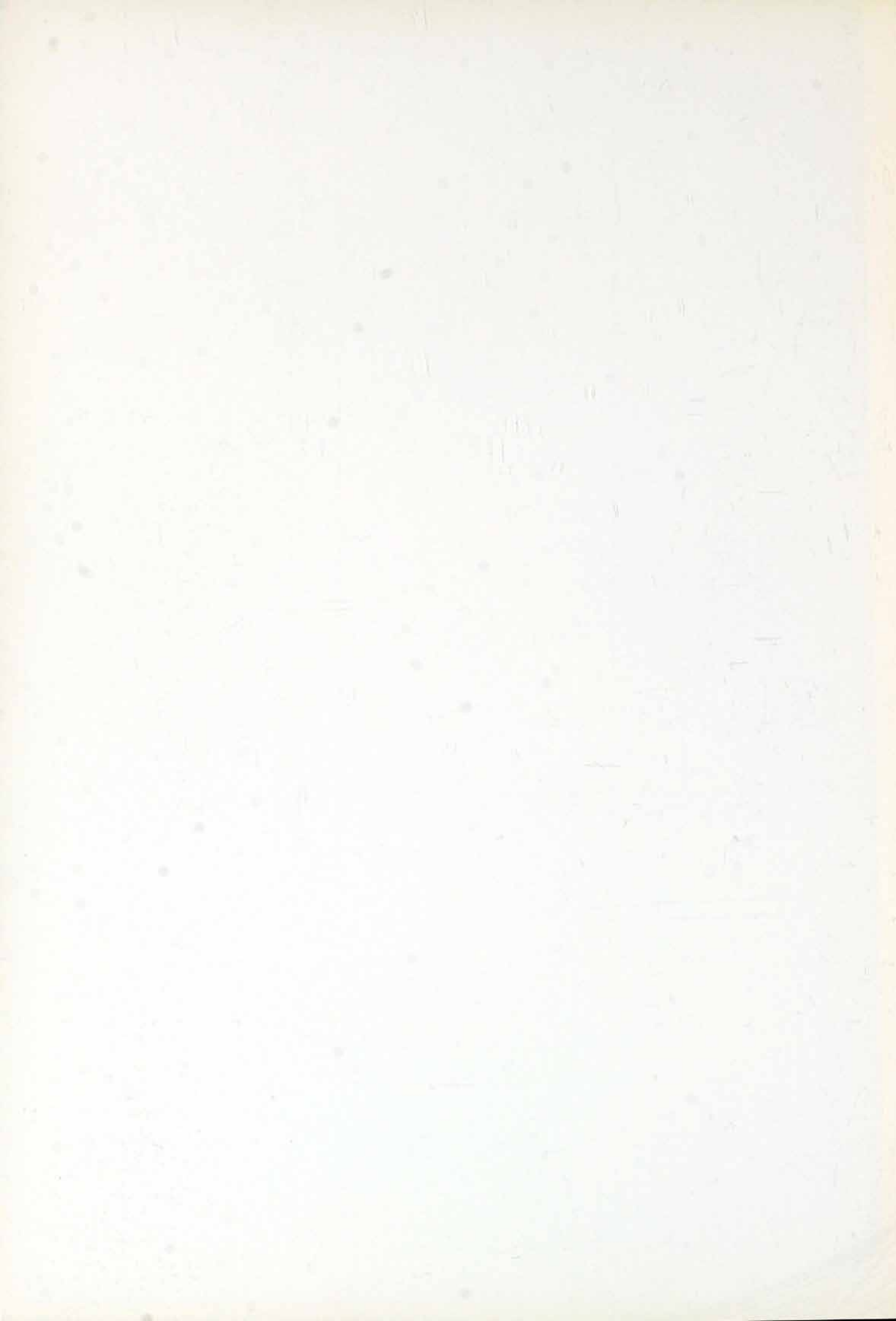
Bonds										
Government of Canada and guaranteed	116.2	110.2	122.4	87.0	40.5	20.5	—	—	—	—
Gouvernement du Québec and guaranteed	599.4	552.6	547.8	383.3	251.1	137.2	—	—	—	—
Guaranteed by grants	42.1	42.0	40.8	34.9	34.7	29.2	—	—	—	—
Municipal and school	91.3	91.5	91.3	73.3	65.0	56.1	—	—	—	—
Other governments	—	—	—	—	—	—	—	—	—	—
Corporate	126.9	133.9	134.3	118.5	64.7	43.5	—	—	—	—
Total bonds	975.9	930.2	936.6	697.0	456.0	286.5	—	—	—	—
Mortgage financing	58.3	29.0	—	—	—	—	—	—	—	—
Total fixed income securities	1 034.2	959.2	936.6	697.0	456.0	286.5	—	—	—	—
Shares and convertible securities	253.0	131.5	—	—	—	—	—	—	—	—
Real estate investments	—	—	—	—	—	—	—	—	—	—
Total variable income securities	253.0	131.5	—	—	—	—	—	—	—	—
Total long-term investments	1 287.2	1 090.7	936.6	697.0	456.0	286.5	—	—	—	—
Deposits in General Fund	149.9	104.6	2.2	36.6	36.3	15.7	—	—	—	—
Total Individual Fund investments	1 437.1	1 195.3	938.8	733.6	492.3	302.2	—	—	—	—

Portfolios under management

Bonds										
Government of Canada and guaranteed	1.2	1.4	1.6	1.9	2.2	5.6	17.3	11.1	5.9	5.9
Gouvernement du Québec and guaranteed	50.1	52.3	56.5	63.8	69.5	75.7	147.4	80.3	80.6	86.3
Guaranteed by grants	12.9	16.2	17.2	18.4	20.5	23.5	41.3	21.7	21.1	21.0
Municipal and school	59.2	65.0	68.7	74.4	80.0	84.0	118.4	94.9	88.9	88.7
Other governments	0.5	1.0	0.9	1.0	1.0	2.1	1.3	1.5	1.4	1.4
Corporate	8.2	9.6	13.3	17.5	19.0	17.4	48.8	23.7	10.9	11.1
Total bonds	132.1	145.5	158.2	177.0	192.2	208.3	374.5	233.2	208.8	214.4
Mortgage financing	5.4	7.3	8.3	0.7	0.8	0.9	1.6	1.6	2.2	8.0
Total fixed income securities	137.5	152.8	166.5	177.7	193.0	209.2	376.1	234.8	211.0	222.4
Shares and convertible securities	1.1	1.4	1.9	2.6	3.1	7.6	12.1	7.2	7.9	8.3
Total variable income securities	1.1	1.4	1.9	2.6	3.1	7.6	12.1	7.2	7.9	8.3
Total long-term investments	138.6	154.2	168.4	180.3	196.1	216.8	388.2	242.0	218.9	230.7
Short-term investments	—	—	—	—	—	8.4	4.5	—	—	—
Total investments of portfolios under management	138.6	154.2	168.4	180.3	196.1	225.2	392.7	242.0	218.9	230.7

¹ For purposes of this presentation, total investments of the General Fund do not reflect demand deposits of the segregated funds and the Individual Fund. Moreover, total investments of the segregated funds and of the Individual Fund do not reflect the advances of the General Fund if any. Investments of real estate subsidiaries are included in the General Fund.

² Under this item are the investments of segregated funds (Fund "O"), (Fund "G"), (Fund "A") and (Fund "H"); a complete breakdown of those, as at December 31, 1982, is given in Table 22.



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