

Sixth Annual Report

Québec Deposit and  
Investment Fund

1971



# Sixth Annual Report

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Québec Deposit and  
Investment Fund



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Bodies authorized by law to deposit moneys with  
the Québec Deposit and Investment Fund

Québec Agricultural Marketing Board  
Québec Crop Insurance Board  
Québec Deposit Insurance Board  
Québec Health Insurance Board  
Québec Pension Board

Other bodies availing themselves of the services of  
the Québec Deposit and Investment Fund

Supplemental pension plans established by collective  
agreement decrees  
Supplemental pension plan of l'Université du Québec

# Board of Directors

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Claude Prieur, *Chairman*  
General Manager,  
Québec Deposit and Investment Fund

Judge Gill Fortier, *Vice-Chairman*  
President,  
Québec Pension Board

Michel-F. Bélanger  
Treasury Board Secretary  
Government of Québec

Hervé Belzile  
President,  
Alliance Mutual Life Insurance Company

Marcel Cazavan\*  
Deputy Minister of Finance,  
Government of Québec

Louis Laberge  
President,  
Québec Federation of Labor

Raymond Lavoie  
Vice-Chairman,  
Crédit Foncier Franco-Canadien

E.-A. Lemieux\*  
General Manager – Finance and Accounting  
Hydro-Québec

Charles B. Neapole  
President,  
Montreal Stock Exchange and  
Canadian Stock Exchange

Maurice Turgeon\*  
Vice-President,  
Québec Municipal Commission

\*Associate member

# Management

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## **General Management**

Claude Prieur, General Manager

Jean-Michel Paris, Assistant to the General Manager

## **Investment**

### *Bond Department*

Roland Lefebvre, Manager

Jean Laflamme, Associate Manager

Pierre Mayer, Assistant Manager

### *Stock Department*

Pierre Arbour, Manager

Etienne J. de Kosko, Associate Manager

Pierre Dufresne, Assistant Manager

### *Private Placement Department*

Jean C. Lavoie, Manager

Gérard J. Blondeau, Assistant Manager

### *Real Estate and Mortgage Department*

Gilles Doré, Manager

Patrick O. Wells, Special Adviser

## **Treasury Department**

Jean-Marie Côté, Treasurer

Guy Rhéaume, Assistant Treasurer

## **Secretariat**

Marcel Camu, Assistant Secretary



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Chairman of the Board  
and General Manager

Québec City, March 3, 1972

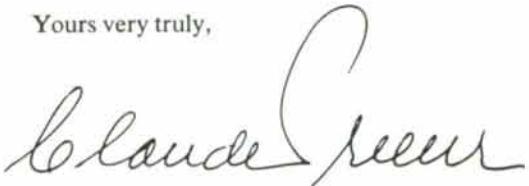
The Honorable Raymond Garneau  
Minister of Finance  
Government of Québec

Dear Sir:

In accordance with the provisions of the charter of the Québec Deposit and Investment Fund, I am transmitting herewith our sixth annual report for the year ended December 31, 1971.

As required under Section 41 of the charter, this report comprises an outline of investment policy, a summary of our activities and statements of accounts duly verified by the General Auditor of the Province, along with related statistical data.

Yours very truly,



Claude Prieur

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# Report of Management

During the year ended 31st December 1971, the assets of the Québec Deposit and Investment Fund rose by some \$372 million, compared with an increase of \$335.5 million recorded the preceding year, and reached a total of \$1,697,806,498. The income for this sixth year of operation totalled \$107,073,448 compared with \$80,975,993 for the previous year while the net return on deposits rose from 6.997% to 7.093%. The segregated portfolios and the portfolios under management amounted to \$78,096,605 at year-end, bringing the total assets under management of the Fund to \$1,775,903,103.

## The Canadian economy in 1971

During 1971 the Canadian economy entered a period of marked expansion combined with a resumption of inflation despite a persistently high rate of unemployment. While markets fluctuated repeatedly under the economic and financial uncertainties prevalent in North America and, in fact, the rest of the world, stock and bond markets closed at levels slightly higher than at the start of the year.

Freed from immediate concern about inflation, the Canadian Government had gradually eased its fiscal and monetary controls during 1970 with a view to inducing economic activity in the face of the depressing effect of a higher exchange level of the Canadian dollar. This expansionist policy was intensified during 1971 and contributed to accelerated economic growth.

The growth in real terms of the Gross National Product rose to about 6% during 1971 or about twice what it had been in 1970. Sectors of the economy making the most substantial contributions to this upswing were consumer goods, government expenditures, housing and exports to the U.S.A. On the other hand, some investment sectors and exports to areas other than the U.S.A. were a restraining element. It should be noted also that quarterly reports of companies finally indicated a turnaround in profits beginning with the second quarter, thus ending a protracted downward trend.

Considering the trend of prices, costs, productivity and unemployment, this overall picture is not without its negative aspects. Concurrently with the economic upturn in 1971, wages and employment rose substantially while in manufacturing, the increase in productivity was disappointing. Whereas the marked increase in the work force is largely responsible for a continued high level of unemployment, the increase in the number of employed workers is essentially a continuation of the historic tendency in the Canadian economy for expansion to stem from an increase in the labor force rather than from a rise in productivity. Furthermore, the possibility of a resumption of inflationary pressures in the Canadian economy remains an ever-present danger. It is to be hoped that Canada will benefit from the stabilizing effect of the incomes policy of the U.S.A.; if, however, results are too long delayed, it is

not beyond the realm of possibility that the Canadian Government itself may be obliged to resort to a similar policy in order to retain its competitive position vis-à-vis its American neighbor.

In foreign trade, both exports and imports of goods with the U.S.A. increased during 1971 whereas with other countries, exports declined while imports increased. Overall, the trend of Canadian foreign trade was reversed as our trade surplus declined in both the first and second halves of the year, totaling about \$2.2 billion in 1971 by comparison with a \$2.9 billion surplus the preceding year.

The general atmosphere of uncertainty during 1971 affected the bond and stock markets differently. The bond market, under the influence of the international financial crisis and the fear of further inflation, declined steadily from early in 1971 until the President of the U.S.A. announced the adoption of some physical controls of the economy; subsequently, a steady and sustained improvement was recorded until the close of 1971. The stock market, however, was subject to more fluctuations. A substantial rise was recorded during the first four months of the year in anticipation of a strong economic recovery. The decline which followed and continued until mid-August was the result of an apparently slow business recovery, a fear of inflation arising from substantial and, at times, excessive wage demands as well as a widespread uncertainty over foreign exchange rates. After a brief rise following the

American stabilization measures in mid-August, the stock market continued to decline until the end of November under the prospect of a tariff war and the uncertainties regarding phase II of American incomes policy. Finally, removal of these uncertainties in December brought about a strong recovery of stock markets during the closing month of the year.

### **Investment policy**

The investment policy of the Fund is formulated principally to meet the financial and actuarial requirements of its depositors while at the same time respecting the nature and the terms of its trusteeship. As the Québec Pension Board is by far the largest depositor of the Fund, it follows that investment policy is greatly influenced by the requirements of this depositor.

The most recent actuarial study of the Québec Pension Plan indicates that its accounting reserves, that is, the funds entrusted to the Québec Deposit and Investment Fund, will move through three distinct phases in the years to come. The first phase is that during which the income derived from the investment of the reserves is fully reinvested in addition to the surplus of contributions: this is the present phase. The second phase will start when benefits paid by the Pension Plan exceed contributions; an increasing portion of the earnings on investments will then be required each year to meet this shortfall, resulting in a reduction in the rate of growth

of the reserves held by the Fund. Lastly, the final phase will be reached when income from investments will be insufficient to make up the difference between contributions and benefit payments. During this phase, an increasing portion of the reserves themselves will be drawn upon each year. This is the phase during which the capital of the Fund will decline.

These facts are of particular significance for the Fund when it is realized that the period of liquidation will begin, at the earliest in 18 years, and at the latest in 28 years. A still more surprising fact revealed by the actuarial forecast is that, regardless of the actuarial assumptions used, it will take only seven years to completely liquidate the reserves of the Québec Pension Plan entrusted to the Fund. It is therefore important that the Fund set up a calendar or schedule of maturities which will match withdrawals by the Pension Board. Even though such a calendar is somewhat indeterminate at this stage, it already imposes certain restraints on the Québec Deposit and Investment Fund.

The prospect of eventual exhaustion of the reserves of the Pension Plan arises from the fact that the Plan is only partially funded. The Fund has always been conscious of this fact and, in its investment policy, has endeavored to build up for the Québec Pension Plan a reserve that proportionately will be at least equal to that of the Canada Pension Plan in view of the "portability" feature of the two plans.

The present preference of the Fund for long-term investments arises from the fact that substantial withdrawals are not expected before 1990. As this date approaches, the Fund will prefer progressively shorter maturities. Eventually, in the years following 1990, the Fund will relinquish its investment role and proceed to liquidate systematically its assets to meet the financial needs of the Pension Plan. Should changes be introduced in the Pension Plan whose effect would be to match benefits and contributions more closely, then the developments forecast above would be deferred to a later date.

Market conditions and the economic situation called for little change in investment policy during 1971. As in previous years, the percentage of assets invested in the public sector was reduced in favor of that in the private sector.

### Bonds

During its sixth year, the Fund invested a net amount of \$267.7 million in long-term bonds, thus increasing the total bond portfolio to \$1,272.6 million at the year-end, the average yield rising from 7.95% to 8.03% during the year.

The Fund again supported the issues of the Québec Government and Hydro-Québec in the Canadian market. The Fund's acquisitions of these issues during 1971 amounted to \$171 million of which \$130 million were purchased in the new issue market. In April the Fund negotiated a private issue of \$50 million with Hydro-Québec and in October a further \$50 million with the Government of Québec. At the close of the year, the Fund's holdings of Québec Government and Hydro-Québec bonds totalled \$882.9 million on which the average yield was 8.02% compared with 7.97% the previous year.

Some \$10.6 million were invested in bonds issued by hospitals, universities and CEGEPs and secured by government subsidies; the portfolio of this category of bonds reached \$38.7 million at the close of the year, showing a yield of 8.47% compared with 8.56% the preceding year. As in 1970, municipal and school bond issues were largely of short- and medium-term and generally not suitable outlets for long-term investors such as the Fund. A decline in the total of long-term financing coming to the market in a period when inventories were low limited the activities in this type of bonds. The Fund thus purchased only

\$8.1 million of municipal and school bonds during the year, which increased its holdings in this category to \$106.8 million; the yield was 8.25% at the close compared to 8.27% the previous year.

The Fund had closed 1970 with holdings of \$73.3 million in Canadian Government bonds. The favorable market which existed from time to time during 1971 made it possible to sell at a profit some \$15 million of these long-term bonds which the Fund regards as a secondary reserve after its short-term holdings. The reinvestment of the proceeds of these sales allowed the Fund to purchase additional amounts of corporate bonds and made it possible to participate more fully in the many corporate offerings during the year. The corporate bond portfolio doubled during the year, increasing from \$93.1 million to \$186.3 million while the yield reached 8.46% compared with 8.31% the previous year. The increased activity of the Fund in corporate bonds during 1971 made it possible to invest at very attractive yields and, at the same time, to support corporate issues and consequently economic activity in Québec.

The Fund closed the year with short-term holdings of \$29.4 million compared with \$28.6 million at 31st December 1970.

### Stocks

Compared with the sharp break in 1970, the behavior of the stock markets in 1971 was less spectacular. Starting the year

from the level of 838.92, the Dow-Jones Industrial average climbed steadily to a high of 950.82 at the end of April; it then declined to 797.98 in November after a brief rally in August. Subsequently, during the last five weeks of the year, this index regained some 90 points to close the year on a strong note at 890.20.

The Fund took advantage of favorable markets to increase its stock portfolio which rose from \$212.4 million to \$280.9 million during the year, an increase of \$68.5 million compared with \$55.8 million the previous year. In particular, the percentage of funds invested in heavy industry and in mines and metals increased while the percentage in consumer industries, financial institutions and public utilities tended to decline slightly.

At the end of 1971, the stock portfolio represented 17.1% of the value of long-term investments of the Fund compared with 16.6% a year earlier.

During 1971 the excess of market value over book value of the stock portfolio increased by \$30.6 million or 12.39% of its average book value. This compares favorably with the movements of the composite index of the Montreal Stock Exchange, the Toronto Stock Exchange industrial index and the Dow-Jones Industrial average which rose respectively by 7.12%, 4.12% and 6.11%. This measure of performance of the stock portfolio of the Fund does not include dividends amounting to \$7,952,668 received during the year which represent a return of

3.22% on the average book value of the portfolio.

### **Real Estate and Mortgages**

Allowance made for the usual time lag of a few weeks, mortgage interest rates followed the same pattern as long-term bond rates during 1971. On the average, mortgage interest rates were about 1% lower than during the previous year. This favorable factor, however, did not seem to encourage appreciably loan applications for rental housing in the private sector.

The drop in interest rates, particularly during the first six months, generated very little additional activity since most contractors were hoping for still lower rates. It must be recognized, however, that the climate of uncertainty which prevailed during the whole year regarding the ultimate incidence of tax reforms on real property caused many investment decisions to be postponed. It is also necessary to emphasize that the growing weight of the total tax load on property owners has depressed the profitability of real estate investments to the extent that many developers have been driven from the field.

In spite of these conditions, the Fund was able to invest in an acceptable number of property development projects compatible with its standards. During 1971, the real estate and mortgage portfolios increased by some \$28.6 million, bringing the total to \$88,117,096 at year's end; the return on these portfolios was 9.40% compared with

9.95% the preceding year. Commitments in this field totalled about \$37.9 million at year-end which was an increase of \$7.1 million over commitments a year ago. The foregoing figures take no account of property financed by bond issues of which \$7,340,000 were on the books at the year-end with additional commitments for \$32.2 million.

#### **Earnings and return to depositors**

In terms of a rate of return on the average balance of deposits during the financial year, the gross return on investment rose from 7.083% in 1970 to 7.173% in 1971 while the net return reached 7.093% compared with 6.997% the preceding year.

The average yield on long-term bonds purchased during the year was slightly higher than the yield on bonds already held in the portfolio; this increase offset the decline in the return on mortgage loans granted during 1971 and the drop in average dividend earnings during the period. Thus the average indicated yield on the combined portfolios of long-term investments was 7.272% at year-end compared with 7.270% a year earlier.

The rise of the markets towards the end of the year substantially increased the market value of both the stock and bond portfolios. Market value of investments exceeded book values by \$16 million at the close of the year compared with a shortfall of \$62.3 million the preceding year.

The average balance of demand deposits was \$43,027,467 in 1971; interest in the

amount of \$1,708,336 was paid on these deposits at a rate which varied between 3.34% and 5.22% and which averaged 3.97%. The decline from 6.32% the preceding year is a measure of the drop in money market rates. Interest in the amount of \$348,005 was paid on term deposits, the average balance of which was \$8,257,534 and represented an average rate of 4.21%. The average balance of notice deposits was \$1,441,495,833; the income distributed totalled \$103,825,404, a return of 7.20% on these deposits compared with 7.02% in 1970. The average return paid by the Fund on all deposits was thus 7.093% in 1971 compared with 6.997% the preceding year.

#### **Supplemental pension plans**

In the course of the year, the Lieutenant-Governor in Council granted the request of the administrator of the Supplemental Pension Plan of the Université du Québec for approval to delegate to the Fund his functions as administrator of the assets of the Plan.

The deposits of the supplemental pension plans other than demand and term deposits are invested in segregated portfolios. The administrators of the supplemental plans determine the proportions of these deposits that shall be invested in each of the segregated portfolios in bonds, in stocks or in real estate and mortgages. The price of the units of participation in each of the segregated portfolios varies according to the results achieved. Thus the value of the unit of participation in the

segregated bond portfolio which stood at \$1,092.27 at 31st December 1970 increased to \$1,223.83 at 31st December 1971; in the same period the unit of participation in the segregated stock portfolio increased from \$1,029.52 to \$1,085.75, while the unit of participation in the segregated mortgage portfolio rose from \$1,013.42 to \$1,062.48.

At the close of the year, the book value of the segregated portfolios was \$27,863,611 and was distributed as follows: bond portfolio \$9,255,469, stock portfolio \$7,392,730 and real estate and mortgage portfolio \$11,215,412. Demand or term deposits of these plans amounted at the same date to \$3,943,674; the greater part of these amounts were to be used for the purchase of units of participation in the segregated portfolios on the first day of business of the following financial period.

Finally, the book value of those portfolios of supplemental pension plans which are under management by the Fund was \$50,232,994 at the close of the financial year compared with \$54,091,342 the preceding year.

The segregated portfolios and portfolios under management must by statute be kept separate from the assets of the Fund. The assets of these portfolios are therefore not included in the financial statements of the Fund but are the subject of a report to the administrators of the supplemental pension plans each year.

### **The Board of Directors**

Early in 1972, Mr. Pierre Goyette succeeded Mr. Marcel Cazavan as Deputy Minister of Finance of the Government of Québec and ex officio replaces him as associate member of the Board of Directors.

The Board of Directors expresses its thanks to Mr. Marcel Cazavan for his effective participation in the deliberations of the Board and for the invaluable assistance he brought to the management of the Fund since its inception.

### **Staff**

Recognizing that without the valuable co-operation of the officers and staff of the Québec Deposit and Investment Fund the results of the financial year could not have been achieved, the Board extends its sincere appreciation to all personnel and its thanks for their dedication.

On behalf of the Board of Directors,  
Chairman.

A handwritten signature in black ink, appearing to read "Claude Géreux". It is written in a cursive style with a large, flowing "C" at the beginning.

Québec City, March 3, 1972





# Financial Statements



# Balance sheet

As at December 31, 1971

## Assets

	1971	1970
<b>Portfolio (Note 1)</b>		
Bonds	<b>\$ 1 272 600 570</b>	\$ 1 004 931 224
Preferred shares	9 705 455	8 717 045
Common shares	271 183 060	203 703 980
Mortgages	67 233 165	44 737 522
Real estate	20 883 931	14 814 092
Short-term investments	29 362 823	28 646 778
	<b>\$ 1 670 969 004</b>	<b>\$ 1 305 550 641</b>
<b>Current assets</b>		
Cash on hand and in bank	\$ 175 400	\$ 81 717
Accrued interests	26 202 520	19 499 750
Dividends receivable	168 962	127 699
Accounts receivable	72 394	372 474
	<b>\$ 26 619 276</b>	<b>\$ 20 081 640</b>
<b>Other assets</b>		
Fixed assets (less depreciation)	\$ 207 358	\$ 204 557
Guarantee deposits and prepaid expenses	10 860	16 806
	<b>\$ 218 218</b>	<b>\$ 221 363</b>
	<b>\$ 1 697 806 498</b>	<b>\$ 1 325 853 644</b>

Note 1 Short-term investments, shares and land are at cost while other investments are at amortized values.

Note 2 Sums to be transferred to notice deposit accounts on the first day of the following year, according to depositors' instructions.

On behalf of the Board of Directors  
 Claude Prieur  
 Gill Fortier

<b>Liabilities</b>	<b>1971</b>	<b>1970</b>
<b>Current liabilities</b>		
Accounts payable	\$ 158 743	\$ 353 212
Commitment guarantees	415 075	72 230
Demand deposits	15 515 026	8 999 165
Accrued interest on demand deposits	5 400	18 023
Term deposits	6 000 000	—
Accrued interest on term deposits	77 507	—
	<b>\$ 22 171 751</b>	<b>\$ 9 442 630</b>
<b>Amounts to be transferred to Notice deposits (Note 2)</b>		
Demand deposits	\$ 42 600 000	\$ 41 020 000
Accrued interest on demand deposits	210 894	258 858
Interest payable on notice deposits	29 182 187	22 486 872
	<b>\$ 71 993 081</b>	<b>\$ 63 765 730</b>
<b>Notice deposits</b>		
Depositor's accounts	\$ 1 583 969 897	\$ 1 245 224 399
Profit on sale of investments	19 671 769	7 420 885
	<b>\$ 1 603 641 666</b>	<b>\$ 1 252 645 284</b>
	<b>\$ 1 697 806 498</b>	<b>\$ 1 325 853 644</b>

#### **Auditor's Report**

In accordance with Section 43 of the Québec Deposit and Investment Fund's act, I have examined the balance sheet of the Fund as at December 31, 1971 and the related statement of income and expenditure for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary.

In my opinion, the investments and the operations of the Fund were made in compliance with the act; the accompanying balance sheet and statement of income and expenditure present fairly the financial position of the Québec Deposit and Investment Fund as at December 31, 1971 and the results of its

operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Gérard Larose, C.A.  
Auditor General  
Québec City, March 3, 1972

# Statement of income and expenditure

for the year ended December 31, 1971

<b>Income</b>	<b>1971</b>	<b>1970</b>
Interest on bonds	\$ 89 469 728	\$ 67 447 647
Dividends	7 952 668	6 288 839
Interest on mortgages	5 035 418	3 151 192
Real estate revenue	1 380 367	697 407
Net interest on short-term investments	3 211 971	3 353 834
Sundry	23 296	37 074
	\$ 107 073 448	\$ 80 975 993
<b>Expenditure</b>		
Directors' fees and expenses	\$ 5 807	\$ 7 999
Salaries and benefits	800 818	639 494
Travelling expenses	38 579	42 955
Legal and professional fees	25 455	18 399
Rent	132 982	103 205
Bank charges	60 035	47 983
Office equipment rental	34 616	21 718
Electricity, telephone and insurance	34 414	29 620
Financial publications and services	11 402	11 306
Stationery and printing	28 219	22 626
Personnel advancement and studies	10 537	6 656
Other expenses	22 345	11 496
Depreciation	47 264	40 513
Less: Reimbursements*	(60 770)	(18 000)
	\$ 1 191 703	\$ 985 970
<b>Net operating income</b>	<b>\$ 105 881 745</b>	<b>\$ 79 990 023</b>
Less: Interest on demand and term deposits	\$ 2 056 341	\$ 2 093 583
<b>Net income</b>	<b>\$ 103 825 404</b>	<b>\$ 77 896 440</b>

\*Administrative costs charged to supplemental pension plans

**Distribution of net operating income  
and amounts allocated during the year**

	Interest on		
	Demand and Term Deposits	Notice Deposits	Total
Balance of interest payable for previous year	\$ 276 881	\$ 22 486 872	\$ 22 763 753
Net operating income for the year	2 056 341	103 825 404	105 881 745
	\$ 2 333 222	\$ 126 312 276	\$ 128 645 498
Interest paid during 1970	2 039 421	97 130 089	99 169 510
Balance of interest payable on January 1, 1972	\$ 293 801	\$ 29 182 187	\$ 29 475 988

**Deposit accounts –  
Summary of transactions**

	Demand and Term Deposits	Notice Deposits	Total
Balance at beginning of year	\$ 50 019 165	\$ 1 245 224 399	\$ 1 295 243 564
1971: Deposits	253 671 849	—	253 671 849
Transfers	(241 615 409)	241 615 409	—
Interest paid	2 039 421	97 130 089	99 169 510
Balance at end of year	\$ 64 115 026	\$ 1 583 969 897	\$ 1 648 084 923

## Statistical information

### **Yield on deposits**

	Amount	Yield equivalence on average deposits*
Gross income	\$ 107 073 448	7.173%
Expenditures	1 191 703	0.080%
Net Operating Income	\$ 105 881 745	7.093%

\*Average balance of deposits amounted to \$ 1 492 780 834

### **Average interest rate paid on deposits**

	Average Deposits	Interest paid or due	Average yield
Demand Deposits	\$ 43 027 467	\$ 1 708 336	3.970%
Term Deposits	8 257 534	348 005	4.214%
Notice Deposits	1 441 495 833	103 825 404	7.203%
Total	\$ 1 492 780 834	\$ 105 881 745	7.093%

**Portfolio Distribution  
as at December 31, 1971**

Short term investments	1.76%	Short term investments	1.76%
		Corporate bonds	11.15%
		Shares	16.81%
Private sector	33.24%	Real estate	1.25%
		Mortgages	4.02%
		Government of Canada	3.46%
		Government of Quebec and guarantees	52.84%
		Bonds guaranteed by provincial grants	2.32%
Public sector	65.00%	Municipalities and school boards	6.39%

**Portfolio Summary as at December 31, 1971**

% Book Value		Nominal Value
<b>76.16%</b>	<b>Bonds</b>	
	Government of Canada	\$ 60 320 000
	Government of Québec and Guarantees	912 461 000
	Guaranteed by Provincial Grants	40 157 000
	Municipal and School	113 058 000
	Corporate	188 006 000
		<b>\$ 1 314 002 000</b>
<b>16.81%</b>	<b>Stock</b>	
	Public Utilities	
	Banks and Financial	
	Consumer Goods and Services	
	Heavy and Secondary Industries	
	Oil and Gas	
	Mines and Metals	
	Forest Products	
<b>4.02%</b>	<b>Mortgages</b>	
<b>1.25%</b>	<b>Real Estate</b>	
<b>1.76%</b>	<b>Short-Term Investments</b>	
<b>100.00%</b>	<b>Total Portfolio</b>	

**Note** At December 31, 1971, the net cumulative profit on sales of securities was \$19 671 769.

Book Value	Percentage	Weighted Average Yield	Market Value
\$ 57 854 560	4.55%	6.13%	\$ 57 512 525
882 922 734	69.38%	8.02%	884 738 992
38 690 447	3.04%	8.47%	39 484 238
106 784 419	8.39%	8.25%	106 977 074
186 348 410	14.64%	8.46%	186 597 887
<b>\$ 1 272 600 570</b>	<b>100.00%</b>	<b>8.03%</b>	<b>\$ 1 275 310 716</b>
\$ 52 963 096	18.86%	3.99%	\$ 55 742 725
45 015 008	16.03%	4.93%	61 639 600
41 075 797	14.62%	2.71%	43 569 992
59 323 032	21.12%	3.21%	54 749 736
34 637 497	12.33%	1.43%	40 247 603
32 706 482	11.64%	3.35%	28 012 816
15 167 603	5.40%	1.74%	10 228 345
<b>\$ 280 888 515</b>	<b>100.00%</b>	<b>3.15%</b>	<b>\$ 294 190 817</b>
\$ 67 233 165	76.30%	9.40%	\$ 67 233 165
20 883 931	23.70%	8.19%	20 883 931
<b>\$ 88 117 096</b>	<b>100.00%</b>	<b>9.11%</b>	<b>\$ 88 117 096</b>
\$ 29 362 823		5.35%	\$ 29 362 823
<b>\$ 1 670 969 004</b>			<b>\$ 1 686 981 452</b>

G+A

**Statement of Immovables Held as at December 31,  
1971 and rented under long-term leases**

Towns and Cities	Land and Buildings	Cost	Amortized Value
Boucherville	Lot (48-10) Parish of St. Famille of Boucherville	\$ 250 000	\$ 241 069
Dorval	Lots (87 and 88) Parish of Pointe Claire	725 000	711 265
Laval	Lot (616-3) Parish of St. Martin	900 000	851 214
Laval	Lots (616-7, 617-3) Parish of St. Martin	892 710	874 112
Baie d'Urfé	Lots (327-1, part 58-1 and part 343) Parish of St. Anne	831 813	818 905
Pointe Claire	Lot (130-17) Parish of Pointe Claire	580 000	563 894
Pointe Claire	Lots (116-7, 117-6) Parish of Pointe Claire	1 300 000	1 267 589
St. Foy	Lots (86-51, 87-122, 91-48) Parish of St. Foy	653 000	634 010
St. Laurent	Lots (477-3, 475-413) Parish of St. Laurent	1 400 000	1 372 975
Town of Mount Royal	Lot (577-4) Parish of St. Laurent	1 844 000	1 844 000
		\$ 9 376 523	\$ 9 179 033

**Land**

Alma	Lots (36-B-1, 37-1 range 4) District Labarre	\$ 300 000	\$ 300 000
Baie Comeau	Lots (9-240,241) Town of Laflèche, Saguenay	40 000	40 000
Cap de la Madeleine	Lots (552-5, 6, 7, 553-4, 5, 6, 554-21, 22) City of Cap de la Madeleine	200 000	200 000
Côte St. Luc	Lot (101-141) Municipality of the Parish of Montreal	80 000	80 000
Dollard des Ormeaux	Lots (242-271 and 277) Parish of St. Geneviève	36 500	36 500
Dollard des Ormeaux	Lot (244-145) Parish of St. Geneviève	53 000	53 000
Hull	Lots (345, 346, 355) Subdivision five	150 000	150 000
Hull	Lots (244-626, 244-363, 364, 365, 366, 244-408, 409, 410, 244 part 595) Subdivision one	560 000	560 000
LaSalle	Lot (995-3519) Parish of Lachine	55 000	55 000
Laval	Lots (654-20 to 654-23 and part 654-57) Parish of St. Martin, Laval	84 000	84 000

Towns and Cities	Land	Cost	Amortized Value
Longueuil	Lot (parts 68-69) Parish of St. Antoine	\$ 500 000	\$ 500 000
Montreal	Lots (425-191 and 6) Parish of Sault-au-Récollet	70 000	70 000
Montreal	Lots (182-1 and 2) District of St. Laurent	250 000	250 000
Montreal	Lots (10-274A to 277A, 275 to 277, part 278, part 287, 291 and 294, 291A to 293A, and part 294A) of Incorporated Village of Côte St. Louis	230 000	230 000
Montreal	Lot (366-16) Parish of St. Laurent	125 000	125 000
Montreal	Lot (335A-7-1) Parish of Longue Pointe	560 000	560 000
Montreal	Lots (163 part S.E. 130, 163 part S.E. 133, 163-226, 163-227, 163-366) of Incorporated Village of Côte des Neiges	297 000	297 000
Montreal	Lots (1275 to 1279) Parish of St. Antoine	600 000	600 000
Montreal	Lots (1286 to 1290, (-1-6) 1297A, 1297B, 1297B-1, 1297C, 1297D, 1901) Parish of St. Antoine	1 275 000	1 275 000
Montreal	Lot (1259) District of St. Jacques	335 000	335 000
Montreal North	Lot (13-85) Parish of Sault au Récollet	60 000	60 000
Montreal North	Lots (14-113, 14-3-111) Parish of Sault au Récollet	70 000	70 000
Montreal North	Lot (13-94) Parish of Sault-au-Récollet	60 000	60 000
Québec	Lots (509-1058-2, 509-1085, 1104 and 1105) Parish of St. Roch North	32 000	32 000
Québec	Lots (509-1092, 1106, 1107) Parish of St. Roch North	26 000	26 000
Québec	Lot (part 417-4) Parish of St. Roch North	66 680	66 680
Québec	Lots (227 N.S., 227-379, 380, 381, 227-382, 227-361-3) Parish of St. Colomb of Sillery	3 291 235	3 291 235
Québec	Lots (585-46, 585-54-3, 585-54-7, 585-54-4, 585-49-2, 585-49-1, 585-53-4-4) Parish of St. Roch North	85 000	85 000

Towns and Cities	Land	Cost	Amortized Value
Québec	Lot (part 47) Parish of Québec, Suburb	\$ 275 000	\$ 275 000
Rimouski	Lot (548-56-101) Parish of St. Germain	163 000	163 000
Rivière du Loup	Lots (202-255, 246, 247, 248, 239-240) Town of Fraserville	155 000	155 000
St. Foy	Lot (61-55) Parish of St. Foy	100 000	100 000
St. Foy	Lots (63-11, 69-12) Parish of St. Foy	37 000	37 000
St. Foy	Lots (403-540) Parish of St. Foy	40 000	40 000
St. Foy	Lots (283-8-2, 283-8-2-1, 283-13, 283-12) Parish of St. Foy	168 000	168 000
St. Foy	Lot (110-1) Parish of St. Foy	78 029	78 029
St. Foy	Lots (214-258, 259, 260) Parish of St. Foy	73 790	73 790
St. Lambert	Lots (271-538-1 and 2) Parish of St. Antoine of Longueuil	29 280	29 280
St. Lambert	Lots (271-537-1, 271-538-5) Parish of St. Antoine of Longueuil	29 280	29 280
St. Lambert	Lots (271-538-3, 4) Parish of St. Antoine of Longueuil	29 280	29 280
St. Lambert	Lots (271-537-2, 537-3, 538-6, 538-7, 538-8) Parish of St. Antoine of Longueuil	65 500	65 500
St. Laurent	Lots (Part 555 and part 557) Parish of St. Laurent	412 324	412 324
Sept Iles	Lots (16-1-38 and 16-1-39 and part N.S. 2660) Range 2, Village of Sept Iles, District of Letellier	280 000	280 000
Sept Iles	Lot (497 part 2) range 2, Village of Sept Iles, District of Letellier	71 500	71 500
Sept Iles	Lots (1842-1, 1493-1) range 2, Village of Sept Iles, District of Letellier	31 500	31 500
Val d'Or	Lots (58-B-4 to -12, -16, -17, -19 to -27 and -34) range 8, District of Dubuisson, County of Abitibi	175 000	175 000
		\$ 11 704 898	\$ 11 704 898
		\$ 21 081 421	\$ 20 883 931

