

1996  
**Operations Report**

CAISSE  
DE DÉPÔT  
ET PLACEMENT  
DU QUÉBEC

# 1996 OPERATIONS REPORT

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## FINANCIAL REVIEW AND TOTAL RETURN

	1996	1995	1994	1993	1992
	(in millions of dollars)				
<b>NET ASSETS</b>					
Investments at cost					
Bonds	23,653	22,661	21,948	20,689	19,200
Shares and convertible securities	19,742	16,127	15,504	14,179	14,286
Mortgages	1,487	1,642	1,874	1,847	1,966
Real estate holdings	4,375	3,424	2,412	2,094	1,823
Short-term investments	2,075	3,067	1,796	2,778	1,984
Securities acquired under reverse repurchase agreements	1,324	62	-	-	-
<b>Total investments</b>	<b>52,656</b>	<b>46,983</b>	<b>43,534</b>	<b>41,587</b>	<b>39,259</b>
Other assets and liabilities	(2,905)	(657)	333	560	286
<b>Total net assets at cost</b>	<b>49,751</b>	<b>46,326</b>	<b>43,867</b>	<b>42,147</b>	<b>39,545</b>
Excess fair value over cost of investments	7,463	4,859	993	4,970	1,762
<b>Total net assets at fair value</b>	<b>57,214</b>	<b>51,185</b>	<b>44,860</b>	<b>47,117</b>	<b>41,307</b>
<b>DEPOSITORS' HOLDINGS</b>					
Commission administrative des régimes de retraite et d'assurances - RREGOP	23,137	19,502	16,046	15,917	12,895
Régie des rentes du Québec	15,660	15,361	14,409	16,401	15,201
Société de l'assurance automobile du Québec	5,543	4,974	4,692	5,710	5,328
Commission de la santé et de la sécurité du travail	5,705	4,962	4,219	4,315	3,835
Commission de la construction du Québec	5,568	4,943	4,264	4,360	3,753
Fonds d'amortissement des régimes de retraite gouvernementaux	1,088	939	803	-	-
Other depositors	513	504	427	414	295
<b>Total depositors' holdings</b>	<b>57,214</b>	<b>51,185</b>	<b>44,860</b>	<b>47,117</b>	<b>41,307</b>
<b>NET DEPOSITORS' INCOME</b>					
Net income from investments	2,819	2,867	2,717	2,631	2,693
Accumulated gains and losses on the sale of investments	2,213	1,212	166	1,358	576
Accumulated net income	5,032	4,079	2,883	3,989	3,269
Accumulated unrealized increase (decrease) in value	2,604	3,863	(3,975)	3,661	(1,603)
<b>Total net depositors' income</b>	<b>7,636</b>	<b>7,942</b>	<b>(1,092)</b>	<b>7,650</b>	<b>1,666</b>
Net depositors' withdrawals	1,607	1,617	1,165	1,840	1,412

Figures prior to 1995 have not been restated to conform with the presentation of 1996.

	1996	1992-1996 (5 years)	1987-1996 (10 years)
Total return	15.6	10.8	10.2
Current return	11.9	9.0	9.5

*fair value - in percentage*

*Total return is calculated using the time-weighted method.*

*Current return is calculated at cost.*

## PROFILE

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A portfolio manager, the Caisse de dépôt et placement du Québec invests the funds entrusted to it by Québec public pension and insurance plans and various public bodies. Since its creation by a special Act of the National Assembly in 1965, the Caisse has had the objective of achieving optimal financial returns and contributing by its activities to the vitality of the Québec economy, while ensuring the safety of the capital under management.

A team of professionals makes an astute selection of investments and actively manages the Caisse portfolio. In doing so, managers use the best financial vehicles available: bonds, shares and convertible securities, mortgages, real estate and short-term investments, and derivative products. Active on all major financial markets, the Caisse is also the leading provider of risk capital in Québec and in Canada for private investments.

The Caisse is also the leading investor in the Canadian stock market and is an important portfolio manager in North America. Operations are worldwide: the Americas, Europe and Asia. Its principal place of business is in Montréal, a major financial centre, while its Québec regional network Accès Capital has over 10 offices across Québec. The Caisse also shares representative offices in various countries.

## **MESSAGE FROM THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER**

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In 1996, thanks to its investment management teams, the Caisse de dépôt et placement du Québec achieved an overall return of 15.6%, bringing the average annual return for the last two years to 16.9%, the five-year return to 10.8% and the 10-year return to 10.2%.

Income and added value totalled \$15.5 billion for the last two years, \$7.6 billion of which was generated in 1996. Assets rose from \$44.9 billion at year-end 1994 to \$51.2 billion at the end of 1995 and \$57.2 billion at the end of 1996. Withdrawals by depositors were \$1.6 billion in both 1995 and 1996.

The 1996 Caisse results were very much in line with its long-term asset mix objectives. Bonds and other fixed-income instruments remain the largest asset class, while equities continue at the 40% legal limit, lower than most major pension funds and the real estate and mortgage sector represents 8 to 10% of assets.

Overall, this asset mix has proven to be profitable for the domestic market over the last 15 years. In 1996, however, North American stock markets outperformed bond markets by a wide margin, with investor demand pushing up the value of the Canadian equities market by approximately 28% for the year.

On its Québec and Canadian equities, which account for approximately 25% of the portfolio, the Caisse came close to matching the return for the domestic equities market, with one of the lowest portfolio risk levels in recent years. In other words, the Caisse adopted a cautious approach in 1996 in both the domestic and U.S. markets. However, it resisted the temptation – and was proven right – to liquidate its U.S. equity positions, which might have been a justifiable response to the extraordinarily high returns in this market in 1995. Overall, the performance of the foreign equity portfolio exceeded the objectives set.

For their part, real estate investments finally seemed to have emerged from their long slump, with a 1996 return comparable to bond yields. In future years, the Caisse expects real estate investments to make a useful and positive contribution to its returns as a stabilizing force, which is the role they were originally intended to play.

The managers responsible for fixed-income securities, in other words the management of interest rate risk, obtained an excellent performance from their portfolio, once again demonstrating a remarkably high level of expertise.

The Private Investments Group also turned in noteworthy results. The five subsidiaries formed in 1995 were given the task of executing a \$1.3 billion investment programme in 1996 and 1997. In 1996 alone, they succeeded in carrying out 80% of the programme with investments of \$1.040 billion, generating a 31.5% return on their total portfolio of domestic equities and 20% on foreign securities.

The management and Board of Directors of the Caisse believe such private investments offer long-term potential that, with the added value in the form of talent, expertise, information and networks, may surpass performance on markets that are increasingly efficient. They also offer opportunities for making a positive impact on the Québec economy, employment and businesses in Québec. Private investments will therefore continue to grow as a proportion of the total portfolio.

In spite of rapid changes in the world of finance, the Caisse remains committed to its original mission: obtaining the best possible financial returns continues to be its fundamental purpose. The second important aspect of its mission, obtaining economic returns, or in other words, securing collateral economic benefits, calls for close and informed partnerships with results-oriented Québec businesses of all sizes and in all sectors and with all participants in Québec's financial and economic life.

The Caisse intends to promote the expansion of high-potential sectors such as technological innovation, communications, telecommunications and biotechnology, without neglecting successful businesses in more traditional sectors, which continue to play an important role both in the economy and in its portfolios. Small, mid-size and large businesses interested in capturing foreign markets are the object of special attention.

It was for this reason that in 1996 the Caisse, in conjunction with other partners, set up *Infradev International*, a company specializing in infrastructure project financing.

The Caisse also offers financial backing for foreign companies seeking to establish themselves in Québec and supports Québec-based companies in their efforts to expand into foreign markets. The institution worked harder than ever at fostering entrepreneurship and stimulating the creation of new businesses to strengthen the industrial and commercial fabric of its milieu.

In 1996, for example, the Caisse went straight to the heart of local economies by setting up *Accès Capital*, a business investment network that will operate in every region of Québec and deliver the full range of financial products as well as the expertise of the Caisse and its partners. A programme for loans of less than \$250,000 was also introduced to support business startups. *Sodémex*, an investment company specializing in capital for small mining exploration companies, was formed during the year. Parallel to its activities at home, the Caisse continued its expansion abroad to provide services and business opportunities to its partners and thereby enhance the return on its portfolios.

To assure its economic vitality and favourable conditions for business, Montréal, as the engine of economic activity in Québec, must be able to rely on a dynamic and vigorous financial industry. Montréal's strength, effectiveness and success as a financial centre depend on the commitment, determination and involvement of all participants. The presence of strong and efficient local institutions is central to this strategy for increasing financial activity and creating quality employment. The Caisse is resolved to support local institutions by continuing, for instance, to trade on the Montréal Exchange and by actively participating in the derivatives market. Furthermore, it fosters business partnerships which target the same objectives.

In its never-ending pursuit of excellence, the Caisse counts on one of the best teams in the business, made up of creative, innovative specialists who are keenly aware of the stakes not only in their own sector of activity, but also in the world around them. Having a high-calibre team will remain vital to the institution so it can meet the many challenges ahead.

### **Expertise and information**

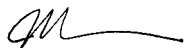
The economy has become increasingly global in scope and is driven by knowledge and know-how. In a knowledge-based economy, the strategic analysis of information is crucial, and it is this capacity which transforms the institution's partnerships and alliances into a genuine network. It also encourages a winning strategy. Success hinges on having intelligent, efficient, rapid and uninterrupted access to quality information, and the ability to act on it. This is one of the challenges facing our management teams in 1997 and the years leading up to the year 2000.

On behalf of the Board of Directors, I wish to express my thanks to all the personnel of the Caisse and its subsidiaries for their efforts and their drive to innovate, build and succeed, and of course, for the remarkable overall results they achieved in 1996. It is to them first and foremost that we owe our success.

The Board of Directors, for its part, carried out a review of each investment sector, its orientations and its management style. It also adopted the business plan of the Caisse as a whole and reviewed the business plan of the Real Estate Group, which integrated mortgage financing activities during the year, and adopted the business plan of the Private Investments Group.

The Committees of the Board - the Resources Committee, the Audit Committee, the Board of the Caisse Real Estate Group, as well as the Ethics and Corporate Governance Committee - were particularly active, and made a significant contribution to the institution and its operations.

I would be remiss if I did not thank the members of the Board for the invaluable assistance which they provide to the institution. I would especially like to express our appreciation to Ms. Denise Verreault, Mr. Alain Rhéaume and Mr. Pierre Shedleur, three members of the Board who stepped down during the year, and extend a sincere welcome to Mr. Gilles Godbout, who joined the Board in 1996.

A handwritten signature in black ink, appearing to be 'JCS', with a long horizontal flourish extending to the right.

Jean-Claude Scraire  
Chairman of the Board and  
Chief Executive Officer

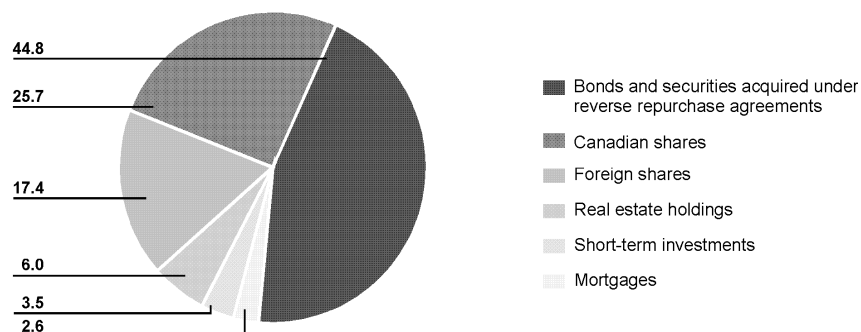


## INVESTMENTS AND RETURNS

The breakdown of investments at the end of 1996 reflected the long-term orientations of the total portfolio, which are to reduce the weighting in bonds, short-term investments and Canadian equities, and to increase that of foreign equities, including U.S. securities.

### 1 BREAKDOWN OF INVESTMENTS

as at 31 December 31, 1996  
fair value - in percentage



The yield on the Caisse bond portfolio stood at 12.7%, despite low interest rates, outperforming the comparable figure for that market's index.

Stock markets had an outstanding year in 1996. Return deriving from the various management styles applied to the Caisse Canadian equities portfolio reached 27.1%, while its U.S. equities portfolio posted 21.6%.

### 2 CAISSE RETURNS

in percentage

	1996	1992-1996 (5 years)	1987-1996 (10 years)
Bonds	12.7	11.1	11.3
Canadian shares	27.1	13.6	10.3
U.S. shares	21.6	-	-
Other foreign shares <sup>1</sup>	13.2	8.5	7.2
Mortgages	12.0	9.7	11.0
Specific real estate investments portfolio	12.2	(2.9)	2.4
Short-term investments	5.4	6.2	-
<b>TOTAL RETURN<sup>2</sup></b>	<b>15.6</b>	10.8	10.2
Current rate of return <sup>3</sup>	11.9	9.0	9.5

<sup>1</sup> Data prior to April 1994 includes U.S. shares.

<sup>2</sup> The total return includes results of tactical currency transactions, tactical and strategic investments, as well as cash management operations.

<sup>3</sup> The current rate of return is calculated at cost while the other rates of return are calculated at fair value using the time-weighted method.

### 3 FINANCIAL INDICES

*in percentage*

	1996	1992-1996 (5 years)	1987-1996 (10 years)
<b>BONDS</b>			
ScotiaMcLeod Universe	12.3	11.0	11.0
ScotiaMcLeod Medium-Term	12.7	11.1	11.1
Salomon Brothers Canada <sup>1</sup>	11.8	10.4	10.6
<b>CANADIAN EQUITIES</b>			
TSE 35	30.0	13.5	10.8
TSE 100	28.6	13.6	10.4
TSE 200	27.2	16.2	8.7
TSE 300	28.3	13.9	10.1
XXM - Montréal	32.8	13.4	10.6
MSCI - Canada <sup>2</sup>	29.9	13.3	10.1
LBG Québec small cap	34.0	-	-
<b>FOREIGN EQUITIES</b>			
S & P 500 <sup>2</sup>			
Hedged	21.7	16.2	16.8
Unhedged	23.5	19.1	15.2
MSCI - US <sup>2, 3</sup>	24.1	15.6	15.4
Dow Jones <sup>2, 3</sup>	28.7	18.3	16.5
NYSE <sup>2, 3, 4</sup>	19.1	11.3	11.0
Wilshire 5000 <sup>2, 3</sup>	18.8	12.2	11.4
MSCI - EAFE + EMF <sup>5</sup>	11.4	8.5	7.8
MSCI - EAFE	11.6	8.0	6.1
Hedged	12.5	8.9	10.1
Unhedged	6.6	11.9	8.4
Financial Times World, excluding U.S. <sup>2, 3</sup>	9.8	5.5	4.2
CAC 40 - France <sup>2, 3, 4, 6</sup>	23.7	5.6	8.5
DAX - Germany <sup>2, 3, 4</sup>	28.2	12.9	7.3
FT-SE 100 - United Kingdom <sup>2, 3, 4</sup>	11.6	10.6	9.4
NIKKEI 225 - Japan <sup>2, 3, 4</sup>	(2.6)	(3.4)	0.3
<b>REAL ESTATE SECTOR</b>			
<b>Mortgages</b>			
ScotiaMcLeod - residential mortgages (1 year) <sup>7</sup>	8.3	7.2	9.2
ScotiaMcLeod - residential mortgages (3 years) <sup>7</sup>	12.5	9.6	10.8
<b>Real estate investments</b>			
MLH+A <sup>8</sup>	8.2	(4.0)	2.9
<b>SHORT-TERM INVESTMENTS</b>			
ScotiaMcLeod - Canadian Treasury bills (91 days)	5.0	6.1	8.4

<sup>1</sup> Remaining maturities of at least one year.

<sup>2</sup> Without withholding taxes for foreigners not benefiting from any double taxation treaty.

<sup>3</sup> Local currencies.

<sup>4</sup> Price index.

<sup>5</sup> Data prior to January 1991 does not include hedging against foreign exchange risk. The MSCI-World index is used for periods prior to April 1994, and the MSCI-EAFE is used for the period from April 1994 to December 1995.

<sup>6</sup> Includes the MSCI - France index return for the first six months of 1987.

<sup>7</sup> Does not account for non-performing loans or foreclosures.

<sup>8</sup> Prior to 1993, the reference index was the Frank Russell Canada.

The foreign equity portfolio offered a 13.2% return, more than 180 basis points higher than the hedged MSCI - EAFE + EMF index.

Equity investments performed very well. The private investments in Canadian equities produced a remarkable result of 31.5%. The 20% return on private investments in foreign equities outperformed the hedged MSCI - EAFE + EMF index by 860 basis points.

The Caisse's real estate portfolio reported a 12.2% return, still a good performance given the gloom prevailing in this sector for several years, and representing 400 basis points more than the MLH+A real estate index at 8.2%.

Apart from short-term investments, all asset classes obtained returns over 11%, an impressive showing in a low interest rate context.

The overall return stood at 15.6%, a very satisfactory result in the context of an inflation rate of 2%. The year 1996 has therefore been very profitable to Caisse depositors, with real return the fifth highest in its history.

Selection of securities in the different asset classes again proved to be a winning factor in 1996, since wise picks improved Caisse earnings by over \$54 million.

The holdings of Caisse depositors had an aggregate fair value of \$57.2 billion at year-end.

## OPERATIONS - CORE PORTFOLIOS

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### Bond and money market investments

*Team of 28 specialists*

*Total portfolio value: \$27.9 billion, a 2.1% increase over 1995*

### Bonds

*Bond portfolio of \$25.8 billion at fair value, 42.8% of the Caisse's total investments*

*Daily trading volume of \$438 million, 88% in Montréal*

*Record trading volume on Government of Canada bonds, all in Montréal*

*The Caisse profited from exceptional movements in Canada-U.S. yield spreads*

#### **4** SUMMARY OF BOND PORTFOLIO as at December 31, 1996 in millions of dollars

Securities	Fair value		Average nominal rate <sup>1</sup> (%)	Average maturity <sup>1</sup> (years)	Modified duration <sup>2</sup> (volatility)
	(\$)	(%)			
<b>Domestic</b>					
Government issued					
Gouvernement du Québec	10,633.5	41.21	8.53	7.81	4.88
Government of Canada	6,684.8	25.90	7.99	8.67	5.27
Other governments	14.7	0.06	8.06	7.13	5.42
Government guaranteed					
Gouvernement du Québec	5,436.3	21.06	7.39	12.57	6.83
Government of Canada	110.0	0.42	10.50	11.81	7.15
Guaranteed by grants, municipalities and school boards	2,021.6	7.83	10.77	6.65	4.51
Corporate and other	301.4	1.17	8.85	7.28	3.75
	25,202.3	97.65	8.30	9.04	5.37
<b>Foreign</b>					
U.S. Government	485.9	1.88	6.84	9.36	6.73
Other	122.4	0.47	8.89	21.46	11.51
	<b>25,810.6</b>	<b>100.00</b>	<b>8.28</b>	<b>9.11</b>	<b>5.43</b>

<sup>1</sup> weighted as per nominal value

<sup>2</sup> weighted as per fair value

## Markets

### EUROPE AND ASIA

Interest rates — the rate for 10-year securities rose in the United States and the United Kingdom and fell in France, Germany and Japan. The yield spread between the German and U.S. rates fell from 43 basis points in January to -66 in December. French rates caught up with German rates: the spread dropped from 67 to 6.

European Monetary Union — the convergence of high-yield countries - Italy, Spain and Sweden - is reflected in a significant reduction in yield spreads between these countries and Germany.

Emerging markets — high return.

### UNITED STATES

*The U.S. market posted the lowest return of all G-7 countries*

Interest rates — average increase of 75 basis points on the 2- to 30- year securities curve. The 30-year bond rate, the market's barometer index, rose from 5.97% in January to 6.64% in December. The rate for 2-year securities increased from 5.18% to 5.88%.

Inflation — inflation fears, revived by strong growth in a full employment economy, combined with an inflation rate under 3%, triggered sharp interest rate movements throughout the year.

### CANADA

*The Canadian market showed one of the best returns of the G-7 countries*

Interest rates — Canadian interest rates resisted U.S. rate fluctuations: rate reductions for securities of all terms.

Fiscal policy — deficit around 3% of GDP, one of the best performances in the G-7. Low economic growth combined with an inflation rate of 1.6%.

Bond rates — 2-year securities dropped from 5.86% to 4.08%. 30-year securities fell from 7.58% to 7.11%. The yield curve of 2- to 30-year securities rose by 131 basis points.

Canada-U.S. spreads — marked improvement over the entire curve. The 10-year securities spread dropped below the 130 basis point average of the past 10 years. The 5-year securities spread shrank by 187 points and that of the 30-year securities by 114 points.

### QUÉBEC

*The Québec market posted one of the highest returns*

*\$1.3 billion trading volume on the primary market and \$13.9 billion on the secondary market for Québec and Hydro-Québec securities*

Interest rates — sustained decline. 10-year term securities fell from 7.65% to 6.87%.

## 5 ACQUISITIONS OF NEW BONDS ISSUED BY THE GOUVERNEMENT DU QUÉBEC AND THE QUÉBEC PUBLIC SECTOR IN 1996

*par value - in millions of dollars*

	<u>Gouvernement du Québec</u>			<u>Hydro-Québec</u>			<u>Total</u>		
	<u>Issued</u> (\$)	<u>Acquisitions</u> (\$)	<u>(%)</u>	<u>Issued</u> (\$)	<u>Acquisitions</u> (\$)	<u>(%)</u>	<u>Issued</u> (\$)	<u>Acquisitions</u> (\$)	<u>(%)</u>
Canadian market	3,559	1,100	30.9	637	200	31.4	4,196	1,300	31.0
World market	-	-	-	-	-	-	-	-	-
Other markets <sup>1</sup>	5,086	-	-	1,311	-	-	6,397	-	-
<b>Total</b>	<b>8,645</b>	<b>1,100</b>	<b>12.7</b>	<b>1,948</b>	<b>200</b>	<b>10.3</b>	<b>10,593</b>	<b>1,300</b>	<b>12.3</b>

<sup>1</sup> issues in various currencies or in Canadian Eurodollars

Québec-Canada spreads — narrowing of 15 basis points, staying below the 71 point historical average and fuelled by the improvement of public finances. The good return on public sector securities was particularly reflected by shrinkage of some 12 points of Québec-Ontario spreads.

### Caisse management

Tactical management — development of new sectors, such as financial engineering, foreign bonds and short selling that allowed the Caisse to profit from investment opportunities.

### Short-term investments

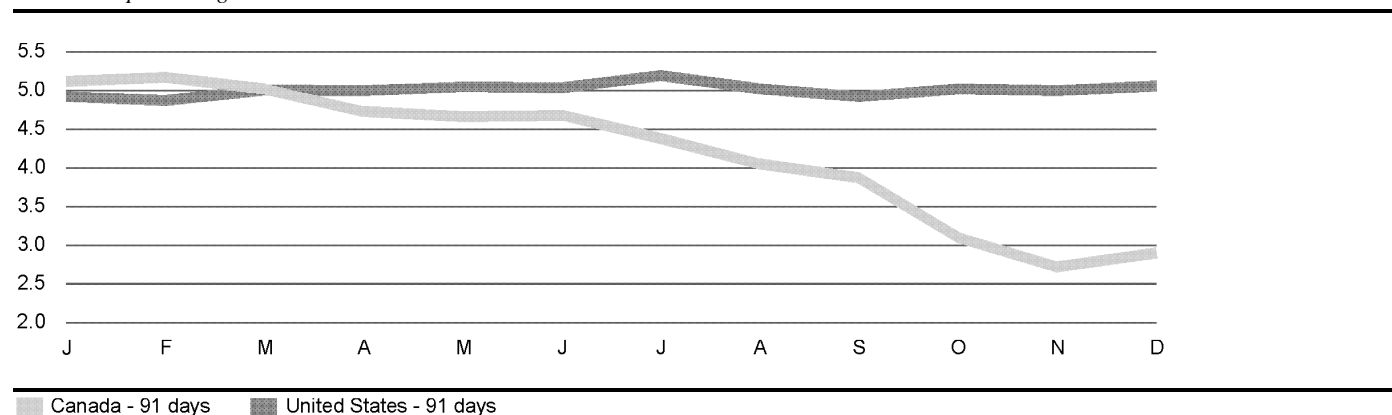
*Daily trading reached \$1 billion*

### Markets

Monetary policy — Canadian policy was independent of U.S. policy, as shown by control of the inflation rate, stability of the dollar, current account surplus and the fiscal discipline of the federal and provincial governments.

## 6 CHANGES IN YIELD ON TREASURY BILLS IN 1996

*in percentage*



Money supply easing — the Bank of Canada lowered the discount rate 11 times, bringing it down from 6% to 3.25%, the lowest level in 35 years. Total easing of 500 basis points since May 1995. In the United States, the Federal Reserve only reduced its rate once, in January, to 5.25%.

T-bills — in Canada, the 91-day T-bill rate fell from 5.55% in January to 2.9% in December. In the United States, these bills held around 5%. The rate for Canadian 6-month T-bills fell from 5.61% to 3.30% and for 12-month T-bills from 5.72% to 3.7%.

Canada-U.S. yield spreads — the yield has been negative since March for securities with terms of 2 years or less. The spread for 3-month securities fell from 59 basis points in January to -216 in December.

Discount rate — since February, the Bank of Canada has set its rate at the upper end of its target range for overnight rate fluctuations. Previously this rate was set at the same level as weekly auctioned 3-month T-bills, plus 25 basis points.

Bank of Canada issues — T-bill issues will be reduced to the benefit of 2- to 3-year term bonds.

### **Caisse management**

Active management — use of banker's acceptance futures and their OBX option, traded on the Montréal Exchange. This trading volume has doubled since 1995.

Treasury and arbitrage — increased securities lending and borrowing activities on the bond and money markets.

Québec issuers — securities accounted for 53.1% of the portfolio and stood at \$834.5 million, a growth of \$111 million over 1995.

### **Canadian stock markets**

*Team of 20 specialists, six management styles*

*Assets under management increased by \$1 billion to \$12.6 billion*

*Total trading of \$7.7 billion, 73% on the Montréal Exchange*

*Investments make up 20.8% of the Caisse's total portfolio*

### **Investors**

Investor enthusiasm for equities resulted in many first public issues

Households invested massively in mutual funds

Foreign investors returned in force to the Canadian markets

### **Markets**

Stock markets were stimulated by major takeovers: Diamond Fields Resources Inc./Inco Ltd.: \$4.4 billion; Arequipa Resources Ltd./Barrick Gold Corp.: \$1.1 billion.

TSE 300 index — the 14 sectors of the index posted a positive return. The substantial second-quarter drop in interest rates favoured financial services, conglomerates and real estate and construction, which reported the highest returns. Securities related to cyclical sectors, such as paper and forest products, gold and silver, and metals and minerals, produced lower returns, put at a disadvantage by economic growth that was less vigorous than anticipated.

Index yields — sectorial return was reflected in the BARRA-Value and BARRA-Growth market indices, with yields of 36.17% and 22.01% respectively.

Higher large cap return — large cap securities, as reflected by the TSE 35 and TSE 100 indices, posted a slightly higher return than the small cap securities comprising the TSE 200 index.

### **Caisse management**

Investment strategy — accentuating the importance of stock picking and reducing the sectorial weighting spreads to maintain the risk at a relatively low level. The strategy of slightly favouring securities with a return dependent on economic growth had an effect which, as at December 31, 1996, was still negative on the portfolio's relative return.

Financial and stock market ratios — decline in corporate profits over the first three quarters of the year, and year-end drop in interest rates, increasing the price-earnings ratio, the most widely followed indicator of high market prices. Reflecting its pro-growth strategy, in anticipation of accelerated economic growth, the price-earnings ratio of the Caisse portfolio rose from 15.8 at the beginning of the year to 21.8 at year-end, while that of the TSE 300 increased from 15.7 to 19.2.

### **International stock markets**

*Team of 13 specialists*

*The foreign equities portfolio rose from \$5.8 billion to \$9.9 billion, or from 11.3% to 16.4% of the Caisse's total portfolio*

*39% of trades made by the in-house team*

### **Markets**

Europe and Asia — returns over 20% in France and Germany. Hong Kong climbed to first place with 33.1%, while Japan, at -4.9%, trailed behind the world's other major stock markets.

United States — second year with a return over 20%. The financial and energy sectors led the pack at 33.1% and 31.6%, while the housing sector was last at 6.8% despite over 10% growth in the second half. Record levels and high prices resulted in nervousness and caution.

Emerging markets — holding up well, particularly in Central Europe, with a 2.10% return on the emerging index (ex-Malaysia) in US dollars, or 5.77% in Canadian dollars.

### **Caisse management**

Portfolio — from 11.3% of the Caisse's total investments in 1995, the portfolio rose to 16.4%.



Emerging markets — the proportion of investments rose from 1% in 1995 to 9.2% of the foreign equities portfolio.

In-house team — the strong increase in funds led to the hiring of two new managers for the U.S. market and a third for Latin America. The team now includes 13 specialists.

External managers — increase in funds entrusted to external managers and hiring of several managers, especially for emerging markets.

The Caisse assigned two mandates for management of non-U.S. foreign equities to the Montréal firms Montrusco and Bolton Tremblay.

Geographical mix portfolio — allowed the in-house team to contribute nearly 20% of the Caisse's value-added foreign equity investments.

Investment strategy — the Caisse's mix favoured certain European countries as well as Japan during the first nine months, and the United States on several occasions, especially in the fourth quarter.

## **Strategic management of asset mix**

*Team of three specialists, hired for an initial year of strategic activities*

*Portfolio of six asset classes*

*Adoption of defensive measures on the markets and continued globalization of investments*

*Creation of a neutral portfolio equally divided between long and short positions*

*Compared to 1995, significant reduction in the weighting of bonds and Canadian equities, 2.8% and 1.7% at year-end, to the benefit of foreign equities, which stood at over 17.4%; slight reduction in mortgages, to 2.6% of total investments*

## **Markets**

Levels — fixed-income and variable-income securities reached record levels in Europe. The Canadian and U.S. stock markets, sustained by monetary flows related to population aging and good earnings growth, maintained and surpassed their historical ceilings. Combined with the valuation multiples, this aroused caution.

Spreads — market globalization — despite the trend to greater stock market convergence, major divergences persisted, creating the need for an efficient winning strategy for asset mix management.

On the stock market, a dollar invested in Canada produced an average return of 30.1% more than in Japan, 5.4% more than in the United States, but 9.1% and 18.3% less than in Hong Kong and Spain respectively. Limited to the main markets, international diversification was less successful in 1996 than in the past, because of the Canadian market's good relative performance.

On the bond markets, the worst results were registered in the United States and Japan, which respectively underperformed the Canadian market by 14.4% and 5.61%, and the Italian market by 39% and 30.2%.

## Caisse management

The slight reduction in U.S. equity positions reflected the concern about the high levels of the market. However, positions remained high, which allowed to take advantage of the market's excellent return and of added value.

## Currency markets

*Team of four specialists*

*Total trading volume rose from \$153 billion to \$262 billion*

*60.4% of trade were with institutions operating in Montréal*

## Markets

Volatility — collapse due to convergence towards the European Monetary Union and increased control by central banks.

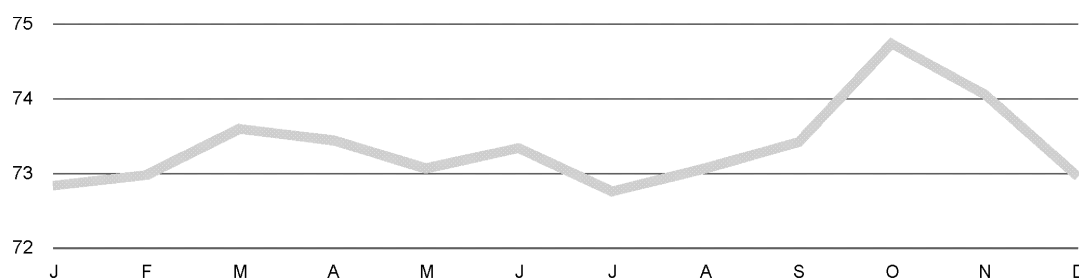
US dollar — 7.1% gain against the deutschmark and 12.1% against the yen.

Canadian dollar — from US\$0.73 at the beginning of the year, it passed the US\$0.75 mark in November despite the drop in interest rates. It ended the year at US\$0.73 because of year-end stock and bond market fluctuations.

Pound sterling — 10.7% rise against the US dollar, regaining a large part of the ground lost since the United Kingdom's withdrawal from the European monetary system, thanks to the change in perception of monetary policy.

French franc — 5.8% drop against the US dollar.

### **7** CHANGES IN THE CANADIAN DOLLAR IN 1996 *in US cents per CAN dollar*



## Caisse management

Trading — sharp increase due to the increase in foreign assets requiring hedging.

Tactical portfolio — the derivatives sector gained ground. \$23.3 billion in option trades, against \$5.6 billion in 1995. Emerging economies held an increasing amount of attention.

Since short-term interest rates in Canada kept below the U.S. rates for most of the year, it cost the Caisse \$91 million to hedge the US dollar, compared to a \$46 million gain in 1995. Forward hedging against other currencies cleared a profit of \$124 million, compared to \$65 million in 1995. For the total portfolio, futures cleared a \$33 million gain, compared to \$111 million in 1995.

## **Tactical investments**

*Team of four specialists*

*Risk and investment opportunities are now spread over four continents.*

*Major new international partnership resulting in creation of a new Caisse fund, Varan, and the addition of an external management structure provided by N.T. Global Advisors, thus doubling the capital available for tactical management.*

*Outsourcing tactical management of \$25 million in assets to Globagest, a new Montréal firm*

Investment strategy — A first half based on equities outperforming bonds; conclusive results: sell position in U.S. bonds and buy position in European equities, and 20% gain in 20 days for correctly predicting Boris Yeltsin's reelection as president of Russia. A second half during which the high risk of capital markets, especially in the United States, called for caution; inconclusive results: non-correction of the U.S. stock market or other stock markets and wipe-out of gains from buy positions on European bonds.

Outsourcing — Tactical management mandates were entrusted to external teams, particularly to Globagest.

Partnership — A management mandate was assigned to N.T. Global Advisors Inc., a new Québec firm, a subsidiary of Northern Trust Corporation of Chicago. Capital under management was allocated equally among a consortium of four tactical hedge fund managers:

Omnia Asset Management, of London, specializes in investment opportunities arising from the sociopolitical context in Europe, and has developed special expertise on Eastern European countries;

Opportunity Asset Management Limited, of Rio de Janeiro, relies on its considerable comparative advantage concerning South America;

Regent Pacific, of Hong Kong, also exploits its geographical advantage to identify investment opportunities, as well as its expertise in derivatives on the Asian markets and its skill at covering arbitrage opportunities, all these giving it a marked advantage;

Finally, Varan, the fund created by the Caisse under this partnership, stands out from the competition because of its systematic investment model approach in the G-10 countries and its expertise in derivatives on the equity, bond and currency markets.

These management teams, located near regional markets, distinguish this "superfund" from other hedge funds, most of which are managed from New York.

Contribution to Montréal's economic growth — The outsourcing initiatives, in particular, will ensure major spin-offs for the Montréal region, particularly the creation of skilled jobs and investment in Montréal by foreign fund managers, either directly or through partnerships.

## OPERATIONS - PRIVATE INVESTMENTS

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### Caisse Private Investments Group

*Team of specialists included in the subsidiaries grows from 37 to 54 employees to meet the private investments objectives*

*Total portfolio value: \$3.5 billion, or 5.7% of the Caisse's entire portfolio*

*118 transactions authorized*

*Total of 269 investments*

*160 directly in companies*

*61 in Québec small cap securities*

*48 in investment funds*

*Unprecedented level in 1996 of over \$1 billion in investments in companies, especially Québec small and medium-size businesses.*

Five main achievements highlighted the year's activities:

an increased presence in small and medium-size businesses, resulting from the launching of new products; a small business startup support programme, and the establishment of Accès Capital, a regional network of investment corporations delivering all products and services of the Caisse and its accessible subsidiaries throughout Québec;

creation of new specialized ventures to better meet financing needs of specific sectors of activity, such as Sodémex and Infradev International;

development of a debt securities portfolio;

the remarkable growth of the portfolio of Québec small cap corporate securities;

a growing presence in foreign markets offering good prospects for return and business contact networks, to assist Québec companies interested in these promising markets;

**8**

#### PRIVATE INVESTMENTS REALIZED IN 1996

*fair value - in millions of dollars*

	Direct		Indirect		Total	
	Number	\$	Number	\$	Number	\$
Capital CDPQ	13	3.4	5	1.9	18	5.3
Capital d'Amérique CDPQ						
Equities and convertible securities	56	389.4	4	8.9	60	398.3
Debt securities	23	348.5	-	-	23	348.5
Capital Communications CDPQ	20	121.0	4	9.2	24	130.2
Sofinov	28	79.8	6	14.6	34	94.4
Capital International CDPQ	-	-	11	62.9	11	62.9
<b>Total</b>	<b>140</b>	<b>942.1</b>	<b>30</b>	<b>97.5</b>	<b>170</b>	<b>1,039.6</b>

## Capital CDPQ

Capital CDPQ supports small and medium-size businesses in various regions of Québec, recognized for their strong market position, dynamism and growth potential. Its investments, under \$1 million as a rule, are made directly or through the Accès Capital network.

*Eighteen new transactions totalling \$5.3 million brought the portfolio's fair value to \$19.5 million or a total of 29 investments, among them \$400,000 in Les Collections Shan, \$500,000 in Distributions Alimentaires Le Marquis, \$300,000 in Lamcom Lamination, and \$290,000 in the John Meunier firm.*

The year's other main transactions included:

establishment of a programme for startup companies in the incubation phase and financing of four companies under this programme;

approval of nine business incubator organizations;

formation of an advisory committee with business people from the Italian community;

launching of Accès Capital, the regional network of the Caisse, and allocation of \$60 million to its member investment corporations;

inauguration of Accès Capital Abitibi-Témiscamingue, an investment company with \$5 million in initial capital, and the signing of a syndication agreement with the regional investment corporation Sodénor;

signing of a memorandum of understanding with the Centre de haute technologie de Jonquière concerning the mode of representation in the Saguenay — Lac-Saint-Jean region.

## Capital d'Amérique CDPQ

Capital d'Amérique CDPQ invests in large and medium-size companies offering good return and growth opportunities. It negotiates partnerships with successful companies operating in various sectors of activity.

*An unprecedented volume of 83 new investments files, representing a total of \$746.8 million, brought the portfolio's fair value to \$1.9 billion or 155 investments, including 69 equity positions, 25 debt security placements and 61 transactions in small cap securities.*

## 9 CHANGES IN PRIVATE INVESTMENTS

*fair value - in millions of dollars*

As at December 31, 1995		2,817
Redemptions and sales	(1,031)	
New investments		1,040
Increase in value		677
<b>As at December 31, 1996</b>		<b>3,503</b>

The other highlights for 1996 can be summed up as follows:

new investments authorized, including in John Lewis Industries (\$2.5 million), Ronor Innovations (\$1.5 million), J.M. Asbestos (\$30 million), R.S.P. Hydro (\$20 million) and Cavalier Textiles Group (\$29 million);

the Québec small cap portfolio rose from \$42.5 million to \$109 million;

sales of investments amounted to \$747.4 million, including over \$87 million in profits from Power Financial Corporation; the portfolio value grew by over \$260 million, an increase mainly resulting from the interests in Noverco (\$113 million), Power (\$98 million), and Sceptre Resources (\$45 million);

establishment of a call centre marketing firm in Montréal with Bell Canada and other Québec investors;

creation of Globagest, a firm specializing in management of derivatives, in partnership with Gordon Capital;

establishment of Sodémex, in conjunction with SOQUEM, to invest in junior mining companies with under \$125 million in capitalization.

**10** **BREAKDOWN OF PRIVATE INVESTMENTS BY AMOUNT**  
*as at December 31, 1996*

Initial amount invested	Investments		Fair value	
	Number	%	\$	%
\$0 - 5 million	215	80	809	23
\$5 - 10 million	19	7	246	7
\$10 million and up	35	13	2,448	70
<b>Total</b>	<b>269</b>	<b>100</b>	<b>3,503</b>	<b>100</b>

**11** **BREAKDOWN OF PRIVATE INVESTMENTS  
UNDER MANAGEMENT BY SUBSIDIARY**  
*as at December 31, 1996*  
*fair value - in millions of dollars*

Subsidiaries	Investments	
	Number	\$
Capital d'Amérique CDPQ		
Small capitalizations	61	109
Medium-size businesses	56	275
Large companies	13	1,265
Debt securities	25	301
	155	1,950
Capital CDPQ	29	20
Capital International CDPQ	18	280
Sofinov, Société financière d'innovation	38	303
Capital Communications CDPQ	29	950
<b>Total</b>	<b>269</b>	<b>3,503</b>

## **Capital Communications CDPQ**

Capital Communications CDPQ offers intelligent and dynamic capital to companies in the communications and telecommunications sector seeking to penetrate or consolidate their position in promising markets.

*The portfolio's fair value increased by over 50% to \$950 million, mainly due to investments in Teleglobe, Télésystème, Groupe Vidéotron and Groupe Coscient. A total of 24 new investments representing an amount of \$130.2 million were realized.*

The main transactions included :

two partnerships in the telecommunications sector, concluded with Max Link and Vision régionale, which obtained licences for local multipoint telecommunications systems (LMTS);

an investment in Public Technologies Multimédia, a new economy enterprise which specializes in the production of multimedia content;

participation in the establishment of an international investment fund specializing in the communications and telecommunications sector (US\$ 30 million);

reinvestment in Groupe Coscient, Québec's largest producer and distributor of TV shows and feature films, and in Telesystem International Wireless Corporation, an investment fund active worldwide in wireless telecommunications.

## **Sofinov, Société financière d'innovation**

Sofinov offers strategic financing to technologically innovative companies on the leading edge, showing good growth and return potential. It invests in companies in the health and biotechnology, software, electronics and industrial technology.

*The portfolio's fair value stood at \$303.4 million at year-end, with 38 investments. A total of 34 investment transactions amounting to \$94.4 million were completed, particularly:*

in Neuroscience Pharma (\$6.5 million) and RTP Canada (\$2.4 million), two U.S. companies specializing in biotechnology and wishing to establish themselves in Québec;

in Sabex (\$14.4 million), a generic drug manufacturer;

a partnership with CGI to create Solfitech, a new computer services outsourcing firm;

participation in the startup of small companies, including Organogel, a new company in the Québec City region.

## **Capital International CDPQ**

Capital International CDPQ assists and accompanies Québec companies in their projects abroad, thanks to its network of partners in Europe, the Middle East, Asia and the Americas. It also manages an investment portfolio in merchant banks and funds in other countries.

*Investments made during the year and the increase in value of the total portfolio brought its fair value to \$280 million.*

The authorized investments included the following transactions:

US\$20 million in an Asian fund managed by Hambrecht & Quist Asia Pacific, Ltd.;

US\$25 million in a pan-European fund raised by Schroder Ventures;

US\$17.5 million in the U.S. fund TA\ADVENT VIII, L.P., managed by TA Associates and specializing in the technology, communications, medical services and consumer products sectors;

US\$25 million in a U.S. acquisitions fund managed by Kohlberg Kravis Roberts & Co. (KKR);

creation, in partnership with the Royal Bank, Hydro-Québec and Manuvie, of the Infradev International investment firm, capitalized at \$20 million, to meet the financing and financial setup know-how needs of infrastructure projects, especially on the international markets, in the energy, transportation, telecommunications and environment fields;

The representation offices opened in Mexico City and Hanoi are the first in a series of foreign offices intended to support Caisse subsidiaries and Québec companies in identifying, negotiating and achieving partnership projects in the manufacturing, service, real estate and infrastructure sectors. This network will be expanded once an agreement is signed with the Milan Chamber of Commerce.

## **Caisse Real Estate Group**

*Acquisition and new investments totalling \$1.1 billion*

*The combined net assets of the real estate and mortgage portfolios stand at \$4 billion, or 6.9% of total Caisse net assets*

### **12 CAISSE REAL ESTATE GROUP PORTFOLIO** *as at December 31, 1996* *fair value - in millions of dollars*

<b>Subsidiaries</b>	<b>Value of portfolio<sup>1</sup></b>	<b>Percentage of the Group's portfolio</b>
Cadim	556.1	13.7
Ivanhoe	1,084.9	26.8
SITQ Immobilier Hypothèques CDPQ and other mortgage subsidiaries	844.1	20.8
	1,566.4	38.7
<b>Total</b>	<b>4,051.5</b>	<b>100.0</b>

<sup>1</sup> represents the value of the Caisse's net holdings in the company



**13** **SECTORIAL DISTRIBUTION OF CAISSE  
REAL ESTATE GROUP PORTFOLIO**  
*as at December 31*  
*fair value - in percentage*

	<b>1996</b>	<b>1995</b>
Real estate holdings	<b>59.4</b>	49.5
Mortgages	<b>30.7</b>	40.3
Shares and debentures	<b>5.5</b>	5.8
Land	<b>2.4</b>	2.0
Emphyteosis and leasebacks	<b>2.0</b>	2.4

**Real estate**

*The real estate portfolio's net assets rose from \$2.2 billion at the end of 1995 to \$2.4 billion, or 4.3% against 4.2% of total Caisse net assets:*

*investments of \$4 billion, compared to \$2.9 billion in the previous year*

*the related bank and mortgage loans, third-party minority interests and other assets and liabilities were \$1.6 billion, as against \$0.7 billion in 1995*

**14** **BREAKDOWN OF REAL ESTATE PORTFOLIO**  
*as at December 31*  
*fair value - in percentage*

	<b>1996</b>	<b>1995</b>
Real estate holdings	<b>88.1</b>	84.8
Shares of other real estate companies	<b>7.6</b>	9.0
Mortgages	<b>3.9</b>	2.4
Short-term securities	<b>0.3</b>	3.7
Debentures	<b>0.1</b>	0.1

Net real estate holdings included in the specific real estate portfolio accounted for 4.2% of the Caisse's total net assets, or \$2.4 billion, taking the related financial liabilities into account, as against 3.6% and \$1.8 billion respectively in 1995.

The main acquisitions of Caisse real estate subsidiaries in Canada totalled \$320.8 million:

SITQ IMMOBILIER acquired a control position in Bentall, a Vancouver owner and manager with a portfolio of office buildings, shopping centres and industrial parks totalling over \$480 million, or 406,000 square metres, 80% in British Columbia and 15% in California, thus allowing the Caisse to position itself advantageously in Western Canada;

SITQ IMMOBILIER doubled its position in the Carrefour Saint-Georges shopping centre in Beauce and increased its stake in Les Galeries Orford;

The Caisse became the exclusive owner of the World Trade Centre Montréal, following redemption by SITQ IMMOBILIER of the 55% interest of the City of Montréal and Canada Life. Cadim held the balance;

Ivanhoe increased its interest in Le Carrefour Laval and Les Promenades Saint-Bruno, two malls held in partnership with Cadillac Fairview;

Cadim bought a 114-unit residential building in Scarborough, Ontario, with Intracorp;

Cadev concluded partnerships to build a 36-hole golf course in Anjou and residential developments in Laval.

## **15** BREAKDOWN OF REAL ESTATE HOLDINGS

*as at December 31, 1996*

*fair value - in millions of dollars*

<b>Subsidiaries</b>	<b>Commercial buildings</b>	<b>Office</b>	<b>Industrial</b>	<b>Land<sup>1</sup></b>	<b>Other<sup>2</sup></b>
Cadim	164.6	145.6	9.6	128.7	168.0
Ivanhoe	1,188.4	-	24.5	63.3	-
SITQ Immobilier	420.0	921.3	176.4	65.4	50.0
<b>Total</b>	<b>1,773.0</b>	<b>1,066.9</b>	<b>210.5</b>	<b>257.4</b>	<b>218.0</b>

<sup>1</sup> combines subsidiaries' interests in Cadev

<sup>2</sup> combines hotels and the residential sector

## INTERNATIONAL OPERATIONS

\$442.5 million in acquisitions in the United States:

Ivanhoe invested in four shopping centres with the Wilmorite Group, for a total area of 283,700 square metres;

SITQ IMMOBILIER went into a partnership with investment adviser Greystone Realty Corporation and bought a 22,150 square metre office building in Denver, Colorado;

Cadim and Québec partners acquired five essentially residential properties in New York, including the Ritz Plaza with its 479 luxury apartments;

Cadim invested with the Paragon Group in a private real estate investment trust and became a partner in two residential complexes with a total of 900 housing units in Texas and North Carolina, and in a North Carolina construction project for 336 dwellings, completed in October;

## **16** GEOGRAPHICAL BREAKDOWN OF THE REAL ESTATE PORTFOLIO

*as at December 31*

*fair value - in percentage*

	<b>1996</b>	<b>1995</b>
Québec	<b>49.3</b>	67.0
Canada outside Québec	<b>23.5</b>	17.1
Outside of Canada	<b>27.2</b>	15.9

\$154.1 million of new investments consolidated SITQ IMMOBILIER's positions in the United Kingdom and France:

six shopping centres totalling 98,000 square metres, acquired with the British firm Pillar Property: four in England, the other two in Scotland and Northern Ireland;

the second phase of the Docks de Saint-Ouen industrial park, in partnership with the Aaron Group;

An \$11.7 million investment in Mexico:

SITQ IMMOBILIER acquired an industrial park of over 42,300 square metres in Juarez, with the Bermudez Group.

Other activities contributed to the vitality of the economy, promoted Québec goods and services and permitted to assist Québec entrepreneurs on foreign markets:

accommodation of a first foreign partner in Québec, Compagnie Immobilière de Belgique S.A., following its acquisition of a 10% interest in the BNP building in Montréal;

launching of the Alliance commerciale Québec-Vietnam with Québec companies wishing to do business in Vietnam and participation in opening a representation office in Vietnam;

development of a real estate fund (PREF) to invest in the residential sector and small commercial buildings in Poland, with the Polish American Enterprise Fund;

Phase II of Centre IncubAffaires, in support of new tenants and young entrepreneurs;

development of tools to promote business networking;

establishment of a school for training and career improvement courses on customer service, merchandising, communication, customer relations, personnel and inventory management, financial management, and quality of service.

On the capital expenditures front:

Development, redevelopment and improvement projects valued at over \$61.4 million:

1981 and 1200 McGill College, Place Mercantile, Place Dupuis and Hôtel Place Dupuis in Montréal;

various stores in Gaspé, the Saguenay region, Thetford Mines and Trois-Rivières-Ouest;

Saint-Martin shopping centre in Laval, Place Sainte-Foy and Mail Champlain in Brossard;

revitalization project for 2000 Notre-Dame in Montréal.

The real estate subsidiaries made \$50.1 million in sales, the main transaction being the sale of the Fairhill Shopping Centre, in the United Kingdom, held by SITQ IMMOBILIER and its British partner.

## **Mortgages**

*The mortgage portfolio grew to \$1.6 billion, or 2.7% of total Caisse net assets, as against \$1.7 billion and 3.3% in 1995*

New loans totalling \$157.9 million were the main investments in 1996, including:

\$31.6 million in financing for an office building in downtown Montréal;

\$17.4 million in loans for industrial properties in Saint-Laurent and \$9 million for industrial properties and warehouses in Verdun;

\$3.4 million and \$2.4 million in financing for shopping centres in Gatineau and Chicoutimi;

a \$6.2 million transaction on a residential property in Québec City.

The other transactions and achievements of Hypothèques CDPQ in 1996 included:

exploration of the market outside Québec and conclusion, with other institutions, of financing projects for a total of \$22.5 million in Vancouver and Halifax;

loan renewals amounting to \$211.5 million;

foreclosures and non-performing loans totalling \$114 million, accounting for 7.4% of the portfolio;

sale of the portfolio of single-family residential loans managed by agents, given advantageous market conditions, to focus exclusively on institutional lending;

establishment of a team to manage portfolio properties, through the development of properties that show interesting potential and the sale of such properties when they reach their full value; the sale of the Delta Hotel at the end of the year was a notable transaction in this respect.

## DEPOSITORS' ACCOUNTS MANAGEMENT

With a view to better meet its depositors' needs, the Caisse established in 1996 an individual fund for the management of sums deposited by the Société de l'assurance automobile du Québec (SAAQ). It also created a specific bond portfolio during the year.

Participation in research on optimization of foreign exchange risk hedging for the Caisse portfolio, a significant increase in meetings with depositors, publication of their returns for 1995 within two weeks of submitting the operations report to the National Assembly, improved presentation of reports intended for depositors, and comprehensive analysis and presentation of their portfolio results, were among the improvements in the management of depositors' accounts in 1996.

### **17** DEPOSITORS as at December 31, 1996

	Abbreviation	First deposit	Number of contributors <sup>1</sup>	Depositors' holdings <sup>2</sup>
Régie des rentes du Québec	R.R.Q.	1966	3,144,900	15,660.1
Régie des marchés agricoles et alimentaires du Québec	R.M.A.A.Q.	1967	76	2.8
Régie des assurances agricoles du Québec		1968	46,101	-
Régie de l'assurance-dépôts du Québec		1969	1,357	120.1
<i>Commission de la construction du Québec</i> Supplemental Pension Plan for Employees of the Québec Construction Industry	C.C.Q.	1970	95,277	5,567.8
<i>Commission administrative des régimes de retraite et d'assurances</i> Government and Public Employees Retirement Plan	CARRA RREGOP	1973	430,000	23,137.2
General Retirement Plan for Mayors and Councillors of Municipalities <sup>3</sup>		1975	-	-
Individual Plans		1977	375	142.5
Pension Plan for Elected Municipal Officers		1989	2,150	136.3
Commission de la santé et de la sécurité du travail	C.S.S.T.	1973	180,000	5,705.3
Société de l'assurance automobile du Québec	SAAQ	1978	4,329,366	5,542.9
Fonds d'assurance-prêts agricoles et forestiers	FAPAF	1978	1	37.4
La Fédération des producteurs de bovins du Québec		1989	25,274	1.9
Régime complémentaire de rentes des techniciens ambulanciers œuvrant au Québec	R.R.T.A.Q.	1990	3,112	62.5
Office de la protection du consommateur	O.P.C.	1992	-	9.1
Fonds d'amortissement des régimes de retraite gouvernementaux	F.A.R.R.G.	1994	1	1,088.2
Centre de recherche industrielle du Québec	CRIQ	1994	-	-
Société des alcools du Québec	SAQ	1994	-	-

<sup>1</sup> estimate

<sup>2</sup> fair value - in millions of dollars

<sup>3</sup> In 1992, the net assets of this plan's fund were merged with that of the Pension Plan for Elected Municipal officers.

The Caisse has a total of 18 depositors, including Québec public pension and insurance plans and various public bodies:

## **Pension plans**

the Government and Public Employees Retirement Plan, which includes the contributions of permanent and occasional employees of the public and parapublic sectors, headed by the Commission administrative des régimes de retraite et d'assurances, is the Caisse's largest depositor;

the Pension Plan for Elected Municipal Officers, administered by the Commission administrative des régimes de retraite et d'assurances, which is offered to elected council members of municipalities;

nine other pension plans named Individual Plans, managed by the Commission administrative des régimes de retraite et d'assurances, and covering certain participants from municipalities, crown corporations and hospitals, as well as federal government employees;

the Régie des rentes du Québec, which ensures a security of income for Quebecers in particular through its pension plan, is the second largest depositor;

the Régime complémentaire de rentes des techniciens ambulanciers oeuvrant au Québec;

the General Retirement Plan for Mayors and Councillors of Municipalities whose fund was merged with that of the Pension Plan for Elected Municipal Officers in 1992;

## **Insurance plans**

the Société de l'assurance automobile du Québec, whose mission is to reduce risks inherent to the use of roads by controlling access to the highway system and road transportation, promoting safety and compensating victims of traffic accidents;

the Fonds d'assurance prêts agricoles et forestiers, which guarantees lenders repayment of losses resulting from loans granted under laws administered by the Société de financement agricole;

the Régie des assurances agricoles du Québec, which ensures financial stability for farming enterprises by covering significant revenue losses;

the Régie de l'assurance-dépôts du Québec governs the solicitation and receiving of deposits from the public, guarantees deposit of payments and manages the deposit insurance fund;

the Fonds d'amortissement des régimes de retraite gouvernementaux, established to provide the Québec government with the necessary funds to cover its employer contributions to various pension plans;

## **Public bodies**

La Fédération des producteurs de bovins du Québec, a farm association that oversees the study of problems associated with cattle production and marketing.

the Régie des marchés agricoles et alimentaires du Québec ensures the supervision, coordination and improvement of marketing of agricultural products and acts as an administrative tribunal to foster the efficient marketing of Québec agricultural, forest and food products;

the Commission de la construction du Québec oversees the enforcement of collective agreements, and regulations for workforce placement, hiring and mobility and the administration of supplementary benefits plans accounts;

the Commission de la santé et de la sécurité du travail which, in particular, compensates workers who are victims of industrial accidents and facilitates their rehabilitation;

the Office de la protection du consommateur, which manages the Fonds des cautionnements des agents de voyage and the fund of Protégez-Vous magazine which publishes the Office's test results;

the Société des alcools du Québec engages in the alcoholic beverage business in Québec;

the Centre de recherche industrielle du Québec acts as a partner in the business, industry and government sectors to support Québec's economic development.

## **18** BREAKDOWN OF DEPOSITORS' HOLDINGS

*as at December 31*  
*fair value - in percentage*

	1996	1995	1994	1993	1992
CARRA - RREGOP	<b>40.4</b>	38.1	35.8	33.8	31.2
R.R.Q.	<b>27.4</b>	30.0	32.1	34.8	36.8
C.S.S.T.	<b>10.0</b>	9.7	9.4	9.2	9.3
C.C.Q.	<b>9.7</b>	9.7	9.5	9.3	9.1
SAAQ	<b>9.7</b>	9.7	10.5	12.1	12.9
F.A.R.R.G.	<b>1.9</b>	1.8	1.8	-	-
OTHER	<b>0.9</b>	1.0	0.9	0.8	0.7

## **19** CHANGES IN DEPOSITORS' HOLDINGS

*in millions of dollars*

	Net income allocated	Deposits less withdrawals	Unrealized increase (decrease) in value
<b>1996</b>	<b>5,682</b>	<b>(1,607)</b>	<b>1,954</b>
1995	4,066	(1,617)	3,876
1994	2,983	(1,165)	(4,075)
1993	3,989	(1,840)	3,661
1992	3,269	(1,412)	(1,603)

## **20** VALUE ADDED TO DEPOSITORS' FUNDS SINCE 1966

*as at December 31, 1996*  
*in millions of dollars*

Net deposits (1966 - 1983)	8,449
Net withdrawals (1984 - 1996)	(10,960)
Net investment income allocated	52,887
Excess fair value over cost	6,838

## ADMINISTRATION AND INSTITUTIONAL AFFAIRS

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### Administrative expenses

*The Caisse: \$35.4 million in internal investment management and administrative expenses in 1996, versus \$44.2 million in 1995*

The Caisse determines the major management guidelines, investment policies and optimum mix of different investment classes for the entire Caisse Financial Group, in addition to its direct management of core portfolios. At the same time, the companies of the Caisse Private Investments Group and the Caisse Real Estate Group manage private equity, as well as real estate and mortgage investments portfolios.

The Caisse, with 224 employees as at December 31, reported \$22.4 million in investment management expenses and \$13 million in administrative expenses in 1996, a reduction over the previous year. This reduction is the result of tight cost control and optimization measures, the results of which include outsourcing of administrative services related to the safekeeping of securities and all computer services.

*External management of investments by the Caisse Private Investments Group and the Caisse Real Estate Group companies and international advisers*

This was a significant year for the specialized companies of the Caisse Private Investments Group in terms of business development, new financial products and growth of investment portfolios, which increased from \$0.7 billion to \$3.5 billion as of December 31, 1996. The creation of 17 positions to meet the private investment objectives and the sharp growth in portfolios resulted, despite tight management, in a \$1.6 million rise in investment management and administrative expenses, which totalled \$9 million for the year, an increase more than offset by income from additional services.

The companies of the Caisse Real Estate Group pursued their mortgage and real estate investment diversification programme, including numerous transactions outside Québec. The Caisse Real Estate Group's total investments grew by \$0.8 billion to \$5.6 billion as of December 31, 1996. The investment management and administrative expenses for these activities amounted to \$18.6 million in 1996, a \$1.5 million rise over the previous year.

The Caisse's foreign equity investments increased from \$6.2 billion in 1995 to \$10.5 billion as of December 31, 1996. The greatest diversification of investments, particularly in emerging markets, largely occurred through new international advisers. Aggregate external management expenses thus rose from \$6.6 million to \$12.5 million in 1996.

### Public Affairs

The Caisse adopted a proactive communications approach to help position its private investment subsidiaries in their respective niches and inform its various publics about operations carried out in 1996:

80 press releases

18 media interviews, press conferences and briefings

On behalf of its real estate group, the Caisse published and distributed a new publication during the year: *ImmoCaisse*, intended for the real estate and financial industry. It also published promotional brochures for five investments subsidiaries, a semi-annual financial newsletter *Financial Review*, its semi-annual economic forecast published in *Cycles et Tendances*, and its *Operations Report*.



The institution participated in 38 different sponsorships to assist university students, the financial community and Québec companies, the main ones being: the Relève financière des universités québécoises, the regional tour of Groupe Innovation, in collaboration with the ministère de l'Industrie, du Commerce, des Sciences et de la Technologie (MISCT), the economic symposium of Les Entretiens Jacques-Cartier, the symposium of Innovatech-Grand Montréal, the CIFO, the International Conference on Derivatives, and the symposium of the International Organization of Securities Commissions (IOSC).

The year also featured the creation of the Caisse's Internet site and its commitment to make optimum use of new information technologies. The site conveys information on the Caisse, but also helps to disseminate the institution's financial and economic knowledge and know-how through different studies in these various fields. The Caisse wishes to develop and improve the dynamic dimension of this new medium, which also enables all kinds of participants to find out about the services it offers and identify the people to contact.

The year 1996 marked the 30th year of the institution. The use of an anniversary signature on the Caisse's letterhead and publications and an evening for its personnel highlighted this event.

The Chairman and CEO chaired the fundraising campaign of the Red Cross Society in 1996 and the Caisse participated actively in various organizations, such as Fondation de l'Entrepreneurship, Forum pour l'emploi, Cercle des chefs maîtres and various business associations.

## **Corporate Secretariat**

The Caisse reviewed the *Code of Ethics* in force since 1984 and adopted a new *Code of Ethics and Professional Conduct* in August 1995, the application of which was the object of a first report to management and the Board of Directors in December 1996, completing the Board's rules of practice.

On October 23, 1996, the government approved amendments to the *Regulation respecting the internal management of the Caisse*, making it possible to improve personnel management methods by establishing guidelines within which the Board, on the recommendation of the Resources Committee, can determine the working conditions and compensation of employees, taking into account the institution's operations and reference market.

In 1996, the Caisse incorporated measures into its *policy on contracts*, which governs the process of acquisition or leasing of goods and services, to counter moonlighting practices in the Québec construction industry. These new measures should enable the institution to contribute to this industry's recovery, within a policy based on transparency and sound management.

Since January 1, 1995, the Caisse has applied a *policy on air quality and the use of tobacco in the workplace*, intended to create a smoke-free work environment, so that all employees can function in a healthy workplace.

## **Computer systems and outsourcing**

To maximize its operations, the Caisse began the implementation in 1996 of a corporate information system, allowing it to benefit from technological developments to facilitate and improve communication and the exchange of information between the Caisse and its subsidiaries. It thus considers that it can offer quality services more quickly to its current and potential partners.

As the year 2000 draws closer, and particularly to integrate the required changes to its investment administration system, the Caisse is engaged in a race against time to modernize its equipment and integrate management of new products and currencies.

In 1996, the Caisse concluded an agreement with Fiducie Desjardins for complete outsourcing of its safekeeping operations, assisting this Québec company in developing this niche. It also outsourced its computer services while contributing to the creation, in Montréal, of Solfitech, a new leading edge computer service firm in investment management:

held by the investment subsidiary Sofinov and the consulting firm CGI, Solfitech offers consulting and design services in portfolio management to other clients in the financial community throughout North America;

this approach reduces costs while improving efficiency, thanks to the projected economies of scale;

41 employees were transferred to Solfitech, in premises adjacent to the institution;

a small team continues to be employed by the Caisse to manage the information technology development plan and advise the various investment and administrative teams.

## **Research and performance**

Research on performance, risk and products, and the need for developments in the institution's pursuit of excellence, led the Caisse to the following achievements in 1996:

publication of the *Financial Review*;

development of a performance calculation system conforming to the standards of the Association for Investment Management and Research (AIMR);

evaluation and calculation of the risk of exotic derivatives such as double barriers and knock-in and knock-out options, in the context of measuring the non-linear risk of derivatives;

development of risk and fair value evaluation, largely oriented to interest rate and currency swaps;

perfecting of middle office risk control to implement the main recommendations of the Group of 30;

applied research on derivatives, mainly oriented to hedging the foreign exchange risk.

## **Human and other resources**

The Caisse who employs Quebecers of various origins relies on the expertise of a solid team of 107 men and 117 women, a total of 224 employees with an average age of 40, whose profile breaks down as follows:

123 university graduates, or 55%, including 5 with a Ph.D, 54 with a Master's and 64 with a Bachelor's degree;

29 Chartered Financial Analysts, and 32 on the way to gaining this title: 6 level III candidates, 13 level II candidates and 13 level I candidates;

108 professionals, including 35 women;

4 women holding the position of manager and one woman who is a member of the senior management team.

With the acquisition of a new central telephone system and new phones in Montréal and Québec City, and the implementation of voice mail providing managers with additional tools to achieve their goals, the Caisse continued modernizing its system to meet its growing needs. In 1996, these needs amounted to 1,670,232 phone calls.

Finally, as for recycling, seven million sheets of printer and photocopier paper were used. This represents a total of 4,340,000 photocopies, justifying the paper recycling and environmental protection programme in which the Caisse participates.

## CAISSE RETURNS 1966-1996

	Global return	Consumer price index	Real return
<b>1996</b>	<b>15.6</b>	<b>2.0</b>	<b>13.6</b>
1995	18.2	1.7	16.5
1994	(2.1)	0.2	(2.3)
1993	19.7	1.7	18.0
1992	4.5	2.1	2.4
1991	17.2	3.8	13.4
1990	0.5	5.0	(4.5)
1989	16.9	5.2	11.7
1988	10.5	4.0	6.5
1987	4.7	4.1	0.6
1986	13.5	4.2	9.3
1985	24.0	4.4	19.6
1984	10.1	3.8	6.3
1983	17.0	4.5	12.5
1982	32.8	9.2	23.6
1981	(1.9)	12.2	(14.1)
1980	9.9	11.2	(1.3)
1979	7.2	9.7	(2.5)
1978	9.9	8.4	1.5
1977	10.9	9.4	1.5
1976	18.3	5.9	12.4
1975	12.5	9.5	3.0
1974	(5.6)	12.3	(17.9)
1973	3.4	9.4	(6.0)
1972	10.8	4.9	5.9
1971	14.1	5.2	8.9
1970	12.8	1.3	11.5
1969	(4.4)	4.8	(9.2)
1968	4.4	3.9	0.5
1967	(1.2)	4.1	(5.3)
1966	6.4	3.5	2.9

*Fair value - in percentage*

*Return is calculated using the time-weighted method.*

## **CONTRIBUTION TO THE VITALITY OF THE QUÉBEC ECONOMY AND SUPPORT FOR MONTRÉAL AS A FINANCIAL CENTRE**

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### **Bonds**

88% of daily Montréal trading volume (\$438 million).

Record trading volume on Government of Canada bonds, all in Montréal.

\$1.3 billion trading volume on the primary market and \$13.9 billion on the secondary market for Québec and Hydro-Québec securities.

### **Short-term investments**

Use of banker's acceptance futures and their OBX option traded in Montréal; this trading volume has doubled since 1995.

### **Canadian Equities**

73% of trades (\$7.7 billion) were made on the Montréal Exchange.

### **Foreign Equities**

Two mandates for management of non-U.S. foreign equities were given to the Montréal firms Montrusco and Bolton Tremblay.

### **Currency Markets**

60.4% of exchange trades were with institutions operating in Montréal.

### **Tactical Investments**

Outsourcing initiatives that will ensure major spin-offs for the Montréal region, particularly the creation of skilled jobs and investment in Montréal by foreign fund managers, either directly or in partnership.

Creation of the Varan Fund and addition of an external management structure assured by N.T. Global Advisors, a subsidiary of Northern Trust Corporation of Chicago, thus doubling the capital available for tactical management; management teams located near regional markets distinguish this "superfund" from other hedge funds, most of which are managed from New York.

Outsourcing of tactical management of \$25 million in assets to Globagest, a new Montréal firm.

### **Real Estate Group**

Accommodation of a first foreign partner in Québec, Compagnie Immobilière de Belgique S.A., following its acquisition of a 10% interest in the BNP building in Montréal.

Launching of the Alliance commerciale Québec-Vietnam with Québec companies wishing to do business in Vietnam.

Development of a real estate fund (PREF) to invest in the residential sector and small commercial buildings in Poland, with the Polish American Enterprise Fund.

Phase II of Centre IncubAffaires, in support to new tenants and young Québec entrepreneurs.

Development of tools to promote business networking.

Establishment of a school for training and career improvement courses on customer service, merchandising, communication, customer relations, personnel and inventory management, financial management and quality of service.

On the capital expenditures front, development, redevelopment and improvement projects valued at over \$61.4 million.

## **Private Investments Group**

Unprecedented level of investments in companies, especially Québec small and medium-size businesses (over \$1 billion).

Increased presence in small and medium-size businesses resulting from the launching of new products, a small business startup programme, and the establishment of Accès Capital, a regional network of investment corporations delivering all products and services of the Caisse and its accessible subsidiaries throughout Québec.

With Bell Canada and other Québec investors, establishment of a call centre marketing firm in Montréal.

Investment in two companies specialized in biotechnology and wishing to establish themselves in Québec (Neuroscience Pharma and RTP Canada).

Representation offices opened in Mexico City, Hanoi and Milan to support Caisse subsidiaries and Québec companies in identifying, negotiating and achieving partnership projects in the manufacturing, service, real estate and infrastructure sectors.

## **Administration and Institutional Affairs**

Participation in different sponsorship activities to assist university students, the financial community and Québec companies, such as the Relève financière des universités québécoises, the economic symposium of Les Entretiens Jacques-Cartier, the symposium of Innovatech - Grand Montréal, and various organizations such as Fondation de l'Entrepreneurship, Forum pour l'emploi, Cercle des chefs maîtres and various business associations.

Incorporation of measures into its policy on contracts, which governs the process of acquisition or leasing of goods and services to counter moonlighting in the Québec construction industry. These measures should enable the institution to contribute to this industry's recovery, within a policy based on transparency and sound management.

Conclusion of an agreement with Fiducie Desjardins for complete outsourcing of its safekeeping operations, assisting this Québec company in developing this niche.

Outsourcing of computer services while contributing to the creation in Montréal, of Solfitech, a new leading edge computer services firm in investment management which offers consulting and design services in portfolio management systems to other clients in the financial community throughout North America.

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President and General Manager  
Régie des rentes du Québec



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Byers Casgrain



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d'économie Desjardins du Québec



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Hydro-Québec

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**Michel Sanschagrin**  
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Commission administrative des régimes  
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- Member of the Audit Committee
- Member of the Caisse Real Estate Group Board of Directors
- Member of the Resources Committee
- Member of the Ethics and Corporate Governance Committee

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Chairman of the Board  
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Corporate Secretary

**Karen Laflamme**  
Director  
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**Louise Poirier-Landry**  
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Real estate investment management

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**Pierre Desnoyers**  
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**Jean Laramée**  
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École des Hautes Études Commerciales

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**Cadev**

Management of a portfolio of land

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Richard Lasalle construction

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President and Chief Operating Officer  
SITQ Immobilier

**René Tremblay**  
President and Chief Operating Officer  
Ivanhoe

**Ivanhoe**

Owner and manager of  
shopping centres

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Le comité de retraite et des assurances  
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**René Tremblay**  
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**SITQ Immobilier**

**PenYork Properties**

Management of office buildings,  
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Superintendent of group plans  
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Assistant Vice-Rector Executive  
Université Laval

**André Charest**  
Vice-President, Administration and  
Finance  
Caisse Real Estate Group

**Roger Chiniara**  
Vice-President  
Alcan Adminco

**Claude Dalphond**  
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Fiducie globale des régimes complé-  
mentaires de retraite de la Société  
de transport de la Communauté  
urbaine de Montréal

**Francine Harel Giasson**  
Professor  
École des Hautes Études Commerciales  
de Montréal

**Claude Legault**  
President and General Manager  
Régie des rentes du Québec

**Jacques Marleau**  
Assistant Manager,  
Pension fund financial management  
City of Montréal

**Germain B. Mathieu**  
President and Chief Operating Officer

**Gaston Pelletier**  
Vice-President  
Les conseillers financiers du St-Laurent

**Jacques Perron**  
President and General Manager and  
Chairman of the Board  
Association de bienfaisance et de  
retraite des policiers de la Communauté  
urbaine de Montréal

**Serge Rémillard**  
Senior Vice-President,  
Administration and Finance  
Caisse de dépôt et placement  
du Québec

**Hypothèques CDPQ****Mortgages**

1981, avenue McGill College  
Montréal (Québec) H3A 3C7  
Telephone: (514) 842-3261  
Fax: (514) 847-2397  
Internet: hypcdpq.lacaisse.com

**Management**

Jean C. Pinard  
President and Chief Operating Officer

Normand Lamontagne  
Assistant Vice-President,  
Asset Management

Sylvie Drouin  
Corporate Secretary

Céline Lévesque  
Assistant Secretary

Rock Daneau  
Director, Montréal office

Lucien Goulet  
Director, Québec City office

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Chairman of the Board  
Senior Vice-President  
Caisse Real Estate Group

André Charest  
Vice-President,  
Administration and Finance  
Caisse Real Estate Group

Jean-Claude Cyr  
Vice-President,  
Development and Planning  
Caisse de dépôt et placement  
du Québec

Ghislaine Laberge  
Consultant in real estate financing

Gérald Larose  
President  
Confédération des syndicats nationaux

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President  
Place Bonaventure

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du Québec

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Coordinating Vice-President

**Carmen Crépin**  
Corporate Secretary of Group  
companies

**Ginette Depelteau**  
Assistant Secretary

**Nathalie Cyrenne**  
Director  
Administration and Finance

**Anatole Pouliot**  
Marketing Director

**Accès Capital**

Regional investment  
companies network  
1-888-PME-3456

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accescapital@lacaisse.com

**Management**

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President

Pierre-André Pomerleau  
Director

**Network Offices in Québec****Accès Capital Abitibi-****Témiscamingue**

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Val d'Or (Québec) J9P 1S5  
Telephone: (819) 825-6855  
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accescap@lino.com

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Director

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Fax: (418) 681-4338  
accescapqc@avantage.com

Gilles Desharnais  
Director

Serge Olivier  
Director

**Accès Capital****Saguenay-Lac-Saint-Jean**

Telephone: 1-888-PME-3456  
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**Capimont inc.**

393, rue Saint-Jacques Ouest  
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Montréal (Québec) H2Y 1N9  
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Hubert d'Amours  
President

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capital-cgd@cactuscom.com

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**Capital Montérégie inc.**

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Bureau 300  
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Telephone: (514) 449-2009  
Fax: (514) 449-6472  
srimgtrg@total.net

Jean Matteau  
Partner

Serge Riopel  
Partner

**Gestion Capital****de développement 04**

2492, boulevard des Récollets  
Trois-Rivières (Québec) G8Z 3X7  
Telephone: (819) 372-3300  
336-2117  
Fax: (819) 373-9847

Pierre Giroux  
President

**Gestion Estrie Capital inc.**

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Sherbrooke (Québec) J1J 2E8  
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Fax: (819) 822-2827

Mario Beaudoin  
General Manager

**Investissements 3L**

3100, boulevard Le Carrefour  
Bureau 553  
Laval (Québec) H7T 2K7  
Telephone: (514) 688-4545  
Fax: (514) 688-8587  
inv.3l@sympatico.ca

Normand Chartrand  
General Manager

**Investissement****Bas Saint-Laurent-Gaspésie-****Les Îles-de-la-Madeleine**

Telephone: 1-888-PME-3456  
Fax: (514) 847-2383

**Capital CDPQ****Investments under one million dollars**

1981, avenue McGill College, 9<sup>e</sup> étage  
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Telephone: (514) 847-2611  
Fax: (514) 847-2493  
Internet: cancdq.lacaisse.com

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Director  
Administration and Finance

Anatole Pouliot  
Marketing Director

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and Capital CDPQ

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Chartered Accountant  
R. Brisson & Associés

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President

Germain Jutras  
Attorney  
Jutras & Associés

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President  
Planification financière Marcotte  
& Marcotte

Pierre Parent  
President and General Manager  
Groupe Promexpo

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Administration and Finance  
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**Capital d'Amérique CDPQ**

Medium-size and large companies  
with high return and growth potential

1981, avenue McGill College, 9<sup>e</sup> étage  
Montréal (Québec) H3A 3C7  
Telephone: (514) 847-2612  
Fax: (514) 847-2493  
Internet: capdamer.lacaisse.com

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Vice-President

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Vice-President

Luc Houle  
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Administration and Finance

Benoît Deschamps  
Director

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Marketing Director



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Chairman of the Board

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President  
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Partner  
Biron, Lapierre et Associés

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Vice-President  
Alcan Adminco

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Vice-President and Corporate Secretary  
Caisse de dépôt et placement  
du Québec

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Executive Officer  
Reno-Dépôt

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Core Portfolios and  
Assistant General Manager  
Caisse de dépôt et placement  
du Québec

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Chief Financial Officer and Treasurer  
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Montréal Trustco

Advisor

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Cascades

Capital Communications CDPQ

Companies in the communications  
and telecommunications industries

1981, avenue McGill College, 9<sup>e</sup> étage  
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Internet: capcomm.lacaisse.com

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Assistant Secretary

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Marketing Director

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President

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Corporate director and consultant

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Corporate director

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Assistant General Manager  
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du Québec

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Caisse Private Investments Group

Michel Sanschagrin  
President  
Commission administrative des régimes  
de retraite et d'assurances

Advisor

Serge Godin  
President and Chief Executive Officer  
Groupe CGI

Capital International CDPQ

Business networks, strategic alliances

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Business Networks

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Administration and Finance

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Director, America

Daniel Dupont  
Director, Asia

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Marketing Director

Helen Steers  
Director, Europe

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Jean-Claude Bachand  
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Byers Casgrain  
Gretta Chambers  
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McGill University

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President

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Executive Vice-President

Québec Association of Export Trading  
Houses

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Gérald Larose  
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Caisse Real Estate Group

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Société de développement industriel  
du Québec (S.D.I.)

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Bombardier Capital

Advisor

Bernard Lamarre  
Advisor  
SNC-Lavalin  
Chairman of the Board  
InfraDev International

Sofinov

Companies in the high-tech industry

1981, avenue McGill College, 7<sup>e</sup> étage  
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Telephone: (514) 847-2613  
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Management

Denis Dionne  
President

Carmen Crépin  
Corporate Secretary

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Vice-President, Biotechnology and  
Health Care

Pierre Pharand  
Vice-President, Software and  
Electronics

Marcel Paquette  
Vice-President, Industrial Technologies

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Director,  
Administration and Finance

Anatole Pouliot  
Marketing Director

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Chairman of the Board

Line Boisvert  
Executive Portfolio Manager,  
Caisse de dépôt et placement  
du Québec

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Senior Vice-President  
Lévesque Beaubien Geoffrion

Carmen Crépin  
Vice-President and Corporate Secretary  
Caisse de dépôt et placement  
du Québec

Denis Dionne  
President

Clément Godbout  
President  
Fédération des travailleurs et  
travailleuses du Québec

Marc J. Jetté  
President  
MarkeTek

Claude Lajeunesse  
President and Vice-Chancellor  
Ryerson Polytechnic University

Serge Martin  
President  
Martin International

Normand Provost  
Coordinating Vice-President  
Caisse Private Investments Group

Advisor

Livia Masnaghetti  
Partner  
Raymond, Chabot, Martin, Paré

Other business investments

InfraDev International

Specializing in financing and  
financial package expertise  
for infrastructure projects

2190, rue Crescent, 1<sup>er</sup> étage  
Montréal (Québec) H3G 2B8  
Telephone: (514) 286-4477  
Fax: (514) 286-4083  
Internet: infraDev.lacaisse.com

Bernard Lamarre  
Chairman of the Board

Michel Branchaud  
President and Chief Executive Officer

Sodémex

Private investments in junior  
exploration companies

2525, boulevard Laurier  
Ste-Foy (Québec) G1V 2L2  
Telephone: (418) 656-4331  
Fax: (418) 656-6577

Denis Landry  
President

Solfitech

Service marketing company  
in portfolio management  
information systems

1130, rue Sherbrooke Ouest, 5<sup>e</sup> étage  
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Serge Godin  
Chairman of the Board  
Yves Benoit  
Chief Executive Officer

Caisse Offices Abroad

Vietnam

Capital International CDPQ inc.  
Daeha Business Centre, 5th floor  
Ngoc Khanh / Lieu Gai  
Ba Ding District  
Hanoi, Vietnam  
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(514) 847-2390  
Fax: 84-4 831-5106  
Internet: www.lacaisse.com  
caisse@netnam.org.vn

Daniel Leblanc  
Managing Director

Mexico

Grupo inmobiliario Caisse  
Lope de Vega 117, Piso 10  
México, D.F., 11540  
Mexico  
Telephone: (525) 545-1204/1224  
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Internet: www.lacaisse.com

Pierre Alarie  
Managing Director

Italy

Via Ansperto 5  
Promos building

## REPORT OF MANAGEMENT

The financial statements of the Caisse de dépôt et placement du Québec were prepared by management, which is responsible for their preparation and presentation, including estimates and material judgements. This responsibility includes selecting the appropriate accounting policies in accordance with generally accepted accounting principles. Financial information presented elsewhere in this Operations Report is consistent with that shown in the accompanying financial statements.

Management maintains systems of internal accounting controls which are designed to provide reasonable assurance that assets are safeguarded and that transactions are recorded in an appropriate and timely manner, that they are duly authorized and allow for the preparation of reliable financial statements. The internal audit team reviews the internal controls on a regular basis to ensure they are adequate and applied consistently by the Caisse.

The Caisse is aware of its responsibility to manage its operations in accordance with the rules and regulations that govern the institution.

The Board of Directors supervises the manner in which management assumes its responsibility regarding financial information, and it has approved the financial statements. The Board of Directors is assisted by the Audit Committee, of which only one member is also an officer of the Caisse. The Audit Committee meets with management and the auditor, examines the financial statements and recommends their approval by the Board of Directors.

The financial statements of the Caisse are audited by the Auditor General of Québec, who conducted his audit in accordance with generally accepted auditing standards. The auditor's report covers the nature and scope of the audit and expresses the auditor's opinion on the financial statements. The Auditor General has unrestricted access to the Audit Committee to discuss any matter relating to his audit.

Jean-Claude Scraire  
Chairman of the Board and Chief Executive Officer

Serge Rémillard  
Senior Vice-President, Administration and Finance

Montréal, March 11, 1997

## AUDITOR'S REPORT

To the National Assembly

I have audited the combined statement of net assets of the Funds of the Caisse de dépôt et placement du Québec as at December 31, 1996, the combined statement of income, and the combined statement of changes in net assets for the year then ended. These financial statements are the responsibility of the Caisse's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of these Funds as at December 31, 1996 and the results of their operations and the changes in their net assets for the year then ended in accordance with generally accepted accounting principles. As required by the *Auditor General Act* (R.S.Q., chapter V-5.01), I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Guy Breton, F.C.A.  
Auditor General of Québec  
Québec City, March 11, 1997

**COMBINED STATEMENT OF NET ASSETS  
AS AT DECEMBER 31, 1996**

	1996	1995
	(in millions of dollars)	
<b>ASSETS</b>		
Investments at fair value <i>(Notes 3 and 4)</i>		
Bonds	25,836	24,294
Shares and convertible securities	26,073	20,216
Mortgages	1,567	1,688
Real estate holdings	3,610	2,569
Short-term investments	2,094	3,070
Securities acquired under reverse repurchase agreements	1,252	62
	<b>60,432</b>	51,899
Investment income, accrued and receivable	638	611
Transactions being settled	62	20
Other assets	201	169
	<b>61,333</b>	52,699
<b>LIABILITIES</b>		
Deposits on loans of securities <i>(Note 4)</i>	645	62
Bank loans and notes payable	153	127
Transactions being settled	154	88
Commitments related to		
short selling of securities <i>(Note 4)</i>	1,606	360
Mortgage loans payable <i>(Note 4)</i>	930	637
Derivative financial instruments <i>(Note 4)</i>	304	83
Other liabilities	155	78
Non-controlling interests <i>(Note 4)</i>	172	79
	<b>4,119</b>	1,514
<b>DEPOSITORS' HOLDINGS</b> <i>(Note 5)</i>	<b>57,214</b>	51,185
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b> <i>(Note 7)</i>		
<b>COMMITMENTS</b> <i>(Note 8)</i>		
<b>BREAKDOWN OF COMBINED NET ASSETS</b> <i>(complementary statistics)</i>		

On behalf of the Board of Directors,  
Jean-Claude Scraire  
Jean-Claude Bachand

**COMBINED STATEMENT OF INCOME FOR  
THE YEAR ENDED DECEMBER 31, 1996**

	1996	1995
	(in millions of dollars)	
<b>INCOME</b>		
Investment income		
Interest on bonds	2,020	2,002
Dividends and interest on convertible securities	472	446
Interest on mortgages	125	168
Net income from real estate holdings	197	141
Interest on short-term investments	76	175
	<b>2,890</b>	2,932
Other income	16	8
	<b>2,906</b>	2,940
Less:		
Investment management expenses ( <i>Note 6</i> )	54	45
	<b>2,852</b>	2,895
<b>EXPENDITURES</b>		
Administrative expenses ( <i>Note 6</i> )	22	21
	<b>2,830</b>	2,874
<b>INCOME BEFORE THE FOLLOWING ITEM</b>		
Less:		
Non-controlling interests	11	7
<b>NET INVESTMENT INCOME</b>	<b>2,819</b>	<b>2,867</b>

**COMBINED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 1996**

	1996	1995
	(in millions of dollars)	
<b>INVESTMENT OPERATIONS</b>		
Net investment income	2,819	2,867
Gains (losses) on sale of investments		
Bonds	498	417
Shares and convertible securities	1,761	873
Mortgages	7	2
Real estate holdings	(1)	(79)
Short-term investments	(51)	(3)
	2,214	1,210
Less:		
Non-controlling interests	1	(2)
	2,213	1,212
Unrealized increase (decrease) in value		
Investments		
Bonds	550	2,043
Shares and convertible securities	2,242	1,698
Mortgages	34	79
Real estate holdings	90	(7)
Short-term investments	16	(22)
Securities acquired under reverse repurchase agreements	(72)	-
	2,860	3,791
Less:		
Commitments related to short selling of securities	59	11
Mortgage loans payable	-	13
Derivative financial instruments	157	(95)
Non-controlling interests	40	(1)
	256	(72)
	2,604	3,863
Total investment operations	7,636	7,942
Excess depositors' withdrawals over deposits	1,607	1,617
<b>INCREASE IN COMBINED NET ASSETS</b>	<b>6,029</b>	<b>6,325</b>
<b>COMBINED NET ASSETS, BEGINNING OF YEAR</b>	<b>51,185</b>	<b>44,860</b>
<b>COMBINED NET ASSETS, END OF YEAR</b>	<b>57,214</b>	<b>51,185</b>

**1** CONSTITUTION AND OPERATIONS

The Caisse de dépôt et placement du Québec is a legal person within the meaning of the Civil Code, created by a special act (R.S.Q., chapter C-2). It receives funds, the deposit of which is provided for under a particular act.

GENERAL FUND

The General Fund is comprised of diversified investments and is a pooled fund for demand, term and participation deposits. The General Fund's net equity and net income as at December 31 were shared among participation deposit holders as follows:

	1996		1995	
	Number of units	%	Number of units	%
Régie des rentes du Québec	17,585,369	74.1	17,656,968	75.7
Société de l'assurance automobile du Québec	6,120,094	25.8	5,635,479	24.2
Fonds d'assurance-prêts agricoles et forestiers	12,871	0.1	12,871	0.1
Office de la protection du consommateur				
Fonds des cautionnements collectifs				
des agents de voyages	-	-	7,167	-
Détaillants	3,997	-	-	-
Grossistes	2,287	-	-	-
Magazine Protégez-Vous	2,100	-	1,559	-
Régie des marchés agricoles et alimentaires du Québec	3,006	-	2,621	-
Fédération des producteurs de bovins du Québec	1,448	-	1,041	-
	<b>23,731,172</b>	<b>100.0</b>	23,317,706	100.0

As of January 1, 1996, the Fonds des cautionnements collectifs des agents de voyages was split in order to create the Fonds des cautionnements collectifs des agents de voyages - Détaillants, and the Fonds des cautionnements collectifs des agents de voyages - Grossistes.

In addition, on January 1, 1997, the Société de l'assurance automobile du Québec's share of the General Fund's net assets, or 25.8% of the net holdings of the Fund's participation deposit holders, was transferred to the Fund 307 created at that date for this depositor. The fair value of the net assets transferred, established as at December 31, 1996, was \$5,481 million.

INDIVIDUAL FUNDS

The Individual Funds are comprised of diversified investments and each have only one depositor who exclusively makes participation deposits therein. The various Individual Funds are:

**Fund 301**

For the Government and Public Employees Retirement Plan - contributions from unionized employees and transfer from supplemental pension plans - administered by the Commission administrative des régimes de retraite et d'assurances.

**Fund 302**

For the Government and Public Employees Retirement Plan - contributions from non-unionized employees - administered by the Commission administrative des régimes de retraite et d'assurances.

**Fund 303**

For the Individual Plans administered by the Commission administrative des régimes de retraite et d'assurances.

**Fund 305**

For the Pension Plan for Elected Municipal Officers and the General Retirement Plan for Mayors and Councillors of Municipalities, administered by the Commission administrative des régimes de retraite et d'assurances.

**Fund 306**

For the Régime complémentaire de rentes des techniciens ambulanciers œuvrant au Québec.

**Fund 308**

For the Fonds d'amortissement des régimes de retraite gouvernementaux, administered by the Minister of Finance.

**Fund 311**

For the Supplemental Pension Plan for Employees of the Québec Construction Industry - active participants - administered by the Commission de la construction du Québec.

**Fund 312**

For the Supplemental Pension Plan for Employees of the Québec Construction Industry - retired participants - administered by the Commission de la construction du Québec.

**Fund 313**

For the Supplemental Pension Plan for Employees of the Québec Construction Industry - additional contributions - administered by the Commission de la construction du Québec.

**Fund 330**

For the Commission de la santé et de la sécurité du travail.

**SPECIFIC PORTFOLIOS**

The specific portfolios are comprised of one category of investments only. The portfolios are pooled funds for participation deposits of the various Funds. As at December 31, 1996, the seven following specific portfolios were in operation: the bond portfolio (created October 1, 1996), the Canadian equities portfolio, the U.S. equities portfolio, the emerging market equities portfolio, the foreign equities portfolio, the mortgage portfolio and the real estate investments portfolio.

**2****ACCOUNTING POLICIES**

The combined financial statements of the Caisse have been prepared by management in accordance with generally accepted accounting principles. These statements include amounts based on best judgement and estimates.

**a) COMBINED FINANCIAL STATEMENTS**

The combined financial statements comprise the accounts of the Caisse's subsidiaries, those of the General Fund and the Individual Funds, as well as those of the specific portfolios. The accounts of each of these Funds and of each of these portfolios are reflected in separate financial statements audited by the Auditor General of Québec.

**b) INVESTMENTS AND JOINT OPERATIONS**

Purchases and sales of investments are recorded as at the commitment date, except transactions involving bonds, mortgages and real estate holdings, which are recorded as at the settlement date.

Investments and related assets and liabilities are accounted for at fair value, which is the estimated exchange value which would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act, established at year-end. Such values are determined using valuation methods used in capital markets, such as the annualization of future cash flows at the current interest rate and the closing prices of the major stock exchanges as well as those provided by recognized brokerage firms. In addition, valuations are made by independent valuers while others are made in-house based on commonly used valuation methods.

Transactions by way of commitments related to short selling of securities result in the acquisition of securities under reverse repurchase agreements as well as in transactions on loans on securities.

## c) INCOME

Income from derivative financial instruments is included in the income from the underlying investments.

Interest income on bonds includes income derived from securities acquired under reverse repurchase agreements reduced by interest expenses on deposits on loans of securities.

Dividend income is recognized on the ex-dividend date. Income from loans of shares and convertible securities is presented under the item Dividends and interest on convertible securities.

Income from real estate holdings is reduced by interest on bank and mortgage loans payable.

Interest on short-term investments is reduced by interest expenses on notes payable.

## d) GAINS AND LOSSES ON SALE OF INVESTMENTS

The gains and losses on the sale of investments are calculated using the average unamortized cost in the case of bonds, mortgages and short-term investments, the average cost in the case of shares and convertible securities, and the specific cost in the case of real estate holdings. The average unamortized cost is the acquisition cost restated to take into account the amortization of the premium and the discount that allows the investment to maintain a constant real return until maturity.

## e) FOREIGN CURRENCY TRANSLATION

The fair value of investments and any other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the rate of exchange prevailing at year-end.

The cost of investments in shares and that of real estate holdings from integrated foreign operations are translated at the rate prevailing on the acquisition date. The cost of real estate holdings from self-sustaining foreign operations is translated at the rate prevailing at year-end. The unamortized cost of hedged investments in bonds, mortgages and short-term investments is translated at the average rate of the financial foreign exchange risk hedging instruments held at year-end, and that of unhedged investments is translated at the rate prevailing at year-end.

Income is translated at the average rate prevailing in each of the fiscal periods of the various Funds and portfolios, except dividend income, which is translated at the rates prevailing on the ex-dividend date. Foreign exchange gains and losses are included in net investment income, except those gains and losses relating to financial foreign exchange risk hedging instruments used for shares and real estate holdings, which are deferred and accounted for in gains and losses on the sale of investments, upon the realization of the hedged shares and real estate holdings.

## f) FIXED ASSETS

Costs related to the acquisition of telephone, computer and office automation equipment are capitalized and amortized over the useful life of each asset. Set-up costs for the premises and other leasehold improvement costs are amortized over the term of the lease. These fixed assets are presented under the item Other assets.

## g) INVESTMENT MANAGEMENT EXPENSES AND ADMINISTRATIVE EXPENSES

Investment management expenses cover all expenses related directly to investment operations, including expenses paid to external financial institutions. These expenses are presented under a specific item, and are deducted from investment income. General administrative expenses are presented under the item Administrative expenses.



### **3** INVESTMENTS

Canadian and foreign investments as well as related derivative financial instruments, accounted for at fair value, are as follows:

	1996 (in millions of dollars)		
	Canadian	Foreign	Total
Bonds	25,202	609	25,811
Shares and convertible securities	15,571	10,455	26,026
Mortgages	1,445	122	1,567
Real estate holdings	2,680	922	3,602
Short-term investments	1,599	450	2,049
Securities acquired under reverse repurchase agreements	771	481	1,252
	47,268	13,039	60,307
Derivative financial instruments	19	106	125
	47,287	13,145	60,432

	1995 (in millions of dollars)		
	Canadian	Foreign	Total
Bonds	24,202	85	24,287
Shares and convertible securities	13,990	6,173	20,163
Mortgages	1,660	29	1,689
Real estate holdings	2,190	377	2,567
Short-term investments	2,954	105	3,059
Securities acquired under reverse repurchase agreements	62	-	62
	45,058	6,769	51,827
Derivative financial instruments	6	66	72
	45,064	6,835	51,899

The foreign exchange position for investments in foreign securities, other than those hedged by a corresponding financial liability, is hedged by derivative financial instruments as shown in note 7, with the exception of those from emerging markets in the amount of \$958 million as at December 31, 1996 (\$93 million in 1995), which are hedged for risks related to fluctuations in the US currency only.

#### **4 INVESTMENTS AND LIABILITIES AT COST**

The cost of investments and liabilities accounted for at fair value details as follows:

	1996	1995
	(in millions of dollars)	
<b>ASSETS</b>		
Investments		
Bonds	23,653	22,661
Shares and convertible securities	19,742	16,127
Mortgages	1,487	1,642
Real estate holdings	4,375	3,424
Short-term investments	2,075	3,067
Securities acquired under reverse repurchase agreements	1,324	62
	<b>52,656</b>	<b>46,983</b>
<b>LIABILITIES</b>		
Deposits on loans of securities	645	62
Commitments related to short selling of securities	1,538	351
Mortgage loans payable	914	621
Derivative financial instruments	69	5
Non-controlling interests	178	125

The cost of shares and convertible securities as well as of real estate holdings was decreased by the amount of the gains and losses carried over to financial foreign exchange risk hedging instruments which totalled \$160 million as at December 31, 1996 (increased by \$232 million in 1995).

#### **5 DEPOSITORS' HOLDINGS**

Demand and term deposits bear interest and constitute the Caisse's indebtedness toward the depositors.

Participation deposits are expressed in units and each unit gives its holder a proportionate share in the net equity and net income of a particular Fund. At the end of each fiscal period of a Fund, which is one month for the General Fund and three months for the Individual Funds, the net investment income and gains and losses on the sale of investments are distributed to participation deposit holders. At the beginning of the following period, the amounts distributed are paid out to (recovered from) the depositors' demand deposit accounts.

	1996	1995
	(in millions of dollars)	
Indebtedness toward depositors		
Demand deposits	91	105
Advances to a depositor	(200)	(200)
Term deposits	110	140
Interest on demand and term deposits	1	3
Net income to be paid out to participation deposit holders	1,167	765
	<b>1,169</b>	813
Participation deposit holders' holdings		
Participation deposits		
Balance, beginning of year	45,488	43,592
Units issued	4,053	3,147
Units cancelled	(334)	(1,251)
Balance, end of year	49,207	45,488
Amount not allocated with respect to real estate holdings*	111	111
Unrealized increase in value allocated following interfund transactions	(736)	(86)
Unrealized increase (decrease) in value of investments and other related assets and liabilities	7,463	4,859
	<b>56,045</b>	50,372
<b>DEPOSITORS' HOLDINGS</b>	<b>57,214</b>	51,185

\* Represents the restated amount of accumulated amortization of real estate properties resulting from the recording of investments at fair value. This amount will be allocated upon the sale of the properties.

## **6** INVESTMENT MANAGEMENT EXPENSES AND ADMINISTRATIVE EXPENSES

a) Investment management expenses and administrative expenses detail as follows:

	1996		1995	
	(in millions of dollars)			
	Management expenses	Administrative expenses	Management expenses	Administrative expenses
Salaries and employee benefits	23	13	22	12
Professional fees	19	3	12	3
Premises and material	5	3	4	3
Depreciation of fixed assets	2	1	2	1
Other	5	2	5	2
	<b>54</b>	<b>22</b>	45	21

b) Management expenses are attributable to investment categories as follows:

	1996	1995
	(in millions of dollars)	
Bonds	9	9
Shares and convertible securities	32	24
Mortgages	3	4
Real estate holdings	9	7
Short-term investments	1	1
	<b>54</b>	<b>45</b>

## **7** DERIVATIVE FINANCIAL INSTRUMENTS

Pursuant to its investment operations management, the Caisse conducts transactions involving various derivative financial instruments either to hedge against the risks associated with fluctuations in exchange rates or to manage risks associated with interest rate and market fluctuations. As at December 31, these instruments, the favourable fair value of which is grouped with that of the underlying investments while the unfavourable fair value is recorded in liabilities, including amounts payable on these instruments, under the item Derivative financial instruments, were as follows:

	1996		1995	
	(in millions of dollars)			
	Fair value	Notional amount	Fair value	Notional amount
<b>Over-the-counter products</b>				
Foreign exchange risk hedging*				
Forward exchange contracts				
Purchases	4	166	(1)	243
Sales	(131)	10,914	46	6,770
Foreign currency options				
Purchases	-	4	-	-
Foreign currency swaps				
Sales	4	366	(19)	460
Interest rate and market risk management				
Forward exchange contracts				
Purchases	4	334	(1)	837
Sales	(11)	1,124	-	30
Equity index forwards				
Purchases	(5)	88	-	-
Sales	5	88	-	-
Forward rate agreements				
Purchases	-	80	-	50
Sales	-	-	-	50
Forward currency volatility agreements				
Sales	-	55	-	-
Interest rate swaps	(29)	1,349	(29)	836
Options on interest rate swaps				
Purchases	-	42	-	-

(continued)	1996		1995	
	Fair value	Notional amount	Fair value	Notional amount
(in millions of dollars)				
Interest rate and market risk management				
Options on equity indices				
Purchases	-	-	-	47
Sales	-	-	(5)	52
Foreign currency options				
Purchases	37	2,460	10	439
Sales	(25)	1,651	(8)	365
Equity options				
Purchases	3	49	-	-
Sales	(1)	41	-	-
<b>Organized market products</b>				
Interest rate and market risk management				
Bonds futures				
Purchases	-	492	-	11
Sales	-	974	-	76
Equity index futures				
Purchases	-	853	-	54
Sales	-	703	-	344
Interest rate futures				
Purchases	-	87	-	70
Sales	-	228	-	-
Foreign currency futures				
Purchases	-	17	-	-
Options on bond futures				
Purchases	-	59	-	389
Sales	(1)	1,051	-	413
Options on equity index futures				
Purchases	-	12	-	-
Options on interest rate futures				
Purchases	-	56	-	-
Equity options				
Sales	-	5	-	4

\* Where hedging transactions imply simultaneous use of the US currency and other foreign currencies, the notional amount recorded herein represents the final value expressed in Canadian dollars.

Foreign exchange risks associated with foreign investments and other related assets and liabilities are hedged using hedging instruments. In the case of bonds, mortgages, real estate investments and short-term investments, these hedging instruments are representative of the value and the currency in which investments are expressed. In the case of foreign equities, the portfolio weighting by country is comparable to the major international indices, and the value of hedging instruments is representative of the relative weight of the countries whose securities make up such indices. These instruments are negotiated with banks. Terms generally range from one to three months in the case of forward exchange contracts and options, and from one to two years in the case of foreign currency swaps. Upon maturity, new hedging instruments are negotiated to maintain an effective long-term hedge against the exchange risk associated with foreign investments.

Moreover, futures and options traded on stock exchanges, forward exchange contracts, equity index forwards, forward rate agreements and forward currency volatility agreements, interest rate swaps and options negotiated with banks and brokerage firms, are used to manage the interest rate and market risks of the total investment portfolio in addition to generating income from negotiation activities.

These transactions are negotiated with financial institutions whose credit rating is established by a recognized credit rating agency and operational limits are duly approved by an internal credit committee, which supports compensation agreements in order to limit credit risk.

In addition, interest rate swaps on bonds for a nominal value of \$225 million as at December 31, 1996 (\$252 million in 1995) have allowed to convert the income of certain fixed interest-rate bonds into variable income.

## **8** COMMITMENTS

The Caisse has subscribed shares and limited partnership units. Disbursements will be made over the next few years as call for funds occur and conditions are met, in accordance with the terms and conditions agreed to. As at December 31, 1996, these commitments totalled \$561 million (\$366 million in 1995).

## **9** COMPARATIVE FIGURES

Certain figures from the 1995 financial statements have been reclassified in order to conform with the presentation adopted in 1996.

**COMPLEMENTARY STATISTICS**  
**BREAKDOWN OF COMBINED NET ASSETS**

as at December 31, 1996 (in millions of dollars)

Fair value %	Breakdown of portfolios	Notional amount - Maturities			Notional amount <sup>1</sup>	Fair value	Cost <sup>2</sup>	Effective interest rate %
		Under 2 years	2 to 5 years	Over 5 years				
<b>ASSETS</b>								
<b>Bonds</b>								
Domestic securities								
Government issued								
17.34	Gouvernement du Québec	1,960.2	2,333.9	5,640.1	9,934.2	10,633.5	9,685.5	8.6
10.90	Government of Canada	880.7	2,371.9	2,703.3	5,955.9	6,684.8	6,456.5	6.6
0.02	Other governments	-	-	13.3	13.3	14.7	13.9	7.2
28.26		2,840.9	4,705.8	8,356.7	15,903.4	17,333.0	16,155.9	7.8
Government guaranteed								
Gouvernement du Québec								
8.24	Hydro-Québec	316.0	1,088.9	3,551.9	4,956.8	5,050.3	4,482.1	8.8
0.63	Other	-	190.0	122.6	312.6	386.0	317.7	10.5
0.18	Government of Canada	-	-	84.7	84.7	110.0	93.8	9.2
9.05		316.0	1,278.9	3,759.2	5,354.1	5,546.3	4,893.6	8.9
Guaranteed by grants								
0.11	Colleges	4.3	31.6	22.5	58.4	70.1	60.6	9.9
0.61	Hospitals	11.7	247.2	51.0	309.9	375.4	316.3	10.6
0.15	Universities and affiliated schools	8.8	20.9	45.3	75.0	92.3	79.4	9.4
0.03	Social service centres	-	9.6	6.2	15.8	19.3	16.1	10.5
0.73	School boards	13.9	200.8	145.8	360.5	448.6	367.9	11.4
0.02	Other	1.2	3.0	5.0	9.2	11.8	10.2	10.1
1.65		39.9	513.1	275.8	828.8	1,017.5	850.5	10.8
Municipalities and school boards								
1.47	Municipalities and municipal bodies	123.1	250.8	383.0	756.9	898.9	775.9	9.5
0.17	School boards	7.8	23.8	54.5	86.1	105.2	89.3	10.1
1.64		130.9	274.6	437.5	843.0	1,004.1	865.2	9.6
0.49	Corporate	33.2	97.6	156.5	287.3	301.4	287.0	9.2
41.09		3,360.9	6,870.0	12,985.7	23,216.6	25,202.3	23,052.2	8.2
0.03	Derivative financial instruments	340.9	-	163.4	504.3	15.7	-	
41.12						25,218.0	23,052.2	8.2
Foreign securities								
0.79	U.S. Government	-	16.7	455.8	472.5	485.9	484.4	6.6
0.20	Other	2.5	-	105.1	107.6	122.4	116.2	8.2
0.99		2.5	16.7	560.9	580.1	608.3	600.6	6.9
0.02	Derivative financial instruments	1,218.6	-	35.0	1,253.6	9.9	0.3	
1.01						618.2	600.9	6.9
<b>42.13</b>						<b>25,836.2</b>	<b>23,653.1</b>	<b>6.8</b>
<b>Shares and convertible securities</b>								
Domestic securities								
1.82	Metals and minerals					1,118.3	874.1	
2.11	Gold and silver					1,295.4	988.3	
2.89	Oil and gas					1,773.5	1,189.8	
1.67	Paper and forest products					1,026.5	878.6	
1.68	Consumer products					1,029.4	557.4	
3.48	Industrial products					2,135.9	1,463.4	
0.73	Real estate and construction					450.3	535.2	
0.68	Transportation and environmental services					414.0	355.9	
0.23	Pipelines					138.8	99.9	
2.73	Utilities					1,674.1	987.1	
1.78	Communications					1,090.5	555.2	
1.12	Distribution and services					686.0	717.4	
3.87	Financial services					2,376.3	1,292.4	
0.59	Conglomerates					361.2	207.2	
25.38						15,570.2	10,701.9	
-	Derivative financial instruments	80.3	-	-	80.3	3.0	4.5	
25.38						15,573.2	10,706.4	
Foreign securities								
External funds								
0.92	United States					564.7	378.1	
0.27	United Kingdom					166.1	128.6	
0.29	France					180.0	147.0	
0.34	Germany					207.3	160.6	
1.22	Other European countries					749.0	618.1	
2.03	Japan					1,246.1	1,289.2	
0.55	Other Asian countries and Oceania					336.8	249.0	
1.48	Emerging markets					907.4	926.8	
Internal funds								
3.25	United States					1,991.2	1,683.4	
1.82	United Kingdom					1,115.2	817.0	
0.44	France					269.6	243.4	
0.44	Germany					269.2	203.2	
1.73	Other European countries					1,062.5	811.2	
1.50	Japan					921.1	992.6	
0.28	Hong Kong					169.2	122.9	
0.41	Other Asian countries and Oceania					249.3	211.3	
0.08	Emerging markets					50.9	52.5	
17.05						10,455.6	9,034.9	
0.07	Derivative financial instruments	3,836.6	5.8	19.7	3,862.1	43.7	0.1	
17.12						10,499.3	9,035.0	
<b>42.50</b>						<b>26,072.5</b>	<b>19,741.4</b>	

**COMPLEMENTARY STATISTICS**  
**BREAKDOWN OF COMBINED NET ASSETS (continued)**

as at December 31, 1996 (in millions of dollars)

Fair value %	Breakdown of portfolios	Notional amount - Maturities			Notional amount <sup>1</sup>	Fair value	Cost <sup>2</sup>	Effective interest rate %
		Under 2 years	2 to 5 years	Over 5 years				
<b>ASSETS (continued)</b>								
<b>Mortgages</b>								
Domestic securities								
Residential								
0.11	Insured	44.9	16.9	3.2	65.0	67.1	65.0	8.2
0.19	Conventional	58.4	24.4	28.4	111.2	119.0	111.2	9.2
0.30		103.3	41.3	31.6	176.2	186.1	176.2	8.8
1.67	Commercial and office buildings	401.7	459.7	116.9	978.3	1,025.2	978.3	9.1
0.38	Industrial	119.7	75.5	24.3	219.5	234.4	219.5	9.1
2.35		624.7	576.5	172.8	1,374.0	1,445.7	1,374.0	9.1
U.S. securities								
0.09	Residential	42.5	8.6	2.3	53.4	54.6	53.4	10.5
0.11	Commercial and office buildings	-	1.3	58.4	59.7	67.0	59.7	12.0
0.20		42.5	9.9	60.7	113.1	121.6	113.1	11.3
2.55		667.2	586.4	233.5	1,487.1	1,567.3	1,487.1	9.2
<b>Real estate holdings</b>								
4.37	Canada					2,679.8	3,455.9	
1.50	Abroad					922.6	918.9	
0.01	Derivative financial instruments	79.0	242.7	-	321.7	7.9	0.1	
1.51						930.5	919.0	
5.88						3,610.3	4,374.9	
93.06	<b>Total long-term investments</b>					57,086.3	49,256.5	
<b>Short-term investments</b>								
2.61	Domestic securities	1,569.9	35.0	-	1,604.9	1,599.3	1,599.7	3.3
-	Derivative financial instruments	12.0	-	-	12.0	-	-	
2.61						1,599.3	1,599.7	3.3
0.73	Foreign securities	450.9	-	-	450.9	450.1	446.6	5.8
0.07	Derivative financial instruments	2,935.2	-	-	2,935.2	44.1	28.8	
0.80						494.2	475.4	5.8
3.41						2,093.5	2,075.1	3.8
<b>Securities acquired under reverse repurchase agreements</b>								
1.26	Domestic securities	736.3	-	-	736.3	770.7	833.3	
0.79	Foreign securities	502.0	-	-	502.0	481.7	490.6	
2.05		1,238.3	-	-	1,238.3	1,252.4	1,323.9	
5.46	<b>Total short-term investments</b>					3,345.9	3,399.0	
98.52	<b>Total investments</b>					60,432.2	52,655.5	
1.04	Investment income, accrued and receivable					637.8	637.8	
0.10	Transactions being settled	61.7	-	-	61.7	61.7	61.7	
0.34	Other assets					201.0	201.0	
100.00	<b>TOTAL ASSETS</b>					61,332.7	53,556.0	
<b>LIABILITIES</b>								
15.67	Deposits on loans of securities	645.4	-	-	645.4	645.4	645.4	
3.71	Bank loans and notes payable	152.8	-	-	152.8	152.8	152.8	3.4
22.56	Mortgages loans	280.0	329.1	305.1	914.2	929.4	914.2	8.0
3.74	Transactions being settled	154.2	-	-	154.2	154.2	154.2	
29.00	Commitments related to short selling of bonds	1,174.3	-	-	1,174.3	1,194.5	1,153.5	
9.98	Commitments related to short selling of equities					411.1	384.0	
7.40	Derivative financial instruments	19,972.6	949.0	198.4	21,120.0	304.4	69.1	
3.75	Other liabilities					154.5	154.5	
4.19	Non-controlling interests					172.3	177.7	
100.00	<b>TOTAL LIABILITIES</b>					4,118.6	3,805.4	7.3
<b>COMBINED NET ASSETS</b>						57,214.1	49,750.6	

It would not be practical to present the 1995 figures.

<sup>1</sup> The notional amount represents the exchange value used for the evaluation of future cash flows in the case of investments and other assets and liabilities with a determined maturity date; in the case of derivative financial instruments, the notional amount represents the value of the notional principal, to which a rate or a price is applied to determine the exchange of future cash flows.

<sup>2</sup> Certain investment categories are reported at unamortized cost.



**SUPPLEMENTARY INFORMATION  
SUMMARY FINANCIAL STATEMENTS FOR THE FUNDS**

(in millions of dollars)

<b>GENERAL FUND</b>								
NET ASSETS AS AT DECEMBER 31, 1996	1996	1995	301		302		303	
			1996	1995	1996	1995	1996	1995
<b>ASSETS</b>								
Investments at fair value								
Bonds	9,732.0	10,619.5	8,510.3	7,597.9	1,386.1	1,236.6	45.8	45.5
Shares and convertible securities	9,161.6	7,426.9	8,845.6	6,844.2	1,504.8	1,208.9	45.1	38.6
Mortgages	163.5	480.8	347.4	387.2	57.8	65.3	19.5	17.9
Real estate investments	933.5	849.6	891.8	854.2	150.6	144.8	6.6	5.6
Short-term investments	2,414.7	2,970.3	-	-	-	-	-	-
Demand deposits in the General Fund	-	-	1,071.8	801.3	172.3	124.2	24.4	17.1
	<b>22,405.3</b>	<b>22,347.1</b>	<b>19,666.9</b>	<b>16,484.8</b>	<b>3,271.6</b>	<b>2,779.8</b>	<b>141.4</b>	<b>124.7</b>
Other assets	1,337.2	540.9	162.1	233.4	27.1	38.9	1.1	1.8
	<b>23,742.5</b>	<b>22,888.0</b>	<b>19,829.0</b>	<b>16,718.2</b>	<b>3,298.7</b>	<b>2,818.7</b>	<b>142.5</b>	<b>126.5</b>
<b>LIABILITIES</b>								
Demand and term deposits	2,206.6	2,153.7	-	-	-	-	-	-
Derivative financial instruments	52.3	24.7	5.1	11.0	0.9	9.9	-	0.2
Other liabilities	230.6	318.2	559.6	350.5	93.8	57.3	3.9	2.3
	<b>2,489.5</b>	<b>2,496.6</b>	<b>564.7</b>	<b>361.5</b>	<b>94.7</b>	<b>67.2</b>	<b>3.9</b>	<b>2.5</b>
<b>PARTICIPATION DEPOSIT HOLDERS' NET HOLDINGS</b>								
	<b>21,253.0</b>	<b>20,391.4</b>	<b>19,264.3</b>	<b>16,356.7</b>	<b>3,204.0</b>	<b>2,751.5</b>	<b>138.6</b>	<b>124.0</b>
<b>STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1996</b>								
<b>INCOME</b>								
Investment income								
Income from bonds	848.4	940.6	624.4	594.3	104.5	97.5	3.5	3.6
Income from shares and convertible securities	168.2	169.6	169.3	150.9	28.9	26.5	0.9	0.9
Income from mortgages	21.1	46.0	27.9	34.5	4.7	5.4	1.5	1.3
Income from real estate investments	75.2	57.3	70.2	55.8	11.8	9.6	0.5	0.4
Interest on short-term investments and deposits in the General Fund	82.4	157.7	25.2	49.5	3.9	8.1	1.0	1.4
	<b>1,195.3</b>	<b>1,371.2</b>	<b>917.0</b>	<b>885.0</b>	<b>153.8</b>	<b>147.1</b>	<b>7.4</b>	<b>7.6</b>
Other income	0.3	0.5	-	0.2	-	-	-	-
Total income	<b>1,195.6</b>	<b>1,371.7</b>	<b>917.0</b>	<b>885.2</b>	<b>153.8</b>	<b>147.1</b>	<b>7.4</b>	<b>7.6</b>
Investment management expenses	3.6	12.5	2.4	9.6	0.4	1.6	-	0.1
	<b>1,192.0</b>	<b>1,359.2</b>	<b>914.6</b>	<b>875.6</b>	<b>153.4</b>	<b>145.5</b>	<b>7.4</b>	<b>7.5</b>
<b>EXPENDITURES</b>								
Administrative expenses	2.4	5.9	1.7	4.7	0.3	0.8	-	-
Interest on demand and term deposits	78.1	127.4	-	-	-	-	-	-
<b>NET INVESTMENT INCOME</b>	<b>1,111.5</b>	<b>1,225.9</b>	<b>912.9</b>	<b>870.9</b>	<b>153.1</b>	<b>144.7</b>	<b>7.4</b>	<b>7.5</b>
<b>CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 1996</b>								
<b>INVESTMENT OPERATIONS</b>								
Net investment income	1,111.5	1,225.9	912.9	870.9	153.1	144.7	7.4	7.5
Gains (losses) on sale of investments	1,163.3	598.3	950.4	309.1	161.0	52.9	5.6	1.0
Unrealized increase (decrease) in value of investments and liabilities	495.2	1,513.0	830.8	1,322.1	140.4	220.0	4.6	9.2
Total investment operations	2,770.0	3,337.2	2,694.1	2,502.1	454.5	417.6	17.6	17.7
Participation deposits	366.4	(615.2)	2,076.8	1,569.8	312.1	236.1	10.0	5.3
Net income allocated to participation deposit holders	(2,274.8)	(1,824.2)	(1,863.3)	(1,180.0)	(314.1)	(197.6)	(13.0)	(8.5)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>861.6</b>	<b>897.8</b>	<b>2,907.6</b>	<b>2,891.9</b>	<b>452.5</b>	<b>456.1</b>	<b>14.6</b>	<b>14.5</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>20,391.4</b>	<b>19,493.6</b>	<b>16,356.7</b>	<b>13,464.8</b>	<b>2,751.5</b>	<b>2,295.4</b>	<b>124.0</b>	<b>109.5</b>
<b>NET ASSETS, END OF YEAR</b>	<b>21,253.0</b>	<b>20,391.4</b>	<b>19,264.3</b>	<b>16,356.7</b>	<b>3,204.0</b>	<b>2,751.5</b>	<b>138.6</b>	<b>124.0</b>
<b>INVESTMENTS AND LIABILITIES AT COST AS AT DECEMBER 31, 1996</b>								
<b>ASSETS</b>								
Investments								
Bonds	8,958.4	9,877.6	7,799.0	7,115.5	1,261.8	1,143.0	42.1	42.7
Shares and convertible securities	7,026.5	5,726.0	6,910.6	5,460.8	1,166.9	964.1	36.9	33.3
Mortgages	155.9	468.1	332.0	376.3	55.4	63.6	18.6	17.4
Real estate investments	1,261.9	1,201.1	1,138.9	1,141.9	191.8	193.3	7.7	6.9
Short-term investments	2,396.2	2,968.8	-	-	-	-	-	-
Demand deposits in the General Fund	-	-	1,071.8	801.3	172.3	124.2	24.4	17.1
	<b>19,798.9</b>	<b>20,241.6</b>	<b>17,252.3</b>	<b>14,895.8</b>	<b>2,848.2</b>	<b>2,488.2</b>	<b>129.7</b>	<b>117.4</b>
<b>LIABILITIES</b>								
Term deposits	110.0	140.0	-	-	-	-	-	-
Derivative financial instruments	32.0	12.0	0.9	1.6	0.1	0.5	-	-

\* Created April 1, 1995.

## INDIVIDUAL FUNDS

305		306*		308		311		312		313		330	
1996	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
57.3	51.1	38.3	30.3	478.9	443.2	675.7	684.7	741.4	621.2	265.2	233.2	2,935.1	2,494.0
59.3	50.4	21.1	15.5	452.7	386.2	1,459.1	1,346.7	746.7	654.4	183.5	158.0	2,197.4	1,722.2
2.4	2.7	-	-	19.1	21.8	429.2	371.9	295.5	240.3	177.9	142.3	44.0	63.5
7.4	6.1	-	-	59.8	49.1	107.0	88.7	36.1	28.3	25.6	19.8	208.7	189.0
-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3	4.1	2.5	1.6	68.6	46.2	208.4	107.0	131.8	145.3	48.7	44.8	260.7	397.0
134.7	114.4	61.9	47.4	1,079.1	946.5	2,879.4	2,599.0	1,951.5	1,689.5	700.9	598.1	5,645.9	4,865.7
1.2	1.6	0.5	0.6	9.4	12.0	24.1	31.4	15.9	23.9	5.9	7.8	46.2	65.8
135.9	116.0	62.4	48.0	1,088.5	958.5	2,903.5	2,630.4	1,967.4	1,713.4	706.8	605.9	5,692.1	4,931.5
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	0.3	18.1	5.2	0.7	3.5	0.4	1.2	0.4	1.8	2.3
4.0	2.2	1.7	1.1	32.1	19.6	87.8	43.3	60.3	37.7	19.3	11.5	154.6	121.2
4.0	2.2	1.7	1.1	32.4	37.7	93.0	44.0	63.8	38.1	20.5	11.9	156.4	123.5
131.9	113.8	60.7	46.9	1,056.1	920.8	2,810.5	2,586.4	1,903.6	1,675.3	686.3	594.0	5,535.7	4,808.0
4.3	4.1	2.7	1.6	34.2	31.7	54.7	56.0	55.2	40.8	19.7	18.2	217.1	202.6
1.1	1.1	0.4	0.2	8.9	8.5	28.9	27.9	14.4	14.6	3.5	2.8	41.0	36.9
0.2	0.3	-	-	1.6	2.4	31.4	37.2	21.4	23.0	12.6	11.5	3.9	8.9
0.6	0.4	-	-	4.7	3.3	8.6	5.5	2.9	1.8	2.0	1.2	16.5	13.3
0.3	0.2	-	0.2	1.5	2.4	6.9	13.3	5.2	14.1	1.8	3.7	11.1	12.6
6.5	6.1	3.1	2.0	50.9	48.3	130.5	139.9	99.1	94.3	39.6	37.4	289.6	274.3
-	-	-	-	-	-	-	0.1	-	-	-	-	-	-
6.5	6.1	3.1	2.0	50.9	48.3	130.5	140.0	99.1	94.3	39.6	37.4	289.6	274.3
-	0.1	-	-	0.1	0.5	0.2	1.8	0.2	1.1	0.1	0.4	0.8	2.7
6.5	6.0	3.1	2.0	50.8	47.8	130.3	138.2	98.9	93.2	39.5	37.0	288.8	271.6
-	-	-	-	0.1	0.3	0.2	0.9	0.2	0.5	0.1	0.2	0.6	1.3
-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.5	6.0	3.1	2.0	50.7	47.5	130.1	137.3	98.7	92.7	39.4	36.8	288.2	270.3
6.5	6.0	3.1	2.0	50.7	47.5	130.1	137.3	98.7	92.7	39.4	36.8	288.2	270.3
6.5	2.0	2.0	1.0	47.6	16.1	169.9	43.7	94.1	41.2	24.0	4.0	237.9	129.2
6.2	9.3	3.1	2.7	50.7	72.7	122.2	207.6	70.3	117.6	21.4	42.7	212.0	356.7
19.2	17.3	8.2	5.7	149.0	136.3	422.2	388.6	263.1	251.5	84.8	83.5	738.1	756.2
11.9	8.4	10.7	44.2	84.6	54.0	101.9	27.2	158.0	160.6	70.9	105.9	515.7	299.5
(13.0)	(8.0)	(5.1)	(3.0)	(98.3)	(63.6)	(300.0)	(181.0)	(192.8)	(133.9)	(63.4)	(40.8)	(526.1)	(399.5)
18.1	17.7	13.8	46.9	135.3	126.7	224.1	234.8	228.3	278.2	92.3	148.6	727.7	656.2
113.8	96.1	46.9	-	920.8	794.1	2,586.4	2,351.6	1,675.3	1,397.1	594.0	445.4	4,808.0	4,151.8
131.9	113.8	60.7	46.9	1,056.1	920.8	2,810.5	2,586.4	1,903.6	1,675.3	686.3	594.0	5,535.7	4,808.0
52.0	47.3	35.2	28.4	450.7	408.2	609.8	636.9	681.5	583.1	242.7	217.3	2,688.3	2,313.8
45.4	41.0	18.3	14.6	389.1	360.6	1,106.9	1,087.0	590.4	539.3	151.2	136.0	1,744.8	1,408.9
2.2	2.6	-	-	17.8	20.5	416.0	367.3	284.2	235.2	170.8	138.6	42.2	61.7
9.4	8.2	-	-	63.2	54.2	139.6	124.1	45.8	38.9	32.4	27.4	284.2	270.2
-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3	4.1	2.5	1.6	68.6	46.2	208.4	107.0	131.8	145.3	48.7	44.8	260.7	397.0
117.3	103.2	56.0	44.6	989.4	889.7	2,480.7	2,322.3	1,733.7	1,541.8	645.8	564.1	5,020.2	4,451.6
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	4.8	0.1	3.3	-	1.1	-	0.3	0.4

**SUPPLEMENTARY INFORMATION  
SUMMARY FINANCIAL STATEMENTS FOR THE SPECIFIC PORTFOLIOS**

(in millions of dollars)

	BONDS		CANADIAN EQUITIES	
	(Created 1996-10-01) 1996	1995	(Created 1995-07-01) 1996	1995
<b>CONSOLIDATED NET ASSETS AS AT DECEMBER 31, 1996</b>				
<b>ASSETS</b>				
Investments at fair value				
Bonds	25,591.3	-	1.8	230.8
Shares and convertible securities	-	-	15,447.7	13,828.5
Mortgages	-	-	-	-
Real estate holdings	-	-	-	-
Short-term investments	-	-	19.8	-
Demand deposits in the General Fund	-	-	-	167.1
Securities acquired under reverse repurchase agreements	1,252.4	-	-	-
	26,843.7	-	15,469.3	14,226.4
Other assets	487.8	-	54.9	54.8
	27,331.5	-	15,524.2	14,281.2
<b>LIABILITIES</b>				
Advances from the General Fund	507.2	-	244.7	-
Deposits on loans of securities	645.4	-	-	-
Commitments related to short selling of securities	1,194.5	-	411.1	359.4
Mortgage loans payable	-	-	-	-
Derivative financial instruments	24.7	-	11.5	7.0
Other liabilities	308.7	-	187.9	165.9
Non-controlling interests	-	-	-	-
	2,680.5	-	855.2	532.3
<b>NET HOLDINGS OF FUNDS</b>	<b>24,651.0</b>	<b>-</b>	<b>14,669.0</b>	<b>13,748.9</b>
<b>CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1996</b>				
<b>INCOME</b>				
Investment income				
Interest on bonds	480.4	-	26.6	7.5
Dividends and interest on convertible securities	-	-	292.4	157.0
Interest on mortgages	-	-	-	-
Net income from real estate holdings	-	-	-	-
Interest on short-term investments	-	-	0.5	-
Interest on deposits in the General Fund	(7.6)	-	(3.8)	0.3
	472.8	-	315.7	164.8
Other income	-	-	9.1	1.7
Total income	472.8	-	324.8	166.5
Investment management expenses	2.3	-	14.7	2.1
	470.5	-	310.1	164.4
<b>EXPENDITURES</b>				
Administrative expenses	1.6	-	4.1	0.3
<b>INCOME BEFORE THE FOLLOWING ITEM</b>	<b>468.9</b>	<b>-</b>	<b>306.0</b>	<b>164.1</b>
Non-controlling interests	-	-	-	-
<b>NET INVESTMENT INCOME</b>	<b>468.9</b>	<b>-</b>	<b>306.0</b>	<b>164.1</b>
<b>CHANGES IN CONSOLIDATED NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 1996</b>				
<b>INVESTMENT OPERATIONS</b>				
Net investment income	468.9	-	306.0	164.1
Gains (losses) on sale of investments	331.4	-	1,310.0	459.8
Unrealized increase (decrease) in value of investments and liabilities	485.1	-	1,713.3	162.4
Total investment operations	1,285.4	-	3,329.3	786.3
Participation units	(1,596.7)	-	(338.2)	29.7
Transfer from funds and portfolio	25,762.6	-	(455.0)	13,556.8
Net income allocated to participation unit holders	(800.3)	-	(1,616.0)	(623.9)
<b>INCREASE (DECREASE) IN CONSOLIDATED NET ASSETS</b>	<b>24,651.0</b>	<b>-</b>	<b>920.1</b>	<b>13,748.9</b>
<b>CONSOLIDATED NET ASSETS, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>13,748.9</b>	<b>-</b>
<b>CONSOLIDATED NET ASSETS, END OF YEAR</b>	<b>24,651.0</b>	<b>-</b>	<b>14,669.0</b>	<b>13,748.9</b>
<b>INVESTMENTS AND LIABILITIES AT COST AS AT DECEMBER 31, 1996</b>				
<b>ASSETS</b>				
Investments				
Bonds	23,423.2	-	1.8	218.7
Shares and convertible securities	-	-	10,492.8	10,604.9
Mortgages	-	-	-	-
Real estate holdings	-	-	-	-
Short-term investments	-	-	19.8	-
Demand deposits in the General Fund	-	-	-	167.1
Securities acquired under reverse repurchase agreements	1,323.8	-	-	-
	24,747.0	-	10,514.4	10,990.7
<b>LIABILITIES</b>				
Deposits on loans of securities	645.4	-	-	-
Commitments related to short selling of securities	1,153.6	-	384.0	350.8
Mortgage loans payable	-	-	-	-
Derivative financial instruments	5.0	-	2.3	0.4
Non-controlling interests	-	-	-	-
<b>SHARE OF FUNDS (in percentage)</b>				
General Fund	39.0	-	36.7	37.9
Individual Fund 301	34.3	-	36.3	36.4
Individual Fund 302	5.6	-	6.3	6.3
Individual Fund 303	0.2	-	0.2	0.2
Individual Fund 305	0.2	-	0.3	0.3
Individual Fund 306	0.2	-	0.1	0.1
Individual Fund 308	1.9	-	2.2	2.1
Individual Fund 311	2.7	-	6.6	6.5
Individual Fund 312	3.0	-	2.8	2.6
Individual Fund 313	1.1	-	0.6	0.6
Individual Fund 330	11.8	-	7.9	7.0
	100.0	-	100.0	100.0





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**CHANGES IN DEPOSITORS' HOLDINGS IN 1996**  
 (in millions of dollars)

DEPOSITORS	Fund	Holdings, beginning of year	Cost		Holdings, end of year	Holdings, beginning of year	Fair value		Excess over cost	
			Cash				Unrealized increase (decrease) in value	Change		Holdings, end of year
			Net income allocated	Deposits (with- drawals)						
Commission administrative des régimes de retraite et d'assurances										
Government and Public Employees										
Retirement Plan										
Unionized level	301	15,110.5	1,863.6	443.7	17,417.8	16,690.1	830.8	2,307.3	19,828.2	2,410.4
Non-unionized level and other	302	2,529.2	314.8	42.3	2,886.3	2,811.5	140.4	357.1	3,309.0	422.7
Individual plans	303	119.0	13.0	(1.2)	130.8	126.1	4.6	11.8	142.5	11.7
Pension Plan of Elected Municipal Officers	305	105.3	13.0	0.6	118.9	116.5	6.2	13.6	136.3	17.4
		17,864.0	2,204.4	485.4	20,553.8	19,744.2	982.0	2,689.8	23,416.0	2,862.2
Régie des rentes du Québec	GF	13,802.9	1,709.8	(1,775.1)	13,737.6	15,361.2	364.2	(65.3)	15,660.1	1,922.5
Commission de la santé et de la sécurité du travail	330	4,549.1	527.1	4.9	5,081.1	4,961.3	212.0	532.0	5,705.3	624.2
Commission de la construction du Québec										
Supplemental Pension Plan for Employees of the Québec Construction Industry										
Active participants' account	311	2,351.0	300.0	(151.0)	2,500.0	2,627.1	122.3	149.0	2,898.4	398.4
Retired participants' account	312	1,563.4	192.9	(10.0)	1,746.3	1,710.7	70.3	182.9	1,963.9	217.6
Additional contributions account	313	571.1	63.4	16.0	650.5	604.7	21.4	79.4	705.5	55.0
		4,485.5	556.3	(145.0)	4,896.8	4,942.5	214.0	411.3	5,567.8	671.0
Société de l'assurance automobile du Québec	GF	4,444.2	570.6	(132.4)	4,882.4	4,974.3	130.4	438.2	5,542.9	660.5
Fonds d'amortissement des régimes de retraite gouvernementaux	308	900.5	98.3	-	998.8	939.2	50.7	98.3	1,088.2	89.4
Régie de l'assurance-dépôts du Québec	GF	168.7	6.6	(55.8)	119.5	171.3	(2.0)	(49.2)	120.1	0.6
Régime complémentaire de rentes des techniciens ambulanciers œuvrant au Québec	306	45.2	5.1	6.3	56.6	47.9	3.2	11.4	62.5	5.9
Fonds d'assurance-prêts agricoles et forestiers du Québec	GF	28.1	2.5	5.3	35.9	29.4	0.2	7.8	37.4	1.5
Office de la protection du consommateur										
Fonds des cautionnements collectifs des agents de voyages	GF	7.0	0.8	(1.1)	6.7	7.3	-	(0.3)	7.0	0.3
Magazine Protégez-Vous	GF	1.9	0.1	-	2.0	1.9	0.1	0.1	2.1	0.1
		8.9	0.9	(1.1)	8.7	9.2	0.1	(0.2)	9.1	0.4
Régie des marchés agricoles et alimentaires du Québec	GF	2.3	0.2	0.1	2.6	2.4	0.1	0.3	2.8	0.2
La Fédération des producteurs de bovins du Québec	GF	1.6	0.2	-	1.8	1.6	0.1	0.2	1.9	0.1
Régie des assurances agricoles du Québec <sup>1</sup>	GF	-	-	-	-	-	-	-	-	-
Centre de recherche industrielle du Québec <sup>1</sup>	GF	-	-	-	-	-	-	-	-	-
Société des alcools du Québec <sup>1</sup>	GF	-	-	-	-	-	-	-	-	-
<b>Depositors' holdings</b>		<b>46,301.0</b>	<b>5,682.0</b>	<b>(1,607.4)</b>	<b>50,375.6</b>	<b>51,184.5</b>	<b>1,955.0</b>	<b>4,074.6</b>	<b>57,214.1</b>	<b>6,838.5</b>

1995	43,852.2	4,065.5	(1,616.7)	46,301.0	44,859.9	3,875.8	2,448.8	51,184.5	<b>4,883.5</b>
1994	42,034.0	2,983.2	(1,165.0)	43,852.2	47,116.7	(4,075.0)	1,818.2	44,859.9	<b>1,007.7</b>
1993	39,885.0	3,989.2	(1,840.2)	42,034.0	41,307.2	3,660.5	2,149.0	47,116.7	<b>5,082.7</b>
1992	38,027.3	3,269.8	(1,412.1)	39,885.0	41,053.4	(1,603.9)	1,857.7	41,307.2	<b>1,422.2</b>

GF: General Fund

<sup>1</sup> These depositors only benefit from the Caisse's cash management services.

## **2 ANNUAL INTEREST OR INCOME PAID OUT ON AVERAGE DEPOSITS** (rate in percentage)

<b>CATEGORIES OF DEPOSITS</b>	<b>1996</b>	1995
Demand deposits <sup>1</sup>	<b>4.744</b>	7.229
Term deposits <sup>1</sup>	<b>5.241</b>	6.958
Participation deposits <sup>2</sup>	<b>11.854</b>	8.987

<sup>1</sup> The General Fund receives demand and term deposits from depositors and pays out interest on these deposits. The rate indicated is the average rate paid out during the year.

<sup>2</sup> Income earned on the investments of the Caisse's General Fund and Individual Funds is paid out or allocated to participation deposit holders. The rate indicated is the average annual rate. The rate represents only the income accounted for during the year on depositors' investments. It does not account for the change in the fair value of investments. For purposes of this calculation, participation deposits are computed at cost. The rate is different from the time-weighted rate of return which includes both income and changes in the fair value of investments.

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## **3 ACQUISITIONS OF NEW BONDS ISSUED BY THE GOUVERNEMENT DU QUÉBEC AND THE QUÉBEC PUBLIC SECTOR** (par value - in millions of dollars)

	<b>Government</b>	<b>Public sector</b>	<b>Total</b>
<b>1996</b>	<b>1,100.0</b>	<b>200.0</b>	<b>1,300.0</b>
1995	1,200.0	300.0	1,500.0
1994	1,405.0	-	1,405.0
1993	625.0	500.0	1,125.0
1992	875.0	453.4	1,328.4
	<b>5,205.0</b>	<b>1,453.4</b>	<b>6,658.4</b>



**4** INVESTMENTS IN CANADIAN CORPORATE SHARES AND BONDS  
 BY SECTOR OF ACTIVITY  
 as at December 31, 1996  
 (fair value - in millions of dollars)

SECTOR OF ACTIVITY	Shares and convertible securities	Bonds	Total	%	Weighting in reference index
Metals and minerals	1,118.3	-	1,118.3	7.0	7.9
Gold and silver	1,295.4	-	1,295.4	8.2	10.5
Oil and gas	1,773.5	-	1,773.5	11.2	13.5
Paper and forest products	1,026.5	48.0	1,074.5	6.8	3.7
Consumer products	1,029.4	43.3	1,072.7	6.8	6.6
Industrial products	2,135.9	4.1	2,140.0	13.5	15.5
Real estate and construction	450.3	10.6	460.9	2.9	1.1
Transportation and environmental services	414.0	2.0	416.0	2.6	2.7
Pipelines	138.8	-	138.8	0.9	2.2
Utilities	1,674.1	75.2	1,749.3	11.0	8.7
Communications	1,090.5	29.6	1,120.1	7.0	3.1
Distribution and services	686.0	48.5	734.5	4.6	3.3
Financial services	2,379.3	40.1	2,419.4	15.2	17.5
Conglomerates	361.2	-	361.2	2.3	3.7
	<b>15,573.2</b>	<b>301.4</b>	<b>15,874.6</b>	<b>100.0</b>	<b>100.0</b>

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**5** PARTICIPATION IN NEW BOND ISSUES OF THE  
 GOUVERNEMENT DU QUÉBEC IN 1996  
 (in millions of dollars)

Date of offer	Par value	Date of maturity	Nominal rate %	Yield to maturity %	Unit price	Acquisitions by the Caisse
1996-04-04	250	2006-03-30	7.75	8.13	97.42	250
1996-04-10	125	2000-09-01	7.25	7.38	99.16	125
1996-04-12	150	2002-04-01	9.25	7.80	106.79	150
1996-04-16	150	2009-04-01	11.00	8.47	119.68	150
1996-06-06	175	2023-01-16	9.38	8.62	107.82	175
1996-06-17	250	2003-12-01	7.50	7.97	97.42	250
	<b>1,100</b>					<b>1,100</b>

STATEMENT OF BONDS ACQUIRED DIRECTLY FROM THE  
GOUVERNEMENT DU QUÉBEC OR HYDRO-QUÉBEC  
as at December 31, 1996

GOUVERNEMENT DU QUÉBEC

Nominal rate	Date of maturity	Cumulative amount <sup>1</sup> (in millions of dollars)	Percentage held by the Caisse <sup>2</sup>
10.50	1997-01-15	100	78
8.50	1997-02-10	100	100
16.50	1997-03-22	75	-
8.50	1997-04-01	825	49
10.00	1997-06-04	125	80
9.75	1997-07-15	200	-
12.15	1997-08-15	200	-
8.00	1998-03-30	75	100
10.25	1998-04-07	500	78
10.00	1998-06-12 <sup>3</sup>	200	-
9.75	1998-07-07	125	97
10.75	1998-07-31	75	-
6.00	1999-04-01	30	100
10.70	1999-05-01	60	-
10.75	1999-09-04 <sup>3</sup>	35	-
10.00	2000-04-26	875	63
7.25	2000-09-01	250	100
10.00	2000-10-16 <sup>3</sup>	125	-
10.50	2001-01-15	375	99
11.75	2001-02-15	100	100
9.75	2001-03-15 <sup>3</sup>	125	48
10.25	2001-05-04 <sup>3</sup>	225	68
10.25	2001-10-15	475	100
9.25	2002-04-01	725	10
10.35	2002-06-15 <sup>3</sup>	150	99
10.00	2002-12-15 <sup>3</sup>	300	49
13.00	2003-04-07	75	5
10.63	2003-04-17 <sup>3</sup>	150	-
9.00	2003-05-01	725	65
7.50	2003-12-01	675	100
14.63	2004-05-31	150	-
10.90	2004-09-24 <sup>3</sup>	125	-
9.75	2004-10-01	400	91
8.00	2004-10-01	200	100
12.75	2004-11-29	175	11
11.70	2004-12-27 <sup>3</sup>	75	87
12.60	2004-12-28	75	-
9.50	2005-04-01	350	97

STATEMENT OF BONDS ACQUIRED DIRECTLY FROM THE  
GOUVERNEMENT DU QUÉBEC OR HYDRO-QUÉBEC (continued)  
as at December 31, 1996

**GOUVERNEMENT DU QUÉBEC**

Nominal rate	Date of maturity	Cumulative amount <sup>1</sup> (in millions of dollars)	Percentage held by the Caisse <sup>2</sup>
12.25	2005-06-30	100	-
11.38	2005-10-03	75	100
7.75	2006-03-30	250	100
9.50	2006-05-01	100	64
10.00	2006-07-07	75	94
11.00	2009-04-01	575	31
10.75	2009-06-26 <sup>3</sup>	125	16
10.00	2010-06-28	100	100
10.75	2011-03-28	75	100
9.50	2011-09-02	210	100
9.00	2012-02-10	25	100
10.50	2012-06-04	200	-
11.88	2012-10-09	100	-
10.50	2014-06-01	125	88
13.25	2014-09-15 <sup>3</sup>	37	-
11.00	2015-06-15 <sup>3</sup>	16	-
11.00	2015-07-27	50	100
9.38	2023-01-16	650	66
9.50	2023-03-30	75	100

**HYDRO-QUÉBEC**

9.75	1997-07-16	40	11
10.25	1997-09-01	65	-
8.50	1998-04-01	150	100
8.50	1998-12-03 <sup>3</sup>	50	-
10.75	1999-02-01	100	100
9.00	1999-04-01 <sup>3</sup>	60	-
9.75	2000-02-06 <sup>3</sup>	55	-
11.25	2000-10-10	50	100
7.00	2000-10-15	200	100
13.25	2000-12-14	85	9
10.88	2001-07-25	100	100
10.00	2001-10-21 <sup>3</sup>	55	41
15.75	2002-09-15 <sup>3</sup>	46	4
10.25	2003-05-15 <sup>3</sup>	140	9
9.00	2003-06-01	100	75
10.00	2003-07-05 <sup>3</sup>	125	62
10.75	2004-03-27 <sup>3</sup>	180	-

11.00	2004-10-15 <sup>3</sup>	55	2
11.75	2005-07-15 <sup>3</sup>	90	59
8.50	2005-08-15	450	72
13.25	2005-09-30 <sup>3</sup>	150	85
11.25	2008-06-01	100	100
10.00	2011-09-26	100	100
10.25	2012-07-16	320	13
11.00	2020-08-15	525	58
10.50	2021-10-15	100	100
9.63	2022-07-15	350	100

<sup>1</sup> The cumulative amount is the total, in millions of dollars, of all investments traded by the Caisse in new bond issues of the Gouvernement du Québec or Hydro-Québec.

<sup>2</sup> The percentage held by the Caisse represents the proportion of the cumulative acquisitions in the Caisse's portfolio as at December 31, 1996.

<sup>3</sup> Callable.

## 7 STATEMENT OF REAL ESTATE HOLDINGS as at December 31, 1996

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Location	Land and buildings
<b>CADEV</b>	
Anjou	Land, boulevard Bombardier
Baie d'Urfé	Land, route Transcanadienne
Blainville	Land, autoroute des Laurentides
Laval	Land, boulevard St-Elzéar
Laval	Land, boulevard St-Martin
Laval	Land, autoroute 440, rue Dagenais, rue Midlick and rue F. Hughes
Laval	Land, boulevard Le Carrefour
Mercier	Land, boulevard St-Jean-Baptiste
Montréal	Land, 5400 to 5414 rue Hochelaga
Montréal	10750, avenue Millen
Québec City	Land, boulevard de l'Ornière and boulevard Masson
Saint-Laurent	Land, rue Gougeon and chemin Côte-de-Liesse
<b>CADIM</b>	
Alma	705, avenue du Pont Nord and adjacent land
Baie-Comeau	115, boulevard Comeau
Brossard	8705, boulevard Taschereau
Charlesbourg	4155, 4 <sup>e</sup> Avenue Ouest

Location	Land and buildings
Chicoutimi	1212 and 1324, boulevard Talbot and adjacent land
Côte-Saint-Luc	Land, 7600, rue Earle
Dorval	1325, boulevard Hymus
Jonquière	3460, boulevard Saint-François and adjacent land
Laval	1 to 4, place Laval and land
Longueuil	1999, boulevard Roland-Therrien
Montréal	1170, rue Peel
Montréal	Land, 2020, rue University
Montréal	1055, boulevard René-Lévesque Est
Montréal	1500 and land, 1800, avenue McGill College
Montréal	747, Square Victoria
Montréal	360, rue Saint-Antoine Ouest
Montréal	800, place Victoria
Montréal	3901, rue Jarry Est and adjacent land boulevard Pie-IX
Montréal	2000, rue Notre-Dame Est
Mont-Royal	2305, chemin Rockland
Pointe-Claire	241, boulevard Hymus
Québec City	500, avenue Grande Allée Est
Québec City	1 to 8, place Mérici
Québec City	Terrain Mérici

Location	Land and buildings
Québec City	Land, 690 and 700, boulevard René-Lévesque Est
Rimouski	419, boulevard Jessop
Rivière-du-Loup	Land, 385, rue Lafontaine
Saint-Laurent	655 to 817, rue Gougeon
Sainte-Foy	2986 to 3004, rue Laverdure and 3001 to 3005, rue D'Entremont
Scarborough	3895 Lawrence Avenue East
Sherbrooke	3333, rue King Ouest
Verdun	Land, portion of lot 4740 et al. (Île des Sœurs)
<b>Foreign investments</b>	
Aventura (Florida, U.S.)	19495 Biscayne Boulevard
Boca Raton (Florida, U.S.)	8207 Severn Drive
Charlotte (N.C., U.S.)	839 Scaleybark Road
Greensboro (N.C., U.S.)	1921 New Garden Road

Location	Land and buildings
<b>CADIM (continued)</b>	
Kirkland (Washington, U.S.)	12229 131 <sup>st</sup> Place N.E.
New York (N.Y., U.S.)	2373 Broadway
New York (N.Y., U.S.)	401 West 56th Street
New York (N.Y., U.S.)	210 West 89th Street
New York (N.Y., U.S.)	6 West 107th Street
New York (N.Y., U.S.)	230 East 44th Street
New York (N.Y., U.S.)	788 Lexington
New York (N.Y., U.S.)	231 - 237 Second Avenue
New York (N.Y., U.S.)	235 - 236 West 48th Street
New York (N.Y., U.S.)	2700 Broadway
New York (N.Y., U.S.)	359 Second Avenue
North Dallas (Texas, U.S.)	9030 - 9050 Markville Drive
Piaseczno (Poland)	Wifjska
<b>IVANHOE</b>	
Beaconsfield	50, boulevard St-Charles and adjacent land
Brossard	2150, boulevard Lapinière
Cap-de- la-Madeleine	180, rue de Grandmont
Charlesbourg	4296, 1 <sup>re</sup> Avenue
Cobourg	1111 Elgin Street West
Côte-Saint-Luc	7155, chemin Côte-St-Luc
Côte-Saint-Luc	Land, boulevard Cavendish and chemin Kildare
Delson	1000, boulevard Georges-Gagné and adjacent land
Dollard- des-Ormeaux	3237, boulevard des Sources

Location	Land and buildings
Dorval	310, avenue Dorval and adjacent land
Dundas	2-101 and 119 Osler Drive
Greenfield Park	345 to 545, boulevard Taschereau and adjacent land
Hamilton	751 Upper James Street
Hull	320, boulevard St-Joseph
Lachenaie	Land, montée Masson
Lachine	2972, rue Remembrance
LaSalle	395, avenue Dollard
LaSalle	8051, rue Georges
Laval	901, boulevard Curé-Labelle
Laval	1055 to 1085, boulevard des Laurentides
Laval	2999, autoroute 440 and land
Laval	3003, boulevard Le Carrefour
Lévis	Land, route du Président-Kennedy
London	Land, Adelaide Avenue and Fanshawe
Longueuil	1401, chemin Chambly
Mascouche	Land, montée Masson
Montréal	1745 to 1775, rue Fleury Est
Montréal	4801 to 4885, avenue Van Horne
Montréal	4815, rue Buchan
Montréal	4901, rue Jean-Talon Ouest
Montréal	4300 to 4700 and 4950, rue de la Savane
Montréal	5010, rue Paré
Montréal	5400, avenue Pierre-de-Coubertin
Montréal	2615 to 2865, avenue Van Horne and adjacent land
Montréal	6550, rue Sherbrooke Est
Montréal	7500, rue Victoria
Montréal	8275, boulevard St-Laurent
Montréal	Land, rue Jean-Talon Ouest (lots 100-2, 9, 16 of village de Côte-des-Neiges)
Montréal	Land, rue Paré and rue Buchan
Montréal-Nord	10521 to 10707, boulevard Pie-IX
Montréal-Nord	6000, boulevard Henri-Bourassa Est and adjacent land
Montréal-Ouest	6645, rue Somerled
Mont-Royal	2305, chemin Rockland
Nepean	100 Bayshore Drive
North York	2450 Sheppard Avenue East
Outremont	1180, rue Bernard
Pincourt	107, boulevard Cardinal-Léger
Québec City	225, chemin Sainte-Foy

Location	Land and buildings
Québec City	440, rue Bouvier
Repentigny	86 and 100, boulevard Brien and adjacent land
Repentigny	175, rue Notre-Dame
Richmond Hill	Land, Leslie and Major Mackenzie Drive
Rosemère	201 to 257, boulevard Labelle
Scarborough	325 to 395 Bamburgh Circle
Scarborough	5107 Sheppard Avenue East
Sherbrooke	350, rue Belvédère Sud
Sorel	250, boulevard Fiset
Saint-Bruno	1, boulevard des Promenades and adjacent land
Saint-Hubert	5025, boulevard Cousineau and land
Saint-Léonard	4400, rue Jean-Talon Est
Saint-Léonard	Land, rue Jean-Talon Est and rue Provencher
Saint-Léonard	Land, rue Jean-Talon Est (near Palerme)
Saint-Léonard	4325 to 4505, rue Jean-Talon Est
Sainte-Agathe	Land, chemin Palomino
Sainte-Foy	2452, boulevard Laurier and adjacent land
Thetford Mines	166, rue St-Charles
Toronto	4763 to 4781 Yonge Street
Trois-Rivières	1650, rue Royale
Trois-Rivières	4015 and 4025, boulevard des Forges and land
Whitby	601 Dundas Street
<b>Foreign investments</b>	
Austin (Texas, U.S.)	Land, FM 2222
Danbury (Conn., U.S.)	7 Backus Avenue
Holland (Mich., U.S.)	12331 James Street
Kingsport (Tenn., U.S.)	2101 Fort Henry Drive
Minnetonka (Minnesota, U.S.)	12401 Wayzata Boulevard
St. Charles (Illinois, U.S.)	3800 East Main Street
Taylor (Michigan, U.S.)	2300 Eureka Road

Location	Land and buildings
<b>IVANHOE (continued)</b>	
Victor (N.Y., U.S.)	7979 Route 96, Pittford Victor Road
<b>PEN YORK PROPERTIES</b>	
Etobicoke	2, 4 and 6 Eva Road
Etobicoke	65, 71 and 75 Rexdale Boulevard and adjacent land
Mississauga	4600 to 4900 Dixie Road
Mississauga	2630 Skymark Avenue
Mississauga	Land, College Square
North York	5001 Yonge Street
Toronto	55 University Avenue
<b>SITO IMMOBILIER</b>	
Alma	705, avenue du Pont Nord and adjacent land
Beauport	1100, boulevard des Chutes
Brossard	1, 2, 3, 5, 7, 8, 9 and 11, place du Commerce and land
Calgary	Land, 315 and 325 - 25th St. S-E, 2611 and 2652-3rd Ave. S-E, 1100, boulevard Chaudière
Cap-Rouge	175, rue Daigneault and adjacent land
Chandler	4000, boulevard du Jardin
Charlesbourg	1212 and 1324, boulevard Talbot and adjacent land
Chicoutimi	299, rue des Saguenéens
Cowansville	175, rue Principale
Dorval	9045, 9245 to 9255, 9341 to 9395, 9405 to 9475, 9501 to 9539, 9545, 9551 to 9579, 9601 to 9665, 9675 to 9685, 9701 to 9745, 10105 to 10195, 10205 to 10255, chemin Côte-de-Liesse
Dorval	700 to 740, 735 to 745, 742 to 760, rue Renaud
Dorval	9010 to 9050, rue Ryan
Edmonton	10180 - 102nd Street N.W.
Forestville	25, route 138
Gaspé	39, montée Sandy Beach
Jonquière	3460, boulevard Saint-François and adjacent land
Kamloops	Land, Aberdeen Hills
King George	Land, 12827 and 12835 King George Highway, 12826 and 12834 -112B Ave., 11260, 11270, 11286 and 11294 -128th St.

Location	Land and buildings
La Pocatière	126, route 230 Ouest
Langley	Land, 197th and 198th St.
Laval	2345, autoroute des Laurentides
Laval	1 to 4, place Laval and land
Lévis	20, rue Saint-Georges Est
Longueuil	370, chemin Chambly
Longueuil	601 to 623, rue Le Breton
Longueuil	601 to 631, rue Bériault
Longueuil	2115 to 2147, rue de la Province
Magog	1700, rue Sherbrooke
Mill Bay	Land, 930 Delorme Road
Montréal	1650, rue Berri
Montréal	777, rue University
Montréal	800, boulevard de Maisonneuve Est and 1415, rue Saint-Hubert
Montréal	1200, avenue McGill College
Montréal	1981, avenue McGill College
Montréal	500, rue Sherbrooke Ouest
Montréal	752 to 772, rue Sherbrooke Ouest
Montréal	1055, boulevard René-Lévesque Est
Montréal	4001 to 4011, boulevard Robert
Mont-Royal	2305, chemin Rockland
Nicolet	150, rue Éloi-de-Grandmont and adjacent land
Plessisville	1971, rue Bilodeau
Pointe-aux-Trembles	12675, rue Sherbrooke Est
Pointe-Claire	300, rue Labrosse
Pointe-Claire	955 to 975 and 985, boulevard St-Jean
Pointe-Claire	1 to 245, place Frontenac
Québec City	1815, rue De Celles
Québec City	690 and 700, boulevard René-Lévesque Est
Québec City	801, chemin Saint-Louis
Québec City	880 and 930, chemin Sainte-Foy
Québec City	9550, boulevard de l'Ornière
Québec City	Land, corner of boulevard Lebourgneuf and boulevard Des Gradins
Québec City	5700 to 5780, boulevard des Gradins, 565 to 585, boulevard Lebourgneuf and 300 to 350, rue Bouvier
Regina	1801 Hamilton Street
Regina	1860 Rose Street
Richmond	13751 Verdun Place
Richmond	13511, 13551, 13571, 13575, 13775, 13777 and 13800 Commerce Parkway - 13700 International Place

Location	Land and buildings
Richmond	13140, 13155, 13211, 13231, 13251 and 13260 Delf Place
Richmond	2631 and 2651 Viking Way
Rimouski	419, boulevard Jessop
Rimouski	80 to 84 and 114, rue Saint-Germain
Rivière-du-Loup	298, boulevard Thériault and adjacent land
Roberval	1221, boulevard Saint-Dominique
Saint-Georges-de-Beauce	8585, boulevard Lacroix
Saint-Laurent	155, rue Authier
Saint-Laurent	3300, 3350 to 3450, 3500 and land, chemin de la Côte-Vertu
Saint-Laurent	1055 to 1105, 1435 to 1473, 1475 to 1499, rue Bégin
Saint-Laurent	105, 145, 295 to 371, 375 to 455, 457 to 533, 470, 500 to 510, 555, 602 to 678, 605 and 607, rue Deslauriers
Saint-Laurent	4405, 4420 to 4440, 4445, 4448 to 4454, 4475, 4488 to 4492, 4500 to 4520, 4600 to 4620, 4700 to 4720, rue Garand
Saint-Laurent	200 to 210, 220 to 232, 350 to 354, 358 and 360, boulevard Lebeau
Saint-Laurent	280 to 350 and 295 to 341, rue Benjamin-Hudon
Saint-Laurent	Land, rue Pitfield
Saint-Laurent	4150, 4155, 4200, 4205 to 4395, 4300 to 4320, 4400 to 4420, 4405 to 4515, rue Poirier
Saint-Laurent	1400, rue Pomba
Saint-Laurent	4600 to 4650, rue Thimens
Saint-Laurent	6969, 7031 to 7045, 7875, 7905, 7945 to 7955, 8085 to 8089, route Transcanadienne
Saint-Laurent	8300, chemin Côte-de-Liesse
Saint-Léonard	6801, boulevard des Grandes Prairies
Saint-Raymond-de-Portneuf	333, côte Joyeuse
Sainte-Anne-de-Beaupré	10516, boulevard Sainte-Anne
Sainte-Foy	2095, boulevard Charest Ouest
Sainte-Foy	1000 and 1020, route de l'Église
Sainte-Foy	650, avenue Graham-Bell
Sainte-Foy	2875, boulevard Laurier
Saskatoon	255 - 2nd Avenue N.
Sherbrooke	2775 and 2835, rue du Manoir
Surrey	Land, King George Business Park

Location	Land and buildings
<b>SITQ IMMOBILIER (continued)</b>	
Thetford Mines	8051, boulevard Smith Nord and adjacent land
Trois-Rivières	225, rue Des Forges
Trois-Rivières-Ouest	4520, boulevard Royal and 4000 to 4100, boulevard des Récollets
Vancouver	2020, 2030 and 2040 West Broadway
Vancouver	1875 Boundary Road
Vancouver	501, 505, 555 and 595 Burrard Street and 1055 Dunsmuir Street
Vancouver	533 and 535 Homby Street and 550 and 580 Burrard Street
Vancouver	1166 West Pender Street
Vancouver	540 Thurlow Street
Victoria	1570 and 1690 Hillside Avenue
Westmount	1 to 4, Westmount Square
Winnipeg	35 Albert Street
Winnipeg	Land, Main Street
Winnipeg	205 and 209 Notre-Dame
Winnipeg	201 Portage Avenue
<b>Foreign investments</b>	
Accrington (U.K.)	Broadway and Cornhill Street  (Arndale Shopping Center)
Anaheim (California, U.S.)	2040 and 2050 Santa Cruz Street

Location	Land and buildings
Bangor (U.K.)	Bloomfield Road South and Circular Road
Brussels (Belgium)	9, 13 and 13A, rue Bréderode,  28, 32, 48 and 52, rue Namur and rue Thérésienne
Charlotte (N.C., U.S.)	4201 Congress Street
Charlotte (N.C., U.S.)	6805 Morrison Boulevard at Colony Road
Chelmsford (U.K.)	High Street Springfield (Meadows Shopping Centre)
Cross Gates (U.K.)	Station Road (Arndale Shopping Centre)
Gleendale (Denver, Colorado, U.S.)	4500 Cherry Creek South Drive
Huntington Beach (California, U.S.)	7711 and 7755 Center Avenue
Huntington Beach (California, U.S.)	7767 Center Drive
Juarez (Mexico)	Land, Azlécas and Panamericano
Kirkcaldy (U.K.)	High Street and Esplanade Avenue (Mercat Shopping Center)
León (Mexico)	Land, La Cañada
Mansfield (R.-U.)	West Gate

Location	Land and buildings
Mexico City (Mexico)	Land, Terra Nova
Mexico City (Mexico)	Land, Cordillera
Northampton (U.K.)	Corner of A-43 and A-500 Roads  (Weston Favel Shopping Centre)
Orange County (California, U.S.)	3111 N. Tustin Avenue
Paramount (California, U.S.)	14905 and 15001 Paramount Boulevard
Saint-Ouen (France)	28 to 60, rue Andouin and Quay de Seine
Santa Ana (California, U.S.)	1551 N. Tustin Avenue

<b>BORROWERS</b>	<b>Address</b>	<b>Location</b>	<b>Balance</b>
Alexis Nihon (Québec) Inc.	1500, rue Atwater	Westmount	33.1
Aménagement Lyndale Ltée	1125, rue Moody	Terrebonne	24.3
Aménagement Westcliff Ltée	20, rue Évangéline	Granby	26.3
Appartements Le Neuville inc.	111 and 121, rue de la Barre	Longueuil	5.5
Appartements Le Neuville inc.	130, rue de la Barre	Longueuil	6.4
Cambridge Leaseholds Ltd. et al.	320, boulevard Saint-Joseph	Hull	14.8
Carrefour de l'Estrie Inc.	3100, boulevard Portland	Sherbrooke	8.2
Centre commercial Cavendish Cie Ltée	5800, boulevard Cavendish	Côte-Saint-Luc	21.2
Centre commercial Place du Royaume (Chicoutimi) Inc. et al.	1401, boulevard Talbot	Chicoutimi	25.7
Centre Perspectives Décor CPD inc.	3900, autoroute 440	Laval	6.0
Complexe Pointe-Claire Inc.	6301, route Transcanadienne	Pointe-Claire	18.9
Construction Olymbec Inc., Derek and Richard Stern	1450, boul. Louvain Ouest	Montréal	6.9
Construction Sarino inc.	10200, rue Renaude-Lapointe	Anjou	7.3
D.W.S. Hines Holdings Limited and Louis Dreyfus Canada Ltd.	1801, avenue McGill College	Montréal	23.9
Devcorp Inc.	200, chemin Sainte-Foy	Québec City	29.2
Édifice d' Youville inc.	800, place d' Youville	Québec City	16.4
Galeries Montmagny (1988) Inc., Les	101, boulevard Taché Ouest	Montmagny	5.5
Germain Pelletier Ltée	92, 2 <sup>e</sup> Rue Ouest	Rimouski	5.5
Gestion Place du Royaume Inc. et al.	1401, boulevard Talbot	Chicoutimi	18.8
Groupe Ro-Na Dismat Inc., Le	1250, rue Nobel	Boucherville	5.4
Groupe Saint-Luc inc.	2100, boul. de Maisonneuve	Montréal	5.8
Hospitalité Commonwealth Ltée	395, rue de la Couronne	Québec City	5.4
Immeubles DSA Inc.	1200, boulevard Saint-Martin Ouest	Laval	5.4
Immeubles La Hada Ltée et al.	4751, boulevard Grandes-Prairies	Saint-Léonard	6.1
Immeubles Plaza Z Corp. Inc. et al., Les	300, rue Barkoff	Cap-de-la-Madeleine	9.2
Investissements Metco Ltée	202, rue Berlioz	Verdun	27.8
Ivanhoe II and Ivanhoe III Inc.	2100, boulevard Lapinière	Brossard	27.9
J.K. Investments inc.	1130, rue Sherbrooke Ouest	Montréal	11.0
Jules Dallaire et al.	3175, chemin des Quatre-Bourgeois	Sainte-Foy	6.7
Lyndale Development Ltd. et al.	30 to 70, rue Dufferin	Salaberry-de-Valleyfield	10.5
Omers Realty Corporation	600, boulevard de Maisonneuve	Montréal	31.5
Pensionfund Realty Ltd.	5505 to 5559, avenue Royalmount	Mont-Royal	5.7
Placements Placevic inc. et al., Les	800, place Victoria	Montréal	15.4
SITQ bureaux inc.	801, chemin Saint-Louis	Québec City	8.1
SITQ bureaux inc. et al.	880 and 930, chemin Sainte-Foy	Québec City	8.5
Société en commandite Cominar	2600, boulevard Laurier	Sainte-Foy	28.0
Société en commandite, Les Appartements d'Assigny	110, rue de la Barre	Longueuil	9.5
Trizec Properties Limited	1, place Ville-Marie	Montréal	58.8
Trizec Properties Limited	500, boul. René-Lévesque Ouest	Montréal	36.8
WHWW Hotels (Sherbrooke) Company	450, rue Sherbrooke Ouest	Montréal	21.6
159469 Canada Inc. (Les Associés Présud) and Les Immeubles 5500 Royalmount Inc.	5500, avenue Royalmount	Mont-Royal	5.4
2423-5632 Québec inc.	200, rue Belvédère Nord	Sherbrooke	8.8



Location	Address
Alma	1055, rue Du Pont Sud
Anjou	7333, boulevard Des Roseraies
Beaupré	1000, boulevard Beaupré, apt. 101 and 102
Dorval	1975, 55 <sup>e</sup> Avenue
Dorval	707, avenue Lajoie
Dorval	810 to 850, avenue Halpern
Gaspé	142, boulevard Gaspé
Jonquière	2675, boulevard du Royaume
La Baie	993 to 997 and 1013, rue Bagot
Lachine	795, 1 <sup>re</sup> Avenue
Laval	1600, boulevard Le Corbusier
Laval	5305 to 5321, rue Notre-Dame
Laval	3603, autoroute 440 Ouest
Laval	2880 and 2895, rue Bergman
Montréal	8000, boulevard Décarie
Montréal	5340, rue Ferrier
Montréal	5010 and 5012, boulevard de Maisonneuve Ouest
Montréal-Nord	12315, boulevard Rolland
Pierrefonds	4886, boulevard Saint-Charles
Port-Cartier	24, boulevard des Îles
Québec City	135 to 163, rue Des Chênes Ouest
Québec City	450, rue Saint-Jean-Baptiste
Québec City	5237, rue Hamel
Repentigny	818, rue Notre-Dame
Rimouski	40 to 44, rue Saint-Germain Est
Saint-Eustache	15, chemin Grande-Côte
Saint-Eustache	315 to 317, rue Féré
Saint-Hubert	2103, boulevard Édouard
Saint-Jean-sur-Richelieu	800, boulevard Industriel
Saint-Laurent	391 to 395, rue Sainte-Croix
Saint-Léonard	5750, boulevard Métropolitain Est
Saint-Léonard	6191 to 6199, boulevard Métropolitain Est
Saint-Sauveur-Des-Monts	200, rue Principale
Sainte-Foy	2670, rue Dalton
Trois-Rivières	525, rue Charlevoix
Val-Bélair	1231, rue Des Castors

The properties hereinabove mentioned are held by the Caisse or one of the following subsidiaries: Placements P.H.C. inc., 2954834 Canada inc., 3097-1618 Québec inc. and 3097-1626 Québec inc.

**CAISSE REAL ESTATE GROUP - SUMMARIES OF THE SPECIFIC PORTFOLIOS**  
 as at December 31, 1996

**REAL ESTATE INVESTMENTS**

Investments <sup>1</sup>	Fair value	Cost
(in millions of dollars)		
Real estate holdings		
Buildings	3,391.0	3,946.3
Land	134.8	289.0
	3,525.8 <sup>2</sup>	4,235.3
Bonds	2.9	2.6
Shares and convertible securities	303.8	404.9
Mortgages	155.8	167.8
Short-term investments	14.0	14.0
<b>Total investments</b>	<b>4,002.3</b>	<b>4,824.6</b>
Related bank and mortgage loans	1,465.2	1,441.0
Non-controlling interest	172.3	177.7
Other assets and liabilities	(62.5)	(70.9)
	1,575.0	1,547.8
<b>Net holdings</b>	<b>2,427.3</b>	<b>3,276.8</b>

<sup>1</sup> These investments include those of the Caisse and its consolidated subsidiaries in the specific real estate investments portfolio.

<sup>2</sup> The fair value of the real estate holdings of the Caisse and its subsidiaries in Canada was certified by one of the following appraisal firms: Leonard, Chevalier, Bernard & Associés, Lecours, Bernèche & Associés, the real estate consulting service of Raymond, Chabot, Martin, Paré and the appraisal firm Desjarlais, Prévost et Associés, inc. The value of properties held in Ontario was certified by Lincoln North & Company Limited and that of properties held in Western Canada was certified by Richard Ellis-Cumberland.

Certain properties are jointly held by more than one subsidiary.

**MORTGAGES**

Investments <sup>1</sup>	Fair value	Cost
(in millions of dollars)		
Mortgages	1,465.0	1,363.9
Properties held for resale	84.3	111.4
<b>Total investments</b>	<b>1,549.3<sup>2</sup></b>	<b>1,475.3</b>
Other assets and liabilities	6.9	6.9
<b>Net holdings</b>	<b>1,556.2</b>	<b>1,482.2</b>

<sup>1</sup> These investments include those of the Caisse and its consolidated subsidiaries in the specific mortgages portfolio.

<sup>2</sup> The fair value of the mortgages of the Caisse was based on the interest rates of the commercial and residential sectors as at December 31, 1996. The fair value of the real estate holdings was appraised by internal certified appraisers or, in some particular cases, by the appraisal firm Lecours, Bernèche & Associés.

**INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS**  
as at December 31, 1996  
(fair value - in millions of dollars)

Some investments are managed and/or held by one of the following subsidiaries:

A Capital d'Amérique CDPO inc.	D Capital International CDPO inc.	F Ivanhoe Inc.
B Sofinov, Société financière d'innovation inc.	E Capital CDPO inc.	G Refers to the Caisse where the subsidiary manages and/or holds only part of the investment.
C Capital Communications CDPO inc.		

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
AAPC Ltd.			1,225,224	1.0				1.0
ABB AG - Beaver	class A		9,983	17.0				17.0
ABL Canada Inc.		A	477,800	0.7				0.7
ABN Amro Holdings NV			174,880	15.6				15.6
ACP Industries Berhad			190,000	1.6				1.6
ACT Networks Inc.			13,700	0.7				0.7
ADS inc.	class A	A	1,653,332	20.7			20.7	
	purchase options	A	7,000	-			-	20.7
A.F.P. Provida S.A.			9,400	0.2				0.2
AGF Management Limited	class B		29,500	0.9				0.9
AGRA Industries Limited			83,624	0.9				0.9
A. H. Belo Corporation			116,900	5.6				5.6
ALFA, S.A. de C.V.	class A		384,000	2.5				2.5
ALLTEL Corporation			41,200	1.8				1.8
ALZA Corp.			5,400	0.2				0.2
AMP, Incorporated			14,100	0.7				0.7
AMR Corporation			16,500	2.0				2.0
APF Energy Trust	receipts		245,000	1.6				1.6
A.R.C. Resins International Corporation		A	94,400	0.1				0.1
ASDA Group Plc			695,000	2.0				2.0
ASEA AB	class A		91,050	14.1				14.1
ASM Lithography Holding			45,000	3.1				3.1
ASM Pacific Technology Limited			2,046,000	2.2				2.2
ATI Technologies Inc.			471,600	7.7				7.7
ATS Automation Tooling Systems Inc.			310,600	6.8				6.8
Aachener und Münchener Beteiligung			1,300	1.3				1.3
Abbey National Plc			691,500	12.4				12.4
Abbot Laboratories			59,200	4.1				4.1
Aber Resources Ltd.			1,009,600	18.8				18.8
Abitibi-Price Inc.			2,925,882	63.5				63.5
Acerinox SA			4,399	0.9				0.9
Acom Co., Ltd.			13,800	0.8				0.8
Adidas AG			85,399	10.1				10.1
Adolph Coors Company			2,400	0.1				0.1
Advanced Micro Devices, Inc.			8,700	0.3				0.3
Advantest Corp.			68,000	4.4				4.4

Aegon Insurance			70,000	6.1			6.1
Aetna Life and Casualty Company			25,400	2.8			2.8
Afin Grupo Financiero	class B		696,000	0.9			0.9
African Oxygen Limited			176,689	0.8			0.8
Agan Chemical Manufacturers Ltd.			20,250	0.5			0.5
Agiv AG			10,699	0.2			0.2
Agnigo-Eagle Mines Limited			124,280	2.4			2.4
Agrium Inc.			1,635,567	30.6			30.6
Ahold			62,000	5.3			5.3
Air Canada	class A		4,405,600	24.0		24.0	
			1,690,000	10.5	9.4	19.9	43.9
Air Products & Chemicals, Inc.			109,400	10.4			10.4
AirTouch Communications			32,000	1.1			1.1
Akbank T.A.S.			6,240,000	1.2			1.2
Akcansa Cimento A.S.			3,089,678	0.4			0.4
Aksa Akrilik Kimya Sanayii A.S.			3,234,000	0.6			0.6
Alberta Energy Company Ltd.			3,238,617	105.9			105.9
Alberto Culver Company			1,800	0.1			0.1
Albertson's, Inc.			16,100	0.8			0.8
Albright & Wilson Plc			495,000	2.0			2.0
Alcan Aluminium Limited			6,079,800	281.2			281.2
Alcatel Alsthom			59,380	6.5			6.5
Alco Standard Corp.			8,300	0.6			0.6
Alexander & Alexander Services, Inc.			2,900	0.1			0.1
Alimentation Couche-Tard Inc.		A	236,000	1.6		1.6	
	warrants	A	66,100	0.2		0.2	1.8
All Nippon Airways Co., Ltd.					0.1		0.1
Alleanza Assicuraz			164,999	1.6		1.6	
	preferred		165,000	1.1		1.1	2.7
Allegheny Teledyne Incorporated			11,100	0.3			0.3
Allelix Biopharmaceuticals Inc.			600,000	10.1			10.1
Allergan, Inc.			4,200	0.2			0.2
Alliance Inc., Produits forestiers		A, G	1,361,307	33.0			33.0
Allianz Holding			5,992	14.9			14.9
Allied Domecq			529,541	5.7			5.7
Allied Irish Banks			336,200	3.1			3.1
Allied-Signal Inc.			300,800	27.6			27.6
Allmerica Financial Corporation			240,900	11.1			11.1
Allstate Corp.			28,500	2.3			2.3
Alpha-Beta Vassilopoulos			12,800	0.2			0.2
Alpha Credit Bank			23,460	2.0			2.0
AlphaNet Telecom Inc.			920,000	11.0			11.0
Aluminium of Greece S.A.			7,130	0.4			0.4
Aluminum Co. of America			28,400	2.5			2.5
Amada Company Ltd.			150,000	1.6			1.6
Amber Energy Inc.			300,000	6.3			6.3

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Amdahl Corporation			7,700	0.1				0.1
Amerada Hess Corporation			92,800	7.4				7.4
American Brands, Inc.			33,600	2.3				2.3
American Electric Power Company, Inc.			36,900	2.1				2.1
American Express Company			30,400	2.4				2.4
American General Corporation			40,800	2.3				2.3
American Greetings Corporation	class A		145,400	5.7				5.7
American Home Products Corporation			104,000	8.4				8.4
American International Group, Inc.			159,600	23.7				23.7
American Stores Co.			9,300	0.5				0.5
American Telephone and Telegraph Co.			299,900	17.9				17.9
Ameritech Corporation			39,200	3.3				3.3
Amev NV			63,170	3.0				3.0
Amgen Inc.			17,000	1.3				1.3
Amisk Regional Investment, Inc.	class A	A	14,800	-				-
Amoco Corporation			57,400	6.3				6.3
Amway Japan Ltd.			335,000	14.7				14.7
Anderson Exploration Ltd.			5,074,217	89.8				89.8
Andrew Corp.			3,900	0.3				0.3
Anglo American Industrial Corporation Ltd.			22,600	1.1				1.1
Anheuser-Busch Companies, Inc.			189,400	10.4				10.4
Aon Corporation			6,900	0.6				0.6
Aoyama Trading Co., Ltd.			183,000	6.7				6.7
Apic Yamada Corporation			3,300	0.1				0.1
Apple Computer, Inc.			8,000	0.2				0.2
Applied Materials Inc.			11,500	0.6				0.6
Arab-Malaysian Merchant Bank Bhd			241,000	2.8				2.8
Aracruz Celulose S.A.	preferred		386,000	0.9				0.9
Arcelik A.S.			4,396,484	0.6				0.6
Archer Daniels Midland Company			35,000	1.1				1.1
Archer Resources Ltd.			17,900	0.1				0.1
Ardem Pisirici ve Isitici Cihazlar Sanayii A.S.			2,670,000	0.5				0.5
Arjo Wiggins Appleton			518,000	2.2				2.2
Armco Incorporated			6,800	-				-
Armstrong World Industries, Inc.			17,000	1.6				1.6
Arrow Electronics, Inc.			11,200	0.8				0.8
Artopex International Inc.		A				-		-
Arvind Mills Limited			733,900	4.0				4.0
Asahi Bank, Ltd., The			162,000	2.0				2.0
Asahi Breweries, Ltd.					0.1			0.1
Asahi Glass Co., Ltd.			398,000	5.1				5.1
Asarco Incorporated			2,700	0.1				0.1

Asatsu Inc.			79,000	3.4			3.4
Asbestos Limitée, Société			259,065	1.3			1.3
Ashland Inc.			4,100	0.2			0.2
Ashok Leyland Ltd.			155,800	2.0			2.0
Asia Pacific Resources Ltd.			500,000	4.1			4.1
Asia Pulp & Paper Company Ltd.			8,613	0.4			0.4
Assurances Générales de France			298,200	13.2			13.2
Astra	class A		307,025	20.8			20.8
Astra Cia Argentina De Petroleo S.A.	class B rights		139,450	0.4		0.4	
			13,945	-			0.4
Astra International			413,000	1.6			1.6
Astral Communications Inc.	class A	A	186,100	2.6		2.6	
	class B	A	1,200	-		-	2.6
Atco Ltd.	class I		438,900	10.4			10.4
Athens Medical Center S.A.			40,500	0.4			0.4
Atlantic Richfield Company			21,600	3.9			3.9
Attica Enterprises S.A.			17,900	0.2			0.2
Au Printemps SA			19,070	10.3			10.3
Ault Foods Limited		A	1,779,800	33.9			33.9
Aur Resources Inc.			3,333,700	26.7			26.7
Australian Gas & Light			175,900	1.4			1.4
Autobacs Seven Co.			36,000	3.5			3.5
Autodesk, Inc.			2,900	0.1			0.1
Autoliv AB			60,000	3.6			3.6
Automatic Data Processing, Inc.			18,600	1.1			1.1
Autostock Inc.		A	377,699	1.5			1.5
Avcorp Inc., Les Industries		A	711,039	3.4			3.4
Avenor Inc.		A, G	4,653,695	94.5	23.4		117.9
Adventure Electronics Inc.	purchase options	A	125,000	-		2.7	2.7
Avery Dennison Corporation			6,800	0.3			0.3
Avesta Sheffield			209,700	3.1			3.1
Avgold Limited			221,261	0.8			0.8
Avnet, Inc.			158,100	12.6			12.6
Avon Products Inc.			14,000	1.1			1.1
Axcan Pharma Inc. <sup>1</sup>		B	2,645,900	34.7			34.7
Axime			114,000	18.0			18.0
Ayala Land, Inc.	class B		148,472	0.2			0.2
BAA Plc			1,845,700	21.0			21.0
BASF			161,493	8.5			8.5
B.A.T. Industries			1,935,988	22.0			22.0
BC Gas Inc.			1,390,387	28.2			28.2
BC Sugar Refinery, Limited	class A		192,400	2.3			2.3
BC Telecom Inc.			549,421	16.3			16.3
BCE Inc.			7,964,554	520.1			520.1
BCE Mobile Inc., Radiocommunication			963,886	39.1			39.1
B.F. Goodrich Company, The			3,400	0.2			0.2
BMTC Inc., Groupe	class A	A	390,900	3.3			3.3

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
BOC Group			245,100	5.0				5.0
BSES, Ltd.			103,400	2.9				2.9
BTR	warrants		60,221	-			-	
			5,213,000	34.7			34.7	34.7
Bagfas Bandirma Gubre Fabrikalari A.S.			1,182,000	0.4				0.4
Bagley S.A.			197,500	0.6				0.6
Bajaj Auto Ltd.			61,800	2.9				2.9
Baker Hughes, Inc.			9,300	0.4				0.4
Ball Corporation			32,500	1.2				1.2
Ballard Power Systems Inc.			315,400	8.7				8.7
Bâloise			1,660	4.6				4.6
Baltimore Gas and Electric Company			9,500	0.3				0.3
Banc One Corporation			62,500	3.7				3.7
Banco Bradesco S.A.	preferred		126,146,391	1.3				1.3
Banco Commercial Portugues			23,943	0.4				0.4
Banco de Santander			158,415	13.9				13.9
Banco Espirito Santo e Comercial de Lisboa, SA			42,035	1.0				1.0
Banco Frances del Rio de la Plata S.A.			39,965	0.5				0.5
Banco Itau SA	preferred		3,020,000	1.8				1.8
Banco Osorno y La Union			11,470	0.2				0.2
Banco Provincial, S.A.			93,946	0.2				0.2
Banco Totta & Acores, SA			32,928	0.9				0.9
Banco venezolano de crédito			7,600	0.3				0.3
Bandai Co., Ltd.			102,000	3.6				3.6
Bangkok Bank	class F		205,900	2.7				2.7
Bank Bali			170,000	0.6				0.6
Bank Hapoalim Ltd.			608,457	1.3				1.3
Bank International Indonesia			1,716,894	2.3				2.3
Bank Negara Indonesia			910,000	0.7				0.7
Bank Niaga			170,000	0.6				0.6
Bank of Ayudhya Public Company Limited			53,700	0.2				0.2
Bank of Boston Corp.			9,800	0.9				0.9
Bank of Montréal			8,153,037	355.5				355.5
Bank of New York Co., Inc.			24,700	1.1				1.1
Bank of Piraeus S.A.			27,100	0.4				0.4
Bank of Scotland			1,956,000	14.1				14.1
Bankamerica Corporation			191,000	26.1				26.1
Bankers Trust New York Corp.			5,100	0.6				0.6
Banpu Coal			18,400	0.5				0.5
Banque Audi			40,000	0.7				0.7
Banque Marocaine Commerciale			35,200	0.8				0.8
Barclays Bank Plc			1,162,090	27.3				27.3

Barito Pacific Timber			1,371,500	1.2		1.2
Barnett Banks, Inc.			12,400	0.7		0.7
Barrick Gold Corporation			10,256,487	402.6		402.6
Bass			412,850	8.0		8.0
Baton Broadcasting Incorporated			197,800	1.7		1.7
Battle Mountain Canada Ltd.			356,515	3.4		3.4
Battle Mountain Gold Company	class A		14,400	0.1		0.1
Bausch & Lomb, Inc.			24,900	1.2		1.2
Baxter International Inc.			262,500	14.8		14.8
Bay Networks, Inc.			12,100	0.3		0.3
Bayer AG			516,382	28.8		28.8
Bayer Hypo / Wech			68,080	2.8		2.8
Bayerische Vereinsbank			69,924	3.9		3.9
Becton, Dickinson & Co.			8,000	0.5		0.5
Beiersdorf AG			22,187	1.5		1.5
Bekaert SA			8,810	7.7		7.7
Beko Elektronik A.S.			4,960,000	0.6		0.6
Bell Atlantic Corporation			53,300	4.7		4.7
BellSouth Corporation			119,100	6.6		6.6
Bellsystem 24 Inc.			500	0.1		0.1
Bema Gold Corporation			200,000	1.6		1.6
Bemis Company, Inc.			3,400	0.2		0.2
Beneficial Corp.			3,400	0.3		0.3
Benvest Capital Inc.	class A	A	250,000	0.4	1.6	2.0
Best Denki Co., Ltd.			330,000	5.2		5.2
Bestar inc.		A	590,700	0.4		0.4
Bethlehem Steel Corporation			7,100	0.1		0.1
Beverly Enterprises, Inc.			6,400	0.1		0.1
Bezea Israel Telecom			294,745	1.0		1.0
Bilfinger & Berger Bau AG			9,538	0.5		0.5
Bimbo	class A		525,000	4.3		4.3
Bio Technology General			32,000	0.6		0.6
BioChem Pharma Inc.		B, G	2,274,336	156.6	156.6	
	purchase options	B	29,000	1.2	1.2	157.8
Biomet, Inc.			7,400	0.2		0.2
Biomira Inc.		A, G	441,966	2.9		2.9
Biovail Corporation International			125,000	4.4		4.4
Black & Decker Corporation			45,600	1.9		1.9
Blue Range Resource Corporation	class A		572,500	4.7		4.7
Boatmen's Bancshares, Inc.			29,000	2.6		2.6
Boeing Company, The			24,400	3.6		3.6
Boise Cascade Corporation			3,100	0.1		0.1
Bombardier Inc.	class A		4,160,300	105.5	105.5	
	class B		9,651,892	244.2	244.2	349.7
Bombril S.A.	preferred		8,800,000	0.2		0.2
Boots Company, Plc			1,130,000	16.0		16.0
Borsodchem Rt			20,050	0.7		0.7



INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Boston Scientific Corp.			11,400	0.9				0.9
Bouygues			134,669	19.1				19.1
Brahma, Cia Cervejaria			960,000	0.8			0.8	
	preferred		2,050,000	1.5			1.5	2.3
Brambles Industries Limited			483,000	12.9				12.9
Brascan Limited	class A		835,800	25.5				25.5
Brasmotor S.A.	preferred		931,000	0.4				0.4
Brau und Brunnen			1,180	0.1				0.1
Bresea Resources Ltd.			59,100	0.6				0.6
Bre-X Minerals Ltd.			4,796,400	104.1				104.1
Bridgestone Corp.			91,000	2.4				2.4
Briggs & Stratton Corporation			23,500	1.4				1.4
Brisa Bridgestone Sabanci Lastik San. Ve Tic A.S.			1,398,000	0.9				0.9
Bristol-Myers Squibb Company			56,300	8.4				8.4
British Aerospace Plc			264,230	7.9				7.9
British Airways			553,080	7.9				7.9
British Gas			700,000	3.7				3.7
British Land Company Plc			542,200	6.6				6.6
British Petroleum Company Plc			3,666,719	60.2				60.2
British Sky Broadcasting Group Plc			335,800	4.1				4.1
British Steel Plc			936,140	3.5				3.5
British Telecom			3,197,700	29.6				29.6
Broken Hill Proprietary Company Limited, The			458,700	8.9				8.9
Brooks Fiber Properties, Inc.		C	7,314	0.3				0.3
Brown-Forman Corporation			4,400	0.3				0.3
Browning-Ferris Industries, Inc.			51,000	1.8				1.8
Bro-X Minerals Ltd.			205,560	0.5				0.5
Brunswick Corporation			6,300	0.2				0.2
Bryant Group			494,000	1.6				1.6
Buderus AG			673	0.5				0.5
Buenaventura S.A., Compañía de Minas			27,300	0.6				0.6
Burgo (Cartiere) S.p.A.			540,000	3.4				3.4
Burlington Northern Santa Fe Inc.			9,800	1.2				1.2
Burlington Resources Inc.			8,000	0.6				0.6
Burton Group			250,000	0.9				0.9
CAE Inc.		A, G	2,803,503	29.0				29.0
CBCI Telecom, Inc.		A	150,000	0.8				0.8
CCL Industries Inc.	class A		40,000	0.6			0.6	
	class B		836,580	12.5			12.5	13.1
CEZ A.S.			15,390	0.8				0.8
CFCF Inc.					4.3			4.3

CGI Group Inc., The <sup>1</sup>	class A	A, B	645,167	7.2		7.2
CHUM Limited	class B		153,000	2.8		2.8
CIFRA S.A.	class B		1,075,236	1.8		1.8
CIGNA Corporation			13,800	2.6		2.6
C-MAC Industries Inc.		A, G	767,000	7.4		7.4
COM DEV International Ltd.			180,000	2.2		2.2
COMPAQ Computer Corporation			126,700	12.9		12.9
CP Pokphand Co., Ltd.			118,000	0.1		0.1
CPC International			9,300	1.0		1.0
C.R. Bard, Inc.			22,600	0.9		0.9
CS Holdings			200,704	28.2		28.2
CS Limitée, Les Ressources			1,777,644	23.1		23.1
CSX Corporation			97,800	5.7		5.7
CUC International			25,200	0.8		0.8
CVS Corporation			6,800	0.4		0.4
Cable & Wireless Plc			1,648,000	18.8		18.8
Cabletron Systems Inc.			9,800	0.4		0.4
Cabre Exploration Ltd.			289,100	6.8		6.8
Cadbury Schweppes Plc			1,329,044	15.4		15.4
Caemi Mineracao e Metalurgia SA	preferred		3,144,960	0.2		0.2
Caima - Companhia de Celulose do Caima, SA			13,700	0.3		0.3
Caliber System, Inc.			2,500	0.1		0.1
Call-Net Enterprises Inc.	class B		617,500	10.3		10.3
Cambiex Inc., Exploration		A	1,562,500	1.8		1.8
Cambior Inc.		A, G	1,957,778	39.5		39.5
Cambridge Shopping Centers Limited <sup>1</sup>		F, G	17,286,122	213.5	55.5	269.0
Cameco Corporation			1,019,900	56.0		56.0
	receipts		128,300	2.2		2.2
Campbell Soup Company			15,000	1.6		1.6
Canada Tungsten Inc.			8,200	-		-
Canadian Fracmaster Ltd.			1,380,978	11.8		11.8
Canadian Imperial Bank of Commerce			6,615,315	399.9		399.9
Canadian Marconi Company			512,791	7.7		7.7
Canadian National Railway Company			1,083,800	56.5		56.5
Canadian Natural Resources Limited			4,123,760	155.1		155.1
Canadian Occidental Petroleum Ltd.			3,868,472	85.3		85.3
Canadian Pacific Limited			6,978,581	251.6		251.6
Canadian Split Shares Corporation - Canadian Imperial Bank of Commerce	PEAC, derivative products		900	-		-
	SPEC, derivative products		900	-		-
Canadian Split Shares Corporation - NOVA Corporation	PEAC, derivative products		20,600	0.2		0.2
	SPEC, derivative products		20,600	-		-
Canadian Split Shares Corporation - Scotia Bank	PEAC, derivative products		1,000	-		-
	SPEC, derivative products		1,000	-		-

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Canadian Split Shares Corporation Thomson Corporation, The	PEAC, derivative products SPEC, derivative products		300 300	- -			- -	- -
Canadian Split Shares Corporation - Toronto-Dominion Bank, The	SPEC, derivative products		9,100	0.2				0.2
Canadian Tire Corporation Limited	class A		340,000	7.7				7.7
Canadian Utilities Limited	class A class B		247,982 180,318	7.6 5.4			7.6 5.4	13.0
Canam Manac Inc., Le Groupe	class A purchase options	A A	3,764,320 12,500	14.3 -			14.3 -	14.3
Canfor Corporation			556,900	7.7				7.7
Canlan Investment Corporation			351,000	1.3				1.3
Canon Components Inc.			7,000	0.1				0.1
Canon Copyer Sales Co., Ltd.			1,200	-				-
Canon Inc.			345,000	10.4	0.2			10.6
Canon Software Inc.			1,000	-				-
Canwest Global Communication Corporation			556,293	8.0				8.0
Cara Operations Limited			95,324	0.4			0.4	
	class A		502,209	2.0			2.0	2.4
Ceramica Carabobo	class A		261,000	0.4				0.4
Carlton Communications Plc			762,250	9.2				9.2
Carolina Power & Light Company			9,700	0.5				0.5
St. Laurent Paperboard Inc.			248,183	5.5	12.4			17.9
Cascades Inc.		A, G	225,800	1.7				1.7
Case Corporation			4,600	0.3				0.3
Casio Computer Co., Ltd.			175,000	1.9				1.9
Caterpillar Inc.			12,400	1.3				1.3
Celanese Canada Inc.			2,777,465	80.4				80.4
Cementos Mexicanos S.A.	class A class B		560,000 519,000	2.7 2.8			2.7 2.8	5.5
Centex Corporation			27,600	1.4				1.4
Centrais Electricas Brasileiras S.A.			10,052,998	4.9			4.9	
	preferred		2,170,000	1.1			1.1	6.0
Central & South West Corporation			13,500	0.5				0.5
Centrefund Realty Corporation					2.4			2.4
Ceridian Corp.			4,400	0.2				0.2
Cerveceria del Sur S.A.			600,000	0.4				0.4
Ceska Sporitelna A.S.			72,800	1.2				1.2

Champion International			6,100	0.4		0.4
Champion Road Machinery Limited <sup>1,2</sup>			1,126,000	9.1		9.1
Chargeurs SA			180,337	12.2		12.2
Charming Shoppes, Inc.			6,700	-		-
Chase Manhattan Corporation, The			262,328	32.1		32.1
Chemical Company of Malaysia			50,000	0.2		0.2
Chemopetrol A.S.			14,055	0.8		0.8
Cheung Kong			1,949,000	23.7		23.7
Chevron Corporation			75,000	6.7		6.7
Chieftain International, Inc.			608,024	21.9		21.9
Chilectra S.A.			6,440	0.5		0.5
Chilgener			9,550	0.3		0.3
China Bicycles	class A		565,900	0.3		0.3
China International Marine Containers Ltd.			419,980	0.7		0.7
China Resources Beijing Land			148,000	0.1		0.1
China Southern Glass Company	class A		580,030	0.5		0.5
Chiwan Wharf Holdings	class B		890,000	0.9		0.9
Chiyoda Corporation			460,000	4.1		4.1
Chrysler Corporation			46,700	2.1		2.1
Chubb Corporation, The			11,200	0.8		0.8
Cia de Seguros Tranquilidade			15,000	0.4		0.4
Cia de Tecidos Norte de Minas - Coteminas	preferred		900,000	0.4		0.4
Cia Energetica de Minas Gerais (CEMIG)	preferred		36,580,785	1.7		1.7
Cimpor - Cimentos de Portugal, SGPS, SA			19,400	0.6		0.6
CINAR Films, Inc.	class B	A	40,000	1.4		1.4
Cincinnati Milacron Inc.			2,600	0.1		0.1
Cinergy Corp.			10,100	0.5		0.5
Cinram Ltd.			181,174	6.8		6.8
Circuit City Stores, Inc.			6,300	0.3		0.3
Cisco Systems, Inc.			224,000	19.5		19.5
Citic Pacific Ltd.			915,000	7.3		7.3
Citicorp			122,700	17.3		17.3
Cla Insurance Enterprise Holdings Ltd.			66,300	0.6		0.6
Clearnet Communications Inc. <sup>2</sup>	class A		1,181,173	18.0		18.0
Clipsal Industries Ltd.			837,000	4.2		4.2
Clorox Company, The			3,300	0.5		0.5
Coastal Corp., The			6,800	0.5		0.5
Cobepa S.A.		D	891,500	46.4	46.4	
	class VVPR	D	33,500	1.7	1.7	48.1
Coca-Cola Amatil Ltd.			120,000	1.8		1.8
Coca-Cola Company, The			219,200	15.8		15.8
Cogeco Inc.		A, G	284,000	2.0		2.0
Cognizant Corporation			10,900	0.5		0.5
Cognos Incorporated			491,700	18.8		18.8
Cokoladovny A.S.			1,000	0.2		0.2
Colgate-Palmolive Company			89,900	11.4		11.4

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Colonia Konzern AG			6,939	0.8			0.8	
	preferred		1,330	0.1			0.1	0.9
Columbia Gas System, Inc.			3,500	0.3				0.3
Columbia / HCA Healthcare Corporation			574,900	32.1				32.1
Comalco Limited			263,000	1.9				1.9
Comcast Corporation			20,900	0.5				0.5
Comerica Inc.			7,400	0.5				0.5
Cominco Ltée			1,678,670	57.2				57.2
Commerce Asset Holdings Bhd			108,000	1.1				1.1
Commercial International Bank			24,000	0.5				0.5
Commercial Union Assurance Company			1,217,991	19.5				19.5
Commerzbank AG			111,000	3.9				3.9
Companhia Antarctica Paulista			3,150	0.4				0.4
Companhia Paranaense de Energia - Copel			25,263,000	0.4				0.4
Companhia Telefonica da Borda do Campo	preferred		100,000	0.1				0.1
Compañía anónima nacional Tse			29,240	1.1				1.1
Compañía Cervecerías Unidas S.A.			19,600	0.4				0.4
Compañía Nacional de Cerveza			378,000	0.3				0.3
Compañía Telefónica Nacional de España S.A.			783,554	24.9				24.9
Compass Group			1,185,000	17.2				17.2
Computer Associates International, Inc.			324,850	22.2				22.2
Computer Sciences Corporation			4,800	0.5				0.5
Conagra, Inc.			344,500	23.5				23.5
Concert Industries Ltd.		A	125,000	0.2				0.2
Conrail Inc.			5,200	0.7				0.7
Consolidated Edison Company of New York, Inc.			50,400	2.0				2.0
Consolidated Freightways, Corp.			1,400	-				-
Consolidated Freightways, Inc.			2,800	0.1				0.1
Consolidated Natural Gas Company			6,100	0.5				0.5
Consolidated Stores Corporation			205,750	9.1				9.1
Continental AG			24,868	0.6				0.6
Continente			179,000	5.0				5.0
Cookson Group Plc			1,588,700	8.8				8.8
Cooper Industries, Inc.			6,900	0.4				0.4
Cooper Tire & Rubber Company			50,700	1.4				1.4
Copene-Petroquímica do Nordeste SA	preferred A		1,381,000	0.7				0.7
Copesul-Companhia Petroquímica do Sul			4,761,000	0.4				0.4
Coreco Inc.		A	300,200	1.5				1.5
Corel Corporation			617,069	6.2				6.2
CoreStates Financial Corp.			14,300	1.0				1.0
Corning Inc.			14,700	0.9				0.9
Corporación Venezolana de Cementos, S.A. C.A.			125,800	0.5				0.5

Corporate Foods Limited			361,000	5.9		5.9
Cortefiel S.A.			127,000	5.2		5.2
Coscient Group Inc. <sup>1</sup>	class A	A, C	113,801	0.5		0.5
	preferred	C	2,048,793	9.8		9.8
	purchase options	C	100,000	0.3		0.3
Cosmos Bottling Co.			2,690,000	1.1		1.1
Co-Steel Inc.			1,559,400	37.9		37.9
Counsel Corporation			318,700	4.5	11.0	15.5
Covitec Group Inc. <sup>1</sup>		E	772,705	0.2	0.3	0.5
Crane Co.			2,850	0.1		0.1
Credicorp Limited			28,800	0.7		0.7
Crédit Local de France			24,700	2.9		2.9
Credit Saison Co., Ltd.			579,100	17.7		17.7
Creditanstalt Bankverein	preferred		51,000	3.2		3.2
Crestar Energy Inc.			2,775,176	80.8		80.8
Cristalerías de Chile			3,700	0.1		0.1
Crompton Greaves Ltd.			159,000	0.9		0.9
Crown Cork & Seal Company, Inc.			8,200	0.6		0.6
Cubiertas y Mzov SA			76,900	8.1		8.1
Cukurova Elektrik A.S.			377,000	0.6		0.6
Cummins Engine Co., Inc.			2,500	0.2		0.2
Cycle & Carriage Ltd.			270,000	4.5		4.5
Cyprus Amax Minerals Company			6,000	0.2		0.2
DALSA Corporation			58,500	0.6		0.6
DBS Land Limited			1,399,000	7.1		7.1
DCB Holdings			537,000	2.5		2.5
DDI Corporation			335	3.0		3.0
D.G. Khan Cement			1,260,000	0.4		0.4
DLW AG			372	-		-
DSC Communications Corporation			67,500	1.7		1.7
DTE Energy Company			9,300	0.4		0.4
DY 4 Systems Inc.			131,300	1.2		1.2
Daewoo Heavy Industries			140,270	1.2		1.2
Dai Yang Metal			11,850	0.5		0.5
Daifuku Co., Ltd.			337,000	5.8		5.8
Daihatsu Motor Co., Ltd.			620,000	4.5	0.1	4.6
Daikin Industries, Ltd.			400,000	4.9		4.9
Daimler-Benz AG			206,042	19.4		19.4
Dainippon Ink & Chemicals, Inc.			400,000	2.0		2.0
Daitec Co., Ltd.			1,000	0.1		0.1
Daito Koun Co., Ltd.			6,000	-		-
Daito Trust Construction Co., Ltd.			351,000	5.2		5.2
Daiwa House Industry Co., Ltd.			470,000	8.3		8.3
Daiwa Securities Co., Ltd.			22,000	0.3		0.3
Daiwabo Information System Co., Ltd.			3,300	0.1		0.1
Dana Corporation			6,500	0.3		0.3
Dankos Laboratories			140,000	0.2		0.2

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Danone, Le Groupe			20,000	3.8				3.8
Danubius Hotel and Spa Rt			4,000	0.1				0.1
Dao Heng Bank Group Ltd.			418,000	2.7				2.7
Darden Restaurants			10,100	0.1				0.1
Data General Corporation			2,500	-				-
Datamark Inc.		A	490,600	1.4				1.4
Dayton Hudson Corporation			42,200	2.3				2.3
Dayton Mining Corporation			328,100	3.0				3.0
De Beers Centenary AG			61,600	2.4				2.4
De La Rue Plc			150,000	2.0				2.0
Dean Witter, Discover & Co.			29,000	2.6				2.6
Deelkraal Gold Mining Company Ltd.			387,800	0.4				0.4
Deere & Company			176,600	9.8				9.8
Degussa AG			2,272	1.4				1.4
Del Monte Royal Foods Ltd.			882,900	1.2				1.2
Dell Computer Corporation			11,600	0.8				0.8
Delrina Corporation			171,200	3.3				3.3
Delta Air Lines, Inc.			16,500	1.6				1.6
Deluxe Corp.			5,300	0.2				0.2
Denkodo Co., Ltd.			3,000	-				-
Desc S.A. de C.V.	class B		250,000	1.9				1.9
Desjardins-Laurentian Financial Corporation	class A	A	155,856	1.6				1.6
Deutsche Bank AG			223,051	14.3				14.3
Deutsche Telekom AG			1,678,198	47.6				47.6
Development Bank of Singapore			259,000	4.8				4.8
Dexia - Credit Communal Holding			35,000	4.4				4.4
Deza Valasske Mezirici A.S.			1,410	0.2				0.2
Dhana Siam Finance & Securities Public Company Limited			75,400	0.2				0.2
Dia Met Minerals Ltd.	class B		102,850	2.2				2.2
DiagnoCure Inc. <sup>1</sup>		B	3,000,000	11.1				11.1
Dial Corporation, The			28,700	0.6				0.6
Didier Werke AG			646	0.1				0.1
Digital Equipment Corporation			10,000	0.5				0.5
Dillard Department Stores, Inc.	class A		35,200	1.5				1.5
Disney (Walt) Co.			52,800	5.0				5.0
Dixons Group			702,210	8.9				8.9
Dofasco Inc.			20,000	0.5				0.5
Doman Industries Limited	class B		385,800	3.7				3.7
Domco Inc.		A, G	469,420	5.4	9.3		14.7	
	warrants	A, G	250,000	0.4			0.4	15.1
Dominion Resources Inc.			35,300	1.9				1.9

Domtar Inc. <sup>1,2</sup>		A, G	32,891,094	381.5		381.5
Dongbu Steel Co.			23,510	0.5		0.5
Dongshin Pharmaceutical Company			4,500	0.3		0.3
Dongwon Securities Co.			43,250	0.6		0.6
Donnelley (R.R.) & Sons Company			9,800	0.4		0.4
Donohue Inc.	class A		2,731,211	67.6	2.5	70.1
Dorel Industries Inc.	class B	A	127,600	2.4		2.4
Dorset Exploration Ltd.	class A		900,000	5.4		5.4
Douglas Holding AG			8,485	0.5		0.5
Dover Corporation			7,300	0.5		0.5
Dow Chemical Company			32,400	3.5		3.5
Dow Jones & Company, Inc.			28,100	1.3		1.3
Dresdner Bank AG			117,878	4.8		4.8
Dresser Industries, Inc.			11,500	0.5		0.5
Driefontain Consolidated Ltd.			70,000	1.0		1.0
Dr. Reddy's Laboratories Ltd.			100,400	0.6		0.6
Du Pont (E.I.) De Nemours & Company			99,600	12.9		12.9
Duke Power Company			13,000	0.8		0.8
Dun & Bradstreet Corporation, The			10,900	0.4		0.4
Dupont Canada Inc.	class A		37,214	1.2		1.2
Dyckerhoff AG			418	0.2		0.2
	preferred		409	0.2		0.2
EGE Biracilik ve Malt Sanayii A.S.			1,152,627	0.3		0.3
EGE Seramik Sanayi ve Ticaret A.S.	class C		7,950,000	0.4		0.4
EG&G, Inc.			3,000	0.1		0.1
EMC Corporation			58,900	2.7		2.7
EVN Energie-Versorgung Niederoesterreich AG			27,735	5.7		5.7
East Japan Railway			470	2.9		2.9
East Rand Gold and Uranium Company Ltd.			214,800	0.5		0.5
East Rand Proprietary Mines Ltd.			780,300	0.4		0.4
Eastern Enterprises			1,300	0.1		0.1
Eastern Tobacco Co.			11,150	0.2		0.2
Eastman Chemical Co.			8,400	0.6		0.6
Eastman Kodak Company			21,600	2.4		2.4
Eaton Corporation			5,000	0.5		0.5
Eaux, Générale des			49,170	8.3		8.3
Echlin Inc.			3,900	0.2		0.2
Echo Bay Mines Ltd.			812,300	7.4		7.4
Ecolab, Inc.			127,500	6.6		6.6
Eczacibasi Yapi Gerecleri Sanayi ve Ticaret AS			7,020,000	0.4		0.4
Edison International			268,100	7.3		7.3
Edper Group Limited, The	class A		600,000	4.7		4.7
	receipts		4,566,000	4.1		4.1
Egis Rt			4,010	0.3		0.3
Egyptian International Pharmaceuticals			7,998	0.5		0.5
Eicon Technology Corporation		A, G	862,300	3.8		3.8
Eisai Company, Ltd.			450	-		-



INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
El Paso Natural Gas Company			1,013	0.1				0.1
Elan Energy Inc.			1,933,839	23.2				23.2
Eldorado Gold Corporation Ltd.			500,000	4.6				4.6
Electricidad de Caracas, C.A., La			751,988	1.0				1.0
Electrolux	class B		66,500	5.3				5.3
Electronic Data Systems Corporation			87,900	5.2				5.2
Elektrim Spolka Akcyjna S.A.			37,000	0.5				0.5
Elf Aquitaine			144,200	18.0				18.0
Elsevier-NDU NV			440,890	10.2				10.2
Embotelladores del Valle de Anahuac, SA	class B		477,000	0.4				0.4
Emerging Markets Taiwan			25,510,970	40.6				40.6
Emerson Electric Co.			87,200	11.6				11.6
Empire Company Ltd.	class A		226,900	3.0				3.0
Empresa Brasileira de Compressores SA - Embraco	preferred		300,000	0.2				0.2
Empresa Nacional de Electricidad, S.A. (Endesa)			35,840	0.8				0.8
Empresa Nacional de Celulosas SA			150,361	2.5				2.5
Empresas La Moderna S.A. de C.V.	class A		407,852	2.8				2.8
Endemol Entertainment BV			70,858	3.2				3.2
Enertech Resources Corporation <sup>1</sup>	trust units, series G	A	5,181,250	27.7			27.7	
	purchase options	A	50,000	-			-	27.7
Enersis			6,789	0.3				0.3
Engelhard Corporation			9,200	0.2				0.2
Enron Corporation			16,300	1.0				1.0
Enron Oil & Gas Co.			229,500	7.9				7.9
Enserch Corp.			4,400	0.1				0.1
Ensign Resource Service Group Inc.			100,000	2.5				2.5
Ente Nazionale Idrocarburi			3,147,700	22.1				22.1
Entergy Corporation			14,600	0.6				0.6
Epilectos S.A. (Selected Textiles)			77,350	0.3				0.3
Ergo Bank S.A.			7,890	0.5				0.5
Ericsson (LM) Telephone Company	class B		515,205	21.8				21.8
Escada AG			222	-			-	-
	preferred		193	-			-	-
Esselte AB	class B		253,700	7.7				7.7
Estabelecimentos Jeronimo Martins & Filho			16,657	1.2				1.2
Etac Sales Ltd.			970,572	-				-
Euro-Nevada Mining Corporation Limited			400,600	16.4				16.4
Evander Gold Mines Limited			82,590	1.0				1.0
Extendicare Inc.			2,047,941	33.1				33.1

External Funds				
United States	units	1,910,904	564.7	564.7
United Kingdom	units	1,066,711	166.1	166.1
France	units	758,742	180.0	180.0
Germany	units	793,057	207.3	207.3
Other European countries	units	2,557,842	643.1	643.1
Japan	units	8,993,144	1,246.1	1,246.1
Other Asian countries and Oceania	units	894,864	336.8	336.8
Emerging markets	units	25,534,000	533.1	533.1
Exxon Corporation		234,700	31.5	31.5
FCA International Ltd.	A	118,700	0.3	0.3
FCC Co., Ltd.		3,300	0.1	0.1
FMC Corporation		14,500	1.4	1.4
FPL Group, Inc.		11,700	0.7	0.7
Fag Kugelfischer Vz		16,142	0.3	0.3
Fairfax Financial Holdings Limited		107,539	31.2	31.2
Falconbridge Limited		2,465,972	72.0	72.0
	receipts	1,545,300	30.3	30.3
Fanuc Ltd.		75,000	3.3	3.3
Farallon Resources Ltd.		37,800	0.6	0.6
	warrants	50,000	0.5	0.5
Fauji Fertilizer Company Ltd.		155,000	0.4	0.4
Federal Express Corporation		28,500	1.7	1.7
Federal Home Loan Mortgage Corp.		25,900	3.9	3.9
Federal National Mortgage Association		446,600	22.8	22.8
Federated Department Stores		141,100	6.6	6.6
Fernz Corporation Limited		954,000	4.5	4.5
Fifth Third Bancorp		6,800	0.6	0.6
Filinvest Land Inc.		775,000	0.3	0.3
Filipacchi Medias		35,740	10.9	10.9
Finance One Company Limited		84,700	0.2	0.2
Financial & Industrial Co.		8,225	0.3	0.3
Finning Ltd.		220,856	6.4	6.4
First Bank Systems, Inc.		63,900	6.0	6.0
First Chicago NBD Corporation		20,300	1.5	1.5
First Data Corporation		28,700	1.4	1.4
First Leisure Corporation		100,000	0.8	0.8
First National Bank Holdings Ltd.		133,800	0.9	0.9
First Union Corp.		28,600	2.9	2.9
Fleet Financial Group		146,100	10.0	10.0
Fleetwood Enterprises, Inc.		2,300	0.1	0.1
Fleming Companies Inc.		2,400	0.1	0.1
Fletcher Challenge Canada Limited	class A	2,371,926	51.2	51.2
Fluor Corp.		174,300	15.0	15.0
Fomento Económico Mexicano, S.A. de C.V.		327,893	1.5	1.5
Forbo Holding AG		5,280	2.9	2.9
Ford Motor Company		136,600	6.0	6.0

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Forex Group Inc.	class A	A	90,000	0.6				0.6
Fortis Inc.			127,700	4.3				4.3
Foster Wheeler Corporation			2,600	0.1				0.1
Foundation Health Corporation			106,000	4.6				4.6
Founder Hong Kong Limited			800,000	0.4				0.4
Fourlis Brothers Corp.			21,650	0.4				0.4
Franco-Nevada Mining Corporation Limited			94,800	5.9				5.9
Fraser & Neave			130,000	1.8				1.8
Free State Cons. Gold Mines			50,000	0.5				0.5
Freeport-McMoran Cooper & Gold, Inc.			12,500	0.5				0.5
Fresenius Medical Care AG			37,267	4.4				4.4
Friedrich Grohe AG	preferred		793	0.3				0.3
Frigobras-Cia Brasileira de Frigorificos	preferred		1,035,000	0.6				0.6
Frisco Bay Industries of Canada Limited <sup>2</sup>	class A	A	68,148	0.3				0.3
Fruit of the Loom, Inc.	class A		4,900	0.3				0.3
Fuji Co., Ltd.					0.1			0.1
Fuji Machine Mfg. Co., Ltd.			17,000	0.6				0.6
Fuji Photo Film Company, Ltd.			514,000	23.2				23.2
Fujikura Ltd.			447,000	4.9				4.9
Fujitsu Ltd.			649,000	8.3				8.3
GPU, Inc.			32,700	1.5				1.5
90 GST Telecommunications, Inc.	warrants		170,000	2.1			2.1	
			128,600	1.6			1.6	3.7
G.T.C. Ltée, Groupe Transcontinental	class B	A	208,667	2.1		5.5		7.6
GTE Corp.			162,800	10.2				10.2
Gadjan Tunggal			650,000	0.4				0.4
Gakken Co., Ltd.			234,000	1.8				1.8
Galimberti Compania			66,997	0.6				0.6
Gandalf Technologies Inc.			301,600	1.5				1.5
Gannett Company Inc.			24,500	2.5				2.5
Gap, Inc., The			18,400	0.8				0.8
Gazprom			45,000	1.1				1.1
Geac Computer Corporation Limited			606,964	16.6				16.6
Gencor Limited			253,585	1.3				1.3
Génécan, Corporation Financière		A	2,912,342	-	0.9			0.9
General Dynamics Corporation			4,000	0.4				0.4
General Electric Co.			418,800	56.8				56.8
General Electric Plc			1,562,100	14.0				14.0
General Instrument Corp.			8,800	0.3				0.3
General Mills, Inc.			10,200	0.9				0.9
General Motors Corporation			57,700	4.4				4.4
General Nutrition Companies			290,000	6.7				6.7

General Re Corp.		5,300	1.1		1.1
General Signal Corporation		3,200	0.2		0.2
Genting BHD		65,000	0.6		0.6
Genuine Parts Company		7,800	0.5		0.5
Georgia-Pacific Corp.		5,900	0.6		0.6
Giant Food Inc.	class A	3,800	0.2		0.2
Giddings & Lewis		42,500	0.8		0.8
Gillette Company, The		91,700	9.8		9.8
Gist-Brocades NV		50,785	2.2		2.2
Glaxo Wellcome Plc		1,953,900	43.4		43.4
Global Stone Corporation		700,000	3.7		3.7
Goldcorp Inc.	class A	1,577,600	18.5		18.5
Golden West Financial Corp.		14,700	1.3		1.3
Goltas Goller Bolg		1,185,000	0.3		0.3
Goodyear Lastikleri T.A.S.		732,000	0.5		0.5
Goodyear Tire & Rubber Company		86,900	6.1		6.1
Granada Group Plc		832,000	16.8		16.8
Grand Metropolitan, Plc		1,623,910	17.5		17.5
Grand Optical Photoservice		11,050	2.5		2.5
Grasim Industries Ltd.		63,200	1.3		1.3
Great Atlantic & Pacific Tea Company, Inc.		2,400	0.1		0.1
Great Lakes Chemical Corporation		17,100	1.1		1.1
Great Pacific Enterprises Inc. <sup>1</sup>		397,410	21.1		21.1
Great Universal Stores, Plc		155,000	2.2		2.2
Great Western Financial Corp.		8,800	0.3		0.3
Great-West Lifeco Inc.		1,463,884	31.1		31.1
Green Tree Financial Corp.		8,800	0.5		0.5
Greencore		670,400	5.9		5.9
Greenstone Resources Ltd.		1,111,200	17.7		17.7
Grilli Property Group Inc.				A	-
Grupo Carso S.A. de C.V.	class A	130,000	0.9		0.9
Grupo Casa Autrey S.A. de C.V.		230,000	0.6		0.6
Grupo Elektra S.A. de C.V.		71,000	0.8		0.8
Grupo Financiero Banamex-Accival	class B	547,000	1.6		1.6
	class L	71,000	0.2		0.2
Grupo Financiero Bancomer	class B	1,749,695	1.0		1.0
	rights	16,460	-		-
Grupo Herdez S.A.	class B	750,000	0.3		0.3
Grupo Industrial Maseca S.A. de C.V.	class B	389,000	0.7		0.7
Grupo Mexico S.A. de C.V.	class B	621,000	2.6		2.6
Grupo Modelo S.A. de C.V.	class C	429,000	3.4		3.4
Grupo Televisa S.A.		119,000	2.1		2.1
Guangdong Electric Power Development		500,000	0.6		0.6
Guangdong Investments Limited		180,369	0.2		0.2
Guangshen Railway Company Limited		859,000	0.5		0.5
Gucci Group		124,510	11.4		11.4
Gudang Garam		201,000	1.2		1.2

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
			1,198,000	12.9				12.9
			90,600	1.0				1.0
			705,000	9.2				9.2
			345,000	2.6				2.6
			465,900	0.7				0.7
			6,900	0.3				0.3
			7,900	0.6				0.6
			32,200	1.3				1.3
			1,449,662	43.7				43.7
			43,500	4.8				4.8
			8,000	0.7				0.7
			1,299,999	5.8				5.8
			58,222	0.9				0.9
			45,300	0.3				0.3
			1,004,500	16.7				16.7
			21,200	0.1				0.1
			3,291	0.1				0.1
			2,420,000	4.7				4.7
			2,500,000	0.6				0.6
		class H	4,700	0.3				0.3
			2,000	0.1				0.1
92			815,900	9.5	7.4			16.9
			65,000	0.7				0.7
			3,000	0.2				0.2
			6,600	0.2				0.2
			2,500	0.2				0.2
			5,500	0.3				0.3
			106,565	16.2				16.2
			78,700	0.3				0.3
					0.6			0.6
			11,660	1.3				1.3
			57,200	2.8				2.8
			13,950	0.3				0.3
			21,370	0.9				0.9
			31,400	0.4				0.4
			11,450	0.2				0.2
			18,100	0.4				0.4
			1,600	0.1				0.1
			610,783	2.3				2.3
		class B	29,000	5.5				5.5
			64,700	1.1				1.1
			6,900	0.4				0.4

Herlitz AG			519	0.1		0.1
	preferred		465	0.1		0.2
Héroux Inc. <sup>1</sup>		A	2,390,400	7.6		7.6
	purchase options	A	15,000	-		7.6
Hershey Foods Corp.			9,900	0.6		0.6
Hewlett-Packard Company			80,900	5.6		5.6
High River Gold Mines Ltd.			67,900	0.3		0.3
Hilton Hotels Corp.			15,800	0.6		0.6
Hindalco Industries Ltd.			72,863	2.5		2.5
Hirata Technical Co., Ltd.			10,000	0.2		0.2
Hitachi AIC Inc.			5,000	-		-
Hitachi Information System			4,000	0.1		0.1
Hitachi, Ltd.			908,000	11.6		11.6
Hochtief AG			59,134	3.2		3.2
Hoechst AG			134,300	8.7		8.7
Hoganas AB	class B		70,920	3.4		3.4
Holderbank Financière			5,400	5.3		5.3
Hollandsche Beton Groep NV			37,235	10.6		10.6
Hollinger Inc.			1,427,200	18.4		18.4
Holsten Brau AG			290	0.1		0.1
Home Depot, Inc., The			30,700	2.1		2.1
Homestake Mining Company			9,400	0.2		0.2
Honda Motor Co.			34,000	1.3		1.3
Honeywell Inc.			8,100	0.7		0.7
Hong Kong Electric Holdings Limited			1,120,000	5.1		5.1
Hong Kong Land Holdings Ltd.			572,000	2.2		2.2
Hong Kong Telecommunications Limited			1,800,000	4.0		4.0
Hong Kong & China Gas Company Limited, The			2,378,800	6.3		6.3
Hongkong and Shanghai Hotels Ltd., The			884,000	2.3		2.3
Hôtels Quatre Saisons Inc. <sup>1</sup>			2,636,059	73.2		73.2
Household International, Inc.			6,200	0.8		0.8
Houston Industries Inc.			16,000	0.5		0.5
Hoya Corp. (Hoya Garasu)			35,000	1.9		1.9
Huaneg Power International			25,000	0.8		0.8
Hudson's Bay Company		A, G	1,699,330	38.9	20.5	59.4
Humana, Inc.			10,400	0.3		0.3
Hummingbird Communications Ltd. <sup>2</sup>			899,600	35.5		35.5
Hunter Douglas			5,359	0.5		0.5
Hutchison Whampoa Limited			2,462,000	26.5		26.5
Hysan Development			1,000,000	5.5		5.5
Hyundai Engineering & Construction Company			26,120	0.8		0.8
Hyundai Motor Company Ltd.			21,300	0.2		0.2
Hyundai Securities Co.			46,030	0.8		0.8
IBEX Technologies Inc. <sup>1</sup>		B	1,093,396	6.0		6.0
	purchase options	B	314,500	0.5		6.5
ICA			93,968	1.9		1.9

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
IDB Holding Corp., Ltd.			89,700	0.5				0.5
IOI Properties Berhad			1,949,000	4.1				4.1
IPL Energy Inc.			974,307	38.9				38.9
IPL Inc. <sup>1</sup>		A	695,500	8.3				8.3
IPSCO Inc.			673,210	26.3				26.3
IRSA Inversiones y Representaciones S.A.	class B		92,200	0.4				0.4
ITT Corporation			7,500	0.4				0.4
ITT Hartford Group Inc.			26,800	2.5				2.5
ITT Industries			7,600	0.3				0.3
Illovo Sugar Ltd.			259,800	0.6				0.6
Il Shin Spinning Company			3,500	0.4				0.4
Illinois Tool Works, Inc.			7,800	0.9				0.9
Illinova Corporation			29,300	1.1				1.1
Imasco Limitée			186,457	6.3				6.3
Imperial Chemical Industries, Plc			175,000	3.2				3.2
Imperial Tobacco Group Plc			242,000	2.1				2.1
Imperial Oil Limited			618,282	39.9				39.9
Inabata & Co.					-			-
Inax Corp.			396,000	4.0				4.0
Inchon Iron & Steel			14,560	0.3				0.3
Inco Indonesia			99,500	0.3				0.3
Inco Limited	class VBN		24,506	0.8			0.8	
	preferred E		5,639,678	246.8			246.8	
			33,920	2.4			2.4	250.0
Indian Aluminium Co., Ltd.			112,300	0.8				0.8
Indian Hotels Company Limited, The			76,500	2.7				2.7
Indian Petrochemicals Corporation Ltd.			117,200	1.6				1.6
Indian Rayon & Industries Ltd.			81,400	0.9				0.9
Indian Tobacco Company Limited (ITC)			139,800	1.9				1.9
Indo Gulf Fertilizers and Chemical Corp., Ltd.			756,400	0.8				0.8
Indocement Tungal-Prakarsa			333,000	0.7				0.7
Indosat	class B		10,000	0.4				0.4
Industrial Bank of Japan			359,800	8.5				8.5
Industrial Credit & Investment Corp.			166,400	2.2				2.2
Industrial Finance Corp. of Thailand			167,500	0.6				0.6
Industrial-Alliance Life Insurance Company		A			58.4	5.4		63.8
Informix Corporation			608,800	17.0				17.0
Ingersoll-Rand Company			7,000	0.4				0.4
Inland Steel Industries, Inc.			3,100	0.1				0.1
Inmet Mining Corporation			2,894,400	19.2	6.1			25.3
Inner Mongolia Erdos Cashmere Products Co., Ltd.	class B		900,000	0.8				0.8

Innova Technologies Corporation		260,000	0.5		0.5	
	warrants	130,000	0.1		0.1	0.6
Intel Corporation		241,400	43.1			43.1
Intensity Resources Ltd.		3,428,200	6.9			6.9
Inter-Europa Bank Rt		1,000	0.3			0.3
Intergraph Corporation		3,000	-			-
Internatio-Mueller NV		72,999	2.5			2.5
International Business Machines Corp.		142,400	29.5			29.5
International Flavors & Fragrances, Inc.		7,100	0.4			0.4
International Forest Products Limited	class A	1,284,500	13.8			13.8
International Hospitality Inc.		520,000	1.8	1.8	3.6	
	warrants	130,000	-			3.6
International Paper Company		106,900	5.9			5.9
Internationale Nederlanden Groep NV		316,732	15.6			15.6
Interpublic Group of Companies, Inc.		5,200	0.3			0.3
Intertape Polymer Group Inc.	A, G	615,212	19.3			19.3
Intracom S.A.		4,660	0.1			0.1
Intrawest Corporation <sup>1</sup>		2,392,292	58.6			58.6
Investicni A Postovni Banka		43,680	0.7			0.7
Investor AB	class B	45,804	2.8			2.8
Investors Group Inc.		285,309	7.7			7.7
Ipiranga, Companhia Brasileira de Petroleo	preferred	21,350,000	0.4			0.4
Irish Life		42,831	0.3			0.3
Isetan Co., Ltd.		267,000	4.7			4.7
Ishihara Sangyo Kaisha, Ltd.		655,000	2.2			2.2
Ishikawajima-Harima Heavy Industries		1,450,000	8.8			8.8
Israel Chemicals Limited		241,615	0.3			0.3
Israel Corp. Limited, The		4,787	0.4			0.4
Italcementi		90,637	0.7			0.7
Ito-Yokado Co., Ltd.		2,000	0.1			0.1
Iwka AG		592	0.2			0.2
Izmir Demir Celik Sanayi AS		27,600,000	0.3			0.3
JD Wetherspoon		90,000	2.5			2.5
James River Corp.		5,500	0.2			0.2
Japan Associated Finance Co., Ltd.		2,000	0.2			0.2
Japan Airlines Co., Ltd.		375,000	2.7			2.7
Jean Coutu (PJC) Inc., Le Groupe	class A	1,519,400	15.9			15.9
Jefferson-Pilot Corporation		4,600	0.4			0.4
John Keells Holdings Ltd.		53,000	0.3			0.3
Johnson Controls Inc.		2,700	0.3			0.3
Johnson Matthey Plc		637,000	8.2			8.2
Johnson & Johnson		270,000	18.4			18.4
Jordan Petroleum Ltd.		421,300	3.5			3.5
Jordan Petroleum Refinery		16,500	0.3			0.3
Jordan Phosphate Mines		51,000	0.3			0.3
Jordan Worsted Mills, The		22,000	0.3			0.3
Jostens Inc.		2,500	0.1			0.1



INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Jusco Co., Ltd.			290,000	13.5				13.5
K Mart Corporation			31,100	0.4				0.4
KFC Holdings Bhd			400,000	2.3				2.3
KLA Instruments Corporation			60,000	2.9				2.9
KPN			63,000	3.3				3.3
Kajima Corporation			275,000	2.7				2.7
Kalbe Farma			541,500	0.8				0.8
Kang Won Industrial			33,780	0.6				0.6
Kap Resources Ltd.	warrants A		558,071	0.8			0.8	
			1,124,043	3.7			3.7	4.5
Karachi Electric Supply			286,000	0.2				0.2
Karstadt AG			5,724	2.6				2.6
Kaucuk			10,500	0.6				0.6
Kaufel Ltée, Groupe	class A	A	100,000	0.3			0.3	
	class B	A	109,500	0.4			0.4	0.7
Kaufman & Broad Home Corp.			49,900	0.9				0.9
Kawasaki Steel Corp.			1,944,000	7.6				7.6
Kellogg Company			13,600	1.2				1.2
Kentucky Fried Chicken Japan Ltd.			37,000	0.7				0.7
Kenya Commercial Bank Limited			15,000	-				-
Keppel Corporation Limited			130,000	1.4				1.4
Kerr-McGee Corp.			3,200	0.3				0.3
Kerry Group	class A		21,700	0.3				0.3
Kesoram Industries Limited			300,000	0.6				0.6
KeyCorp			31,000	2.1				2.1
Keyence Corp.			1,000	0.2				0.2
Kia Motors Corporation			72,100	1.8				1.8
Kian Joo Can Factory			806,000	6.1				6.1
Kimberly-Clark Corporation			100,200	13.1				13.1
Kimberly-Clark de Mexico, S.A. de C.V.	class A		197,000	5.3				5.3
Kinden Corporation			500	-				-
King World Productions, Inc.			2,400	0.1				0.1
Kingfisher			746,520	11.1				11.1
Kinross Gold Corporation			1,407,900	13.7	4.0			17.7
Kloeckner Humboldt Deutz AG			15,692	0.1				0.1
Knight-Ridder Inc.			6,100	0.3				0.3
Kokuyo Co., Ltd.			162,000	5.5				5.5
Komag, Inc.			20,500	0.8				0.8
Komatsu Ltd.			335,000	3.8				3.8
Komercni Banka A.S.			23,000	0.9				0.9
Komori Corp.			565,000	16.4				16.4

Kookmin Bank			12,880	0.3			0.3
Koor Industries Limited			7,600	0.9			0.9
Koor Industries Ltd.			25,000	0.6			0.6
Koram Bank			29,200	0.5			0.5
Korea Electric Power Corporation			190,670	7.6			7.6
Korea Export Packaging			12,950	0.4			0.4
Korea Green Cross Corporation			2,500	0.3			0.3
Korea Mobile Telecommunications Corp.			61,800	1.1			1.1
Korea Reinsurance Co.			23,230	0.9			0.9
Korea Tungsten Mining Company			3,080	0.1			0.1
Korea Zinc Co.			43,150	1.1			1.1
Kroger Company, The			8,100	0.5			0.5
Kum Kyung Company			27,500	0.4			0.4
Kuoni Reisen			4,830	16.0			16.0
Kurabo Industries			295,000	1.1			1.1
Kuraray Co., Ltd.			5,000	0.1			0.1
Kurita Water Industries Ltd.			133,000	3.7			3.7
Kuritomo, Ltd.			808,000	9.5			9.5
Kyocera Corp.			101,000	8.6			8.6
L.G. Chemical Limited			125,650	1.7			1.7
L.G. Metals Corp.			14,210	0.3			0.3
LGS Inc., Groupe	class A	A	63,000	0.3			0.3
LSI Logic Corp.			8,300	0.3			0.3
Labopharm Inc.		A, B	150,000	0.9			0.9
Laboratorio Chile S.A.			9,615	0.2			0.2
Ladbroke Group, Plc			490,000	2.7			2.7
Lafarge Coppee			20,661	1.7			1.7
Lagardere, Groupe			400,000	15.0			15.0
Laidlaw Inc. <sup>1,2</sup>			20,100	0.3		0.3	
	class A		5,446,647	87.7		87.7	
	class B		10,161,358	162.1		162.1	250.1
Land Securities			259,900	4.6			4.6
Land & House Public Company Limited			21,600	0.2			0.2
Langar Company Ltd.					16.2		16.2
Lanoptics Ltd.			65,500	0.7			0.7
Laperrière & Verreault Inc., Groupe <sup>1</sup>	class A	A	456,400	1.9			1.9
Larsan & Toubro Ltd.			236,500	4.7			4.7
Lassonde Inc., Industries	class A	A	54,700	0.9			0.9
Laurentian Bank of Canada		A, G	313,430	6.1		19.6	25.7
Leader Industries Inc.		A	150,000	0.1	-		0.1
Ledesma S.A.			344,500	0.6			0.6
Legal & General Group Plc			875,000	7.6			7.6
Lend Lease Corporation Limited			89,600	2.4			2.4
Leroux Inc., Acier					2.7		2.7
Levi Strauss Japan			4,000	0.1			0.1
Liberty Life Association of Africa Ltd.			94,560	3.2			3.2
Lilly (Eli) & Company			161,600	16.2			16.2

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Limited Inc., The			66,100	1.7				1.7
Linamar Corp.			100,700	4.4				4.4
Lincoln National Corp.			26,400	1.9				1.9
Linde AG			5,276	4.4				4.4
Lippo Bank			600,000	0.8				0.8
Lippo Life Insurance			250,000	0.3				0.3
Lithos Corporation		A	370,000	1.0			1.0	
	warrants	A	185,000	-			-	1.0
Liz Claiborne, Inc.			4,700	0.2				0.2
Lloyds TSB Group Plc			3,312,665	33.5				33.5
Loblaw Companies Limited			2,665,258	37.7				37.7
Lockheed Martin Corp.			12,800	1.6				1.6
Loewen Group Inc., The			659,768	35.3			35.3	
	preferred		719,600	27.5			27.5	62.8
Loews Corporation			21,000	2.7				2.7
Logistec Corporation <sup>1</sup>	class A	A	172,125	3.6				3.6
London Electricity			308,714	4.9				4.9
London Insurance Group Inc.			1,491,148	27.1				27.1
Longs Drug Stores, Inc.			1,300	0.1				0.1
L'Oréal			5,000	2.6				2.6
Louisiana Land and Exploration			2,200	0.2				0.2
Louisiana-Pacific Corporation			7,000	0.2				0.2
Lowes Companies Inc.			11,000	0.5				0.5
Luby's Cafeterias, Inc.			1,500	-				-
Lucas Varsity Plc			588,000	3.1				3.1
Lucent Technologies Inc.			146,745	9.3				9.3
Lufthansa AG			101,043	1.9				1.9
Lukoil Holding			45,000	2.8				2.8
Lusotur-Sociedade Financeira de Turismo, SA			17,500	0.4				0.4
Lyonnaise des Eaux			22,550	2.9				2.9
Maanshan Iron & Steel Company			1,014,000	0.3				0.3
MAAX Inc.		A	770,532	13.7				13.7
M.A.N. AG			2,920	1.0			1.0	
	preferred		1,163	0.3			0.3	1.3
MBNA Corp.			14,300	0.8				0.8
MCI Communications Corporation			231,900	10.2				10.2
M-Corp Inc.		A	40,000	0.1				0.1
MDS Inc.	class A		52,600	1.3			1.3	
	class B		1,563,420	36.9			36.9	38.2
MEPC Plc			210,000	2.1				2.1

MFS Communications Company, Inc.		C	248,622	18.6		18.6
MGIC Investment Corporation			3,800	0.4		0.4
MIM Holdings Ltd.			593,000	1.1		1.1
MNT Ltd.	appreciation stocks		5,400	0.2		0.2
	shares giving right to					
	a share dividend		5,400	0.1		0.1
MPACT Immedia Corporation		A	233,300	0.5		0.5
	warrants	A	75,000	-		-
MSV Resources Inc.		A, G	911,100	0.5		0.5
Mackenzie Financial Corporation			1,782,500	32.1		32.1
MacMillan Bloedel Limited			4,079,321	73.2	17.9	91.1
Macronix International Co., Ltd.			47,292	0.9		0.9
Madeco S.A.			7,280	0.2		0.2
Maderas y Sinteticos SA			8,837	0.2		0.2
Maezawa Industries, Inc.			3,000	0.1		0.1
Maezawa Kyuso Industries Co., Ltd.			4,000	0.1		0.1
Magic Software Enterprises Ltd.			37,500	0.5		0.5
Magna International Inc.	class A		1,462,812	111.5	14.9	126.4
Magnum Corporation Bhd			425,500	1.1		1.1
Magyar Olaj Es Gas			77,248	1.3		1.3
Mahindra & Mahindra Ltd.			141,600	2.3		2.3
Malayan Banking			500,000	7.6		7.6
Malayan Cement			609,000	1.9		1.9
Malaysian Assurance Alliance Berhad			619,000	4.1		4.1
Malaysian Oxygen Bhd			273,000	1.9		1.9
Malaysian Pacific Industries Bhd			360,000	1.9		1.9
Mallinckrodt Inc.			4,800	0.3		0.3
Malofilm Communications Inc.	class A	A	5,000	-		-
	class B	A	237,143	1.8		1.8
Manila Electric Company	class B		37,393	0.4		0.4
Mannesmann AG			32,219	19.1		19.1
Manor Care, Inc.			4,000	0.1		0.1
Mapco, Inc.			164,600	7.7		7.7
Maple Leaf Cement Industry			1,368,500	0.5		0.5
Marcopolo S.A.	preferred		970,000	0.2		0.2
Markborough Properties Inc.			6,415,155	3.0	18.9	21.9
Marko			20,000	0.2		0.2
Marks & Spencer			1,913,000	22.0		22.0
Marriott International, Inc.			8,200	0.6		0.6
Marsh & McLennan Companies, Inc.			4,600	0.7		0.7
Marshall Boya Ve Vernik Sanayii A.S.			3,560,000	0.4		0.4
Masco Corporation			35,500	1.8		1.8
Matsumoto Inc.			1,000	-		-
Matsushita Electric Industrial Company, Ltd.			295,000	6.6		6.6
Matsushita Electric Works			451,000	5.3		5.3
Mattel, Inc.			17,500	0.7		0.7

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
May Department Stores Company			103,600	6.6				6.6
Maytag Corp., The			54,100	1.5				1.5
Mazarin Mining Corporation Inc.		A	2,867,000	4.7				4.7
Mb-Caradon Plc			1,038,000	5.8				5.8
McDermott International			3,500	0.1				0.1
McDonald's Corporation			51,200	3.2				3.2
McDonnell Douglas Corporation			13,800	1.2				1.2
McGraw-Hill Companies Inc., The			6,400	0.4				0.4
Mead Corp.			3,400	0.3				0.3
Medison Company Limited			6,169	0.8				0.8
Medtronic, Inc.			81,700	7.6				7.6
Meiji Milk Products Co., Ltd.			15,000	0.1				0.1
Meikles Africa Limited			204,000	0.4				0.4
Meitec Corp.			361,000	9.4				9.4
Mellon Bank Corporation			8,300	0.8				0.8
Mentor Corporation			117,500	4.8				4.8
Mercantile Stores Co., Inc.			2,400	0.2				0.2
Merck KGaA			45,554	2.2				2.2
Merck & Co., Inc.			363,100	39.4				39.4
Meredith Corporation			1,700	0.1				0.1
Merrill Lynch & Company, Inc.			22,900	2.6				2.6
Methanex Corporation			562,051	7.0				7.0
Metro AG			49,922	5.5			5.5	
	preferred		2,111	0.2			0.2	
	preferred VZ		430	-			-	5.7
Metro Cash & Carry Limited			100,000	0.5				0.5
Metropolitan Bank & Trust Company			33,205	1.1				1.1
Métro-Richelieu Inc.	class A	A, G	338,300	7.1				7.1
Metrowerks Inc. <sup>2</sup>		B	589,333	7.2				7.2
Michaniki S.A.			13,410	0.1				0.1
Michelin & Cie			75,631	5.6				5.6
Micron Technology, Inc.			13,400	0.5				0.5
Microsoft Corporation			163,000	18.5				18.5
Microtec Enterprises Inc.		A, C	930,000	4.0				4.0
Milkyway Networks Corporation			98,200	0.5				0.5
Millipore Corporation			2,800	0.2				0.2
Milltronics Ltd.			176,100	7.2				7.2
Minnesota Mining and Manufacturing Company			51,300	5.8				5.8
Minorca Resources Inc.			900,000	2.7				2.7
Mirai Industry Co., Ltd.					0.2			0.2
Miramar Mining Corporation			825,000	5.0				5.0
Mirror Group Plc			2,262,200	11.4				11.4

Mitel Corporation <sup>2</sup>		5,669,647	49.6		49.6
Mitsubishi Bank, Ltd.		1,394,000	35.4		35.4
Mitsubishi Corp.		530,000	7.5		7.5
Mitsubishi Electric Corporation		22,000	0.2		0.2
Mitsubishi Estate Co., Ltd.		1,064,000	15.0		15.0
Mitsubishi Heavy Industries, Ltd.		399,000	4.3		4.3
Mitsubishi Kasei (chemical) Ind. Ltd.		20,000	0.1		0.1
Mitsubishi Motors Corporation		625,000	6.2		6.2
Mitsubishi Trust & Banking Corp., The		17,000	0.3		0.3
Mitsui & Co., Ltd.				0.2	0.2
Mitsui Fudosan Co.		819,000	11.2		11.2
Mitsui Trust & Banking Co., Ltd., The		701,000	7.5		7.5
Mitsukoshi, Ltd.		754,000	7.3		7.3
Mo och Domsjö AB	class B	353,800	13.6		13.6
Mobil Corporation		250,600	42.0		42.0
Modern Photo Film Company		80,000	0.3		0.3
Moebel Walther AG		27,000	2.4		2.4
Molinos Rio de la Plata S.A.		138,570	0.7		0.7
Molson Companies Limited, The	class A	2,581,303	55.5	55.5	
	class B	435,344	9.3	9.3	64.8
Mondadori		607,500	6.8		6.8
Monsanto Company		37,600	2.0		2.0
Montedison SpA		9,900,000	9.3		9.3
Montrusco Associates Inc.		5,817,076	105.9		105.9
Moore Corporation Limited		1,859,167	52.8		52.8
Morgan Crucible		425,000	4.4		4.4
Morgan Stanley Group, Inc.		28,900	2.3		2.3
Morgan & Company, Inc., J.P.		20,800	2.8		2.8
Mori Seiki Co., Ltd.		501,000	9.5		9.5
Morrison Petroleum Ltd.		482,500	4.0		4.0
Morton International Inc.		133,300	7.4		7.4
Mos Food Services, Inc.		198,300	5.4		5.4
Mosenergo		28,000	1.2		1.2
Motorola, Inc.		42,300	3.6		3.6
Mulia Industrindo		354,000	0.5		0.5
Münchener Rückversicherungen		2,192	7.4		7.4
Mundicenter-Sociedade Imobiliária, SA		1,982	0.1		0.1
Murata Manufacturing Co., Ltd.		103,000	4.6		4.6
NACCO Industries, Inc.		600	-		-
NBM-Amstelland N.V.		365,000	10.2		10.2
NEC Corporation		2,118,000	35.0		35.0
NGK Spark Plug Co., Ltd.		12,000	0.2		0.2
NICOR Inc.		3,200	0.2		0.2
NKK Corp.		1,414,000	4.4		4.4
NTN Corp.		496,000	3.7		3.7
NYNEX Corporation		28,100	1.9		1.9
Nabisco Holdings		155,600	8.3		8.3

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Nacional de Drogas S.A. de C.V.	class L		93,000	0.4				0.4
Nafta Gbely AS			5,550	0.4				0.4
Nalco Chemical Company			27,800	1.4				1.4
National Australia Bank Limited			270,000	4.4				4.4
National Bank of Canada			7,707,012	106.7				106.7
National Bank of Greece S.A.			7,610	0.7				0.7
National City Corporation			14,200	0.9				0.9
National Finance and Securities Company, Ltd.			149,800	0.4				0.4
National Grid Group			1,574,763	7.2				7.2
National Mutual Asia Ltd.	class F		1,831,000	2.4				2.4
National Power Plc			725,000	8.3				8.3
National Semiconductor Corporation			168,900	5.6				5.6
National Service Industries, Inc.			3,000	0.2				0.2
National Trustco Inc.			491,811	11.8				11.8
Nationsbank Corp.			146,500	19.6				19.6
Navistar International Corporation			4,800	0.1				0.1
Naxos Resources Ltd.			12,000	0.1				0.1
Nedcor Limited			91,800	1.7				1.7
Nestlé S.A.			24,790	36.4				36.4
Nestlé (Malaysia) Bhd			190,000	2.1				2.1
Netscape Communications Corporation		C	4,892	0.4				0.4
New Dimension Software Ltd.			48,000	0.5				0.5
New Oji Paper Co., Ltd.			12,000	0.1				0.1
New World Development Company Limited			556,893	5.2				5.2
New World Infrastructure			1,378,000	5.5				5.5
New York Times Co., The	class A		6,300	0.3				0.3
Newbridge Network Corporation			4,764,792	185.1				185.1
Newell Co.			10,200	0.4				0.4
Newmont Mining Corp.			6,400	0.4				0.4
Newport News Shipbuilding Inc.			2,180	-				-
News Corporation			1,130,424	8.2			8.2	
	preferred		328,609	2.0			2.0	10.2
NewTel Enterprises Limited			202,000	5.0				5.0
Niagara Mohawk Power Corporation			9,300	0.1				0.1
Nichia Steel Works Ltd.			10,000	0.1				0.1
Nichiei Co., Ltd.			33,000	3.3				3.3
Nihon Cement Co., Ltd.			607,000	4.2				4.2
Nike, Inc.	class B		18,400	1.5				1.5
Nikon Corporation			210,000	3.6				3.6
Nintendo Co., Ltd.			94,000	9.2				9.2
Nippon Hodo Co., Ltd.			192,000	3.0				3.0
Nippon Koei, Co., Ltd.			800	-				-

Nippon Light Metal Co., Ltd.			1,288,000	7.2		7.2
Nippon Oil Co., Ltd.			1,514,000	10.6		10.6
Nippon Shokubai Co., Ltd.			613,000	6.2		6.2
Nippon Steel Corporation			50,000	0.2		0.2
Nippon Telegraph and Telephone Corporation			1,276	13.2		13.2
Nippon Yakin Kogyo Co., Ltd.			522,000	2.1		2.1
Nireco Corporation			7,000	0.1		0.1
Nishat Textile Mills Ltd.			821,000	0.4		0.4
Nissan Motor Co., Ltd.			920,000	7.3		7.3
Nitto Kohki Co., Ltd.			200	-		-
Noble China Inc.			892,800	2.4		2.4
Nobleza Piccardo S.A.			160,387	0.8		0.8
Nokia Corporation	class A		389,483	30.9		30.9
Nomura Securities Co., Ltd., The			827,000	17.0		17.0
NorAm Energy Corp.			8,800	0.2		0.2
Noranda Inc.			4,613,225	140.9	6.1	147.0
Noranda Forest Inc.			2,600,647	24.2		24.2
Norcen Energy Resources Limited			3,726,957	113.3		113.3
Nordstrom, Inc.			5,200	0.3		0.3
Norfolk Southern Corporation			16,900	2.0		2.0
Norsk Hydro			154,969	11.5		11.5
North Limited			2,760,766	11.1		11.1
North West Company Inc. <sup>1</sup>			1,531,800	17.5		17.5
Northern States Power Company			73,000	4.6		4.6
Northern Telecom Ltd.			3,570,575	304.2		304.2
Northrop Grumman			3,700	0.4		0.4
Northstar Energy Corporation			315,700	5.0		5.0
Northwest Natural Gas Co.			23,800	1.4		1.4
Nova Corporation			10,469,930	127.2		127.2
Nova Hut			38,000	0.9		0.9
Nova Scotia Power Corporation			1,246,000	17.9		17.9
Novartis SA			34,291	53.7		53.7
Novell Inc.			22,600	0.3		0.3
Novicourt Inc.			704,200	4.2		4.2
Novo Nordisk AS	class B		68,600	17.7		17.7
Nucor Corporation			5,600	0.4		0.4
Occidental Petroleum Corp.			68,600	2.2		2.2
Ohio Edison Company			9,800	0.3		0.3
Old Republic International Corp.			33,750	1.2		1.2
Olympus Optical Co., Ltd.			507,000	6.6		6.6
ONEOK Inc.			1,700	0.1		0.1
OSA S.A.	preferred		31,000,000	0.3		0.3
OTP Bank Rt			26,600	0.7		0.7
Onex Corporation			735,782	14.3		14.3
Optimum General Inc.	class A	A	300,000	3.7		3.7
Oracle Systems Corp.			295,900	16.9		16.9
Orkla A.S.	class A		66,000	6.3		6.3



INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Orleans Resources Inc.		A	17,107	-	5.3		5.3	
	warrants	A	1,237,500	1.3			1.3	6.6
Orogen Minerals Limited			235,000	7.4				7.4
Oryx Energy Company			6,700	0.2				0.2
Oshawa Group Limited, The	class A		853,074	17.3				17.3
Otosan Otomobil Sanayii AS			653,000	0.4				0.4
Outokumpu Oy	class A		257,600	6.0				6.0
Oversea-Chinese Banking Corporation			408,000	7.0				7.0
Owens-Corning Fiberglass Corporation			232,200	13.6				13.6
Oxiteno Industria e Comercio, SA			48,250	0.2				0.2
PACCAR Inc.			2,500	0.2				0.2
PC DOCS Group International Inc.			400,000	5.3				5.3
PECO Energy			14,300	0.5				0.5
PNC Bank Corp.			52,800	2.7				2.7
PP & L Resources, Inc.			49,400	1.6				1.6
PPG Industries Inc.			12,000	0.9				0.9
PT Fajar Surya Wisea			139,500	0.1				0.1
PT Hanjaya Mandala Sampoerna			60,000	0.4				0.4
PT Hero Supermarket			300,000	0.3				0.3
PT Indorama Synthetics			366,200	0.5				0.5
PT Kawasan Industri Jababeka			300,000	0.5			0.5	
	rights		100,000	-			-	0.5
PT Ramayana Lestari Sentosa			170,000	0.5				0.5
PT Tambang Timah			337,000	0.8				0.8
P.T. Telekomunikasi Indonesia			1,568,000	3.7				3.7
PTT Exploration & Production Public Co., Ltd.	class F		239,000	4.7				4.7
Pacific Enterprises			5,400	0.2				0.2
Pacific Gas & Electric Company			68,900	2.0				2.0
Pacific Telesis Group			67,800	3.4				3.4
PacifiCorp			44,954	1.3				1.3
Paging Network Inc.			240,000	5.0				5.0
Pakistan State Oil Co., Ltd.			55,120	0.5				0.5
Pakuwon Jati			894,000	0.5				0.5
Pall Corp.			7,400	0.3				0.3
PanCanadian Petroleum Limited			2,433,965	131.7				131.7
PanEnergy Corp.			9,700	0.6				0.6
Pannonplast Rt			861	-				-
Paperboard Industries International Inc.			3,900,600	15.6				15.6
Papierwerke Waldhof-Aschaffenburg AG			1,896	0.3				0.3
Paranapanema Mineracao, Industria e Construcao, SA	preferred		47,950,000	0.7				0.7
Pargesa Holding S.A.		D	46,140	70.4				70.4

Parker Hannifin Corporation			4,800	0.3		0.3
Paulista			4,177,152	0.7	0.7	
	rights		25,568	-		0.7
Péchiney	class A		94,810	5.4		5.4
Pegasus Gold Inc.					8.8	8.8
Peninsular & Orié			347,456	4.8		4.8
Penn West Petroleum Ltd.			550,000	7.7		7.7
Penney (J.C.) Company, Inc.			89,600	6.0		6.0
Pennzoil Company			3,000	0.2		0.2
Peoples Energy Corporation			2,200	0.1		0.1
Pep Boys Manny Moe & Jack			4,000	0.2		0.2
Pepsico, Inc.			634,100	25.4		25.4
Perez Companc S.A.	class B		173,340	1.7		1.7
Perkin-Elmer Corp.			2,800	0.2		0.2
Perkins Papers Ltd.		A, G	777,700	4.8		4.8
Petro-Canada	class A		3,450,000	66.8	66.8	
	receipts		6,703,119	100.9	100.9	167.7
Petrol Ofisi A.S.			1,185,000	0.4		0.4
Petrolo Brasileiro S.A.	preferred		15,645,000	3.4		3.4
Petron Corp.	class A		360,530	0.2		0.2
Peugeot SA			47,006	7.2		7.2
Pfizer Inc.			150,000	17.0		17.0
Pharmacia & Upjohn, Inc.			70,500	3.8		3.8
Phatra Thanakit Company, Ltd.			67,800	0.3		0.3
Phelps Dodge Corp.			4,200	0.4		0.4
Philex Gold Inc.			85,000	0.7		0.7
Philex Mining Corp.			100,000	-		-
Philip Environmental Inc.			1,581,560	31.2		31.2
Philip Morris Companies Inc.			272,200	42.0		42.0
Philippine Long Distance Telephone Company	class T		4,186	0.3		0.3
Philips Electronics			178,929	9.9		9.9
Phillips Petroleum Company			44,300	2.7		2.7
Phoenix International Life Sciences Inc.		A, G	550,000	6.7		6.7
Pick Jzeged Rt			1,400	0.1		0.1
Pinnacle Resources Ltd.			851,400	18.3		18.3
Pioneer Electronic			435,000	11.4		11.4
Pioneer Hi-Bred International, Inc.			5,300	0.5		0.5
Pioneer International Ltd.			529,300	2.2		2.2
Pitney Bowes Inc.			9,600	0.7		0.7
Placer Dome Inc.			7,846,942	235.8		235.8
Poco Petroleums Ltd.			3,553,838	46.6		46.6
Pohang Iron & Steel Co.			16,300	0.5		0.5
Polaroid Corporation			2,900	0.2		0.2
Polifin Limited			86,000	0.2		0.2
PolyGram NV			197,075	13.7		13.7
Portugal Telecom SA			45,500	1.8		1.8
Potash Corporation of Saskatchewan			1,107,680	129.3		129.3

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Potlatch Corporation			1,800	0.1				0.1
Power Corporation of Canada			1,692,354	46.5				46.5
Power Financial Corporation		A, G	4,462,900	217.8	71.8			289.6
Praxair Inc.			10,000	0.6				0.6
Precision Drilling Corporation			150,000	7.1				7.1
Premdor Inc. <sup>2</sup>			2,166,635	27.9				27.9
Premier CDN Ltée, Entreprises	class A	A	100,001	0.1			0.1	
	preferred E	A	3,787,879	5.0			5.0	5.1
Premier Choix Networks Inc.	class A	A	127,500	3.3				3.3
Premier Farnell Plc			874,000	15.4				15.4
Preussag AG			4,035	1.3				1.3
Price/Costco, Inc.			12,600	0.4				0.4
Prime Resources Group Inc.			2,569,900	24.9				24.9
Primex Forest Products Ltd.			567,900	4.5				4.5
Procter & Gamble Company, The			107,200	15.8				15.8
Promodes			9,000	3.5				3.5
Provident Companies Inc.			117,400	7.8				7.8
Providian Corp.			6,000	0.4				0.4
Proviso Inc. <sup>1,3</sup>		A	31,773,405	176.3	24.8		201.1	
	warrants	A	872,600	-			-	
	purchase options	A	10,000	-				201.1
Prudential Corporation Plc			1,330,000	15.3				15.3
Public Service Enterprise Group, Inc.			15,700	0.6				0.6
Puget Sound Power & Light Company			35,800	1.2				1.2
Pulte Corporation			30,200	1.3				1.3
QLT Phototherapeutics Inc.			570,248	15.8				15.8
QNI Limited			427,600	1.2				1.2
Qantas Airways Ltd.			622,200	1.4				1.4
Qingling Motors Company Limited	class H		1,484,000	1.1				1.1
Quaker Oats Company, The			8,700	0.5				0.5
Quantum Corporation			28,100	1.1				1.1
Quebecor inc.	class A		1,233,040	28.4			28.4	
	class B		1,065,239	24.4			24.4	52.8
Quebecor Inc., Printing <sup>1,2</sup>		C, G	7,773,274	188.5				188.5
Québec-Téléphone		A, G	569,965	13.7				13.7
Quilmes Industrial S.A.			29,750	0.4				0.4
Quorum Growth Inc.					3.0			3.0
RJR Nabisco Holdings Corp.			29,800	1.4				1.4
RMC Group Plc			110,000	2.6				2.6
RTZ Corp. Plc			564,412	12.4				12.4

Radiomutuel Inc.	class A	A	185,800	1.3		1.3
Ralston Purina Company			6,800	0.7		0.7
Ranbaxy Laboratories Limited			75,600	1.8		1.8
Randfontein Estates Gold Mining Company Witwatersrand Ltd.			157,880	1.1		1.1
Randon Participacoes S.A.	preferred		540,000,000	0.4		0.4
Ranger Oil Limited			790,161	10.7		10.7
Rank Organisation, Plc, The			1,247,200	12.8		12.8
Raychem Corp.			2,900	0.3		0.3
Raytheon Company			161,200	10.6		10.6
Rea Gold Corporation			1,725,000	2.9		2.9
Reckitt & Colman Plc			522,500	8.9		8.9
Redland, Plc			255,308	2.2		2.2
Reebok International Ltd.			31,500	1.8		1.8
Reed International, Plc			685,000	17.8		17.8
Refrigeracao Parana S.A.	preferred		121,000,000	0.4		0.4
Reitmans (Canada) Limited	class A	A, G	49,780	0.7	0.7	
			189,993	3.0	3.0	3.7
Rembrandt Group Limited			94,700	1.2		1.2
Renaissance Energy Ltd.			5,292,797	246.9		246.9
Renault			104,000	3.1		3.1
Renong			400,000	1.0		1.0
Rentokil Initial Plc			1,352,700	14.0		14.0
Repap Enterprises Inc.			2,346,759	9.1		9.1
Repsol SA			181,216	9.5		9.5
Republic Glass Holdings Corp.			1,200,000	0.3		0.3
Republic New York Corp.			15,200	1.7		1.7
Resorts World			1,182,000	7.4		7.4
Reunert Limited			274,088	1.2		1.2
Reuters Holdings Plc			975,520	17.2		17.2
Revenue Properties Co., Ltd. <sup>1,2</sup>			5,041,631	13.1	9.4	22.5
Rexam Plc			815,600	7.0		7.0
Rexel			6,864	2.9		2.9
Reynolds Metals Company			4,100	0.3		0.3
Rheinisch-Westfälisches Elektrizitätswerk AG	preferred		89,387	5.2	5.2	
			57,371	2.7	2.7	7.9
Rheinmetall AG	preferred		477	0.1	0.1	
			318	0.1	0.1	0.2
Rhone Poulenc			68,500	3.2		3.2
Richelieu Hardware Ltd. <sup>1</sup>		A, G	824,700	6.5		6.5
Richland Petroleum Corporation	class A		580,000	2.5		2.5
Richmont Mines Inc.		A	1,206,200	7.0		7.0
Richter Gedeon VEG			5,682	0.5		0.5
Rigel Energy Corporation			1,374,100	18.7		18.7
Rio Algom Limited			501,200	15.3		15.3
Riso Kagaku Corporation					0.1	0.1

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Rite Aid Corporation			5,400	0.3				0.3
Roche Holdings AG			2,469	26.2			26.2	
	warrants		390	-			-	26.2
Rocket Electric Company			10,000	0.4				0.4
Rockwell International Corp.			14,000	1.2				1.2
Rogers Cantel Mobile Inc. <sup>2</sup>	class B		1,524,407	41.4				41.4
Rogers Communications Inc.	class A		588,700	6.4			6.4	
	class B		5,984,297	60.4			60.4	66.8
Rohm and Haas Company			4,200	0.5				0.5
Rohm Co., Ltd.			263,000	23.6				23.6
Rolls Royce Plc			1,369,003	8.3				8.3
Rothmans Inc.			33,757	4.2				4.2
Rowan Companies, Inc.			5,500	0.2				0.2
Royal Aviation Inc.			261,900	0.6				0.6
Royal Bank of Canada		A, G	7,820,089	376.1		4.8		380.9
Royal Bank of Scotland Group Plc			150,000	2.0				2.0
Royal Dutch Petroleum Company, The			260,025	61.9				61.9
Royal Ltd.					0.1			0.1
Royal Oak Mines Inc.			285,000	1.2				1.2
Royal Plastics Group Limited			647,600	16.4				16.4
Royal & Sun Alliance Insurance Group Plc			1,078,300	11.3				11.3
Rubbermaid, Inc.			9,600	0.3				0.3
Russel Metals Inc.	class A		1,445,100	4.7				4.7
Russell Corp.			2,500	0.1				0.1
Rustenburg Platinum Holdings Limited			79,279	1.5				1.5
Ryan's Family Steak Houses, Inc.			3,300	-				-
Ryder System, Inc.			107,400	4.1				4.1
SAP AG			16,151	3.0			3.0	
	preferred		11,212	2.1			2.1	5.1
SASA			2,825,000	0.3				0.3
SBC Communications Inc.			43,900	3.1				3.1
SCHW Bankgesellschaft			2,960	3.5				3.5
SCMP Holdings			2,381,000	2.7				2.7
SGL Carbon AG			5,550	1.0				1.0
SM Prime Holdings Inc.			1,557,730	0.6				0.6
SMART Corporation			500,000	0.5				0.5
SMH AG			51,064	18.9				18.9
SNC - Lavalin Group Inc.	class A		3,422,840	47.4				47.4
SPT Telecom AS			12,610	2.1				2.1
SR Telecom Inc.			1,557,060	14.2				14.2

Sabah Yayincilik A.S.			10,900,000	0.2		0.2
Sabre Group Holdings Inc.			15,000	0.6		0.6
Sadia-Concordia SA	preferred		1,224,000	1.3		1.3
Safeco Corporation			33,700	1.8		1.8
Safety-Kleen Corp.			3,700	0.1		0.1
Safeway Plc			900,000	8.5		8.5
Safmarine & Rennies Holdings Limited			218,600	0.7		0.7
Sage Group Plc, The			150,000	1.8		1.8
Saha Union Corp., Ltd.			86,800	0.1		0.1
Saint-Gobain			16,563	3.2		3.2
Sakura Bank			845,000	8.3		8.3
Salamander AG			501	0.1		0.1
Salomon Inc.			30,000	1.9		1.9
Samsung Electronics Co., Ltd.			33,000	2.4		2.4
San Miguel Corporation	class B		123,370	0.7		0.7
Sani Gestion Inc.	class A	A	41,200	0.2		0.2
Sani Mobile Inc., Groupe	class A	A	559,900	0.8		0.8
Sankyo Company Limited			233,000	9.0		9.0
Sankyu Inc.			34,000	0.2		0.2
Sanshin Corp.			6,000	-		-
Santa Fe Energy Resources			5,800	0.1		0.1
Santa Fe Pacific Gold Corporation			8,400	0.2		0.2
Santa Isabel S.A.			4,200	0.1		0.1
Sao Paulo Alpargatas SA			3,960,000	0.3		0.3
Sara Lee Corporation			401,000	20.5		20.5
Sasol Limited			217,400	3.5		3.5
Satori Electric Co., Ltd.			1,200	0.1		0.1
Saturn (Solutions) Inc.		A	175,000	1.4		1.4
Sawako Corp.			202,500	5.5		5.5
Scancem AB	class A		260,287	13.1	13.1	
	class B		37,948	1.7	1.7	14.8
Schering AG			18,104	2.1		2.1
Schering-Plough Corporation			202,000	17.9		17.9
Schibsted ASA			50,000	1.3		1.3
Schlumberger Limited			15,700	2.1		2.1
Schneider Corporation	class A		478,800	5.1		5.1
Schneider SA			70,000	4.4		4.4
Schwab Corporation, The Charles			257,900	11.3		11.3
Scientific-Atlanta Inc.			4,900	0.1		0.1
Scorpion Minerals Inc.	special warrants		200,000	1.1		1.1
Scotia Bank			6,405,210	293.7		293.7
Scottish & Newcastle Breweries Plc			435,000	7.0		7.0
Seagate Technology			48,400	2.6		2.6
Seagram Company Ltd., The			8,809,023	477.9		477.9
Sears Canada Inc.			175,000	1.8		1.8
Sears, Roebuck and Co.			25,100	1.6		1.6
Secom Co.			21,000	1.7		1.7

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Securitas AB			38,000	1.5				1.5
Sedgwick Group Plc			1,050,600	3.2				3.2
Sekisui Chemical Co., Ltd.			365,000	5.0				5.0
Sekisui House, Ltd.			150,000	2.1				2.1
Semen Gresik			76,000	0.3				0.3
Semi-Tech Corporation <sup>1,2</sup>	class A		5,929,493	29.9				29.9
Senko Co., Ltd.			342,000	1.9				1.9
Sentrachem Limited			85,650	0.2				0.2
Seoul City Gas Co.			2,320	0.2				0.2
Seoul Securities Co.			28,350	0.3				0.3
Sermsuk Public Co., Ltd.			15,000	0.3				0.3
Service Corp. International			15,100	0.6				0.6
Seven-Eleven Japan Co., Ltd.			18,200	1.5				1.5
Severn Trent			719,300	11.2				11.2
Severoceske Doly			2,811	0.1				0.1
Shanghai Dazhong Taxi Co.	class B		350,000	0.4				0.4
Shanghai Diesel Engine Co., Ltd.			737,059	0.5				0.5
Shanghai New Asia (Group) Co., Ltd.	class B		900,000	0.6				0.6
Shanghai Petrochemical Company Limited	class H		2,448,000	1.0				1.0
Shanghai Refrigerator Compressor Co., Ltd.	class B		1,000,000	0.7				0.7
Shanghai Shanglin Electric Appliance Co., Ltd.			700,000	0.4				0.4
Shanghai Yaohua Pilkington Glass Co., Ltd.	class B		700,000	0.5				0.5
Shared Medical Systems Corp.			1,500	0.1				0.1
Sharp Corporation			10,000	0.2				0.2
Shaw Communications Inc.	class B		1,841,600	14.0				14.0
Shaw Industries Ltd.	class A		153,400	4.2				4.2
Shell Canada Products Limited	class A		599,641	32.1				32.1
Shell Transport & Trading Company, Plc, The			253,500	6.0				6.0
Shelman S.A.			50,000	0.4				0.4
Shenzen Konka Electronics Group Limited			119,985	0.2				0.2
Shermag Inc.		A	518,000	5.5				5.5
Sherritt International Corporation			6,048,800	49.0	20.2		69.2	
	receipts		8,946,000	4.9			4.9	74.1
Sherwin-Williams Company			112,300	8.6				8.6
Shikoku Coca-Cola Bottling Co., Ltd.					0.1			0.1
Shimano Inc.			204,000	4.7				4.7
Shimizu Corp.			14,000	0.1				0.1
Shinawatra Computer & Communications Plc			42,700	0.7				0.7
Shin-Etsu Chemical Co., Ltd.			408,100	10.2				10.2
Shinhan Bank			17,000	0.4				0.4
Shinmaywa Industries, Ltd.			812,000	8.2				8.2
Shinseido Company Limited			290,000	4.6				4.6

Shizuoka Bank, Ltd., The			520,000	7.6	7.6
Shohkoh Fund			10,000	3.0	3.0
Shoneys Inc.			3,100	-	-
Siam Cement Public Company Limited	class F		34,900	1.5	1.5
Siam City Cement Public Company Limited			26,000	0.2	0.2
Siam Commercial Bank Public Company Limited			37,500	0.4	0.4
Sico Inc.		A	317,548	2.6	2.6
Sidel, SA			30,000	2.8	2.8
Siderar S.A.I.C.			14,600	0.1	0.1
Siderca S.A.			365,000	0.9	0.9
Siebe Plc			310,000	7.9	7.9
Siemens AG			187,286	12.1	12.1
Sierad Produce			258,000	0.1	0.1
Sigma-Aldrich Corporation			17,800	1.5	1.5
Silcorp Limited		A	92,400	1.7	1.7
Silicon Graphics, Inc.			11,000	0.4	0.4
Sime Darby Berhad			190,000	1.0	1.0
Singapore International Airlines			259,000	3.2	3.2
Singapore Land			363,000	2.8	2.8
Singapore Press Holdings			245,000	6.6	6.6
Sinocan Holdings Limited			43,155	-	-
Siparex Associés S.A.		D	15,624	0.4	0.4
Siparex S.C.A.		D	103,463	3.2	3.2
Sirti SPA			432,700	3.6	3.6
Skandinaviska Enskilda Banken	class A		1,238,205	17.4	17.4
Skoda Plzen A.S.			4,862	0.2	0.2
Slater Steels Corporation			83,000	1.2	1.2
Slovnaft A.S.			15,860	0.5	0.5
Smith & Nephew Associates Plc			3,130,000	13.3	13.3
Smithkline Beecham			2,309,164	43.8	43.8
Smiths Industries Plc			613,145	11.5	11.5
Snap-On Inc.			3,900	0.2	0.2
Socnav Inc. <sup>1</sup>	class A	A	3,803,557	-	-
Sociedad Quimica y Minera de Chile S.A.			6,600	0.5	0.5
Société Générale de Belgique			24,128	2.6	2.6
Sodarcac inc.	class A	A	172,270	0.3	0.3
Sodisco-Howden Group Inc. <sup>1</sup>		A	22,332,867	3.6	3.6
Softbank Corp.			21,000	2.0	2.0
Solidere			15,200	0.2	0.2
Sonae Industria SGPS, SA			36,000	0.5	0.5
Sonae Investimentos SGPS, SA			14,649	0.6	0.6
Sonat Inc.			5,500	0.4	0.4
Sony Corporation			360,000	32.3	32.3
Sony Music Entertainment			196,500	10.6	10.6
South African Breweries Ltd.			47,000	1.6	1.6
Southam Inc.			260,334	5.0	5.0
Southern Company, The			43,200	1.3	1.3
Southern Peru Copper Corporation	class T		100,000	0.5	0.5



INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Southern Peru Limited			13,000	0.3				0.3
Southern Petrochemicals Industries Corp., Ltd.			187,700	1.1				1.1
Southwest Airlines Company			9,300	0.3				0.3
Souza Cruz S.A.			35,000	0.3				0.3
Spar Aérospace Limited			374,500	4.7				4.7
Springs Industries, Inc.			1,300	0.1				0.1
Sprint Corporation			58,500	3.2				3.2
Square Co., Ltd.			1,000	0.1				0.1
Ssangyong Cement Company Limited			21,600	0.4				0.4
St. Jude Medical, Inc.			5,200	0.3				0.3
St. Paul Companies Inc., The			21,200	1.7				1.7
Stagecoach Holdings Plc			145,000	2.4				2.4
Stalexport S.A.	class A		13,500	0.2				0.2
Stampeder Exploration Ltd.			2,131,600	16.2				16.2
Stanley Works, The			5,700	0.2				0.2
Star Data Systems Inc.			402,700	1.6				1.6
Starch & Glucose			29,425	0.5				0.5
State Bank of India			136,400	3.3				3.3
Steel & Tube Holdings Ltd.			200,000	1.8				1.8
Stelco Inc. <sup>1</sup>	class A		11,312,131	95.0				95.0
Stet (SAV)			3,157,020	18.1			18.1	
	preferred		764,050	3.2			3.2	21.3
Stockmann AB	class B		41,700	3.4				3.4
Stone Container			6,400	0.1				0.1
Stone-Consolidated Corporation		A, G	3,478,817	68.2		48.0		116.2
Stora Kopparbergs	class A		99,000	1.9			1.9	
			281,440	5.3			5.3	7.2
Storehouse Plc			772,000	4.7				4.7
Stork N.V.			20,000	1.0				1.0
Strabag Bau AG			600	0.1			0.1	
	preferred		62	-			-	0.1
Strafor Facom SA			119,666	12.1				12.1
Straits Steamship Land Limited			556,000	2.4				2.4
Stride Rite Corporation			3,200	-				-
Sui Northern Gas Pipelines			613,000	0.6				0.6
Sumitomo Bank, Ltd., The			568,000	11.2				11.2
Sumitomo Corp.			1,615,000	17.4				17.4
Sumitomo Electric Industries, Ltd.			257,000	4.9				4.9
Sumitomo Metal Industries, Ltd.			1,430,000	4.8				4.8
Sumitomo Metal Mining Co., Ltd.			1,329,000	12.3				12.3

Sumitomo Realty & Development Co., Ltd.		354,000	3.1		3.1
Sumitomo Trust & Banking Co., Ltd., The		250,000	3.4		3.4
Summit Resources Ltd.		181,300	1.3		1.3
Sun Co.		40,600	1.4		1.4
Sun Hung Kai Properties		613,000	10.3		10.3
Sun Microsystems		23,600	0.8		0.8
Suncor Inc.		1,168,520	66.3		66.3
SunTrust Banks, Inc.		14,300	1.0		1.0
Superior Telecom Inc.		40,000	1.1		1.1
Super-Sol Limited		7,200	0.2		0.2
Supervalu Inc.		30,000	1.2		1.2
Suzuki Motor		290,000	3.6		3.6
Swire Pacific «A»	class A	972,000	12.7		12.7
Swissair AG		2,000	2.2		2.2
Sydney Harbor Casino Holdings Limited		1,000,000	2.1		2.1
Sysco Corporation		479,900	21.5		21.5
T. Sise-Cam Co.		4,600,000	0.7		0.7
TCI Satellite Entertainment, Inc.		4,180	0.1		0.1
TEL NT Ltd.	appreciation stocks shares giving right to a share dividend	9,600	0.1	0.1	
		9,600	0.1	0.1	0.2
TJX Companies, Incorporated, The		107,500	7.0		7.0
TPI Polene Company Ltd.		59,100	0.2		0.2
TRW Inc.		8,200	0.6		0.6
TVI Pacific Inc.		760,000	1.0		1.0
TVX Gold Inc. <sup>2</sup>		9,163,000	98.0		98.0
Tabak A.S.		939	0.3		0.3
Tablex, S.A. de C.V.		168,000	0.7		0.7
Tai Lim Packaging Ind., Co.		13,000	0.4		0.4
Taisei Corp.		520,000	3.7		3.7
Taisho Pharmaceutical Co., Ltd.		368,000	11.9		11.9
Takahashi Curtain Wall Corporation		7,000	0.1		0.1
Takara Printing Co., Ltd.		5,000	0.1		0.1
Takeda Chemical Industries, Ltd.		395,000	11.3		11.3
Talisman Energy Inc.		2,019,715	92.1		92.1
Tambour Ltd.		220,000	0.6		0.6
Tamron Co., Ltd.		5,000	-		-
Tamura Corp.		20,000	0.1		0.1
Tandem Computers, Inc.		7,500	0.1		0.1
Tandy Corporation		3,800	0.2		0.2
Tarragon Oil and Gas Limited		300,000	4.5		4.5
Tata Electric Companies, The		2,890	1.2		1.2
Tate & Lyle, Plc		1,093,500	12.2		12.2
Technology Modeling Association Inc.		92,600	1.7		1.7
Teck Corporation <sup>1</sup>	class A	705,600	21.2	34.3	55.5
	class B	2,625,648	83.4		83.4
					138.9
Tee-Comm Electronics Inc.				4.3	4.3

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Tektronix, Inc.			2,100	0.1				0.1
Telco			301,950	4.4				4.4
Telecom Corp. of New Zealand			1,380,000	9.7				9.7
Telecom Italia Mobile SpA			8,666,180	30.0			30.0	
	preferred		3,027,800	6.0			6.0	36.0
Tele-Communications Inc.			41,800	0.7				0.7
Telecomunicacoes Brasileiras S.A. - Telebras	preferred		55,966,990	5.9				5.9
Telefonica de Argentina S.A.			532,030	1.9				1.9
Telefonica del Peru S.A.	class B		575,000	1.5				1.5
Telefonos de Chile			8,500	1.2				1.2
Telefonos de Mexico SA			15,000	0.7			0.7	
	class L		2,924,000	6.6			6.6	7.3
Téleglobe Inc. <sup>1</sup>		C, G	8,088,953	327.6			327.6	
	purchase options	C	571	-			-	327.6
Telekom Malaysia			488,000	6.0				6.0
Telekomunikacni Montaze Praha A.S. (TMP)			3,000	0.4				0.4
Télé-Métropole Inc.	class B		637,023	11.4				11.4
Télévision française (TF1)			30,000	3.9				3.9
Tellabs, Inc.			11,400	0.6				0.6
Telus Corporation			3,326,117	66.2				66.2
Tembec Inc.	class A		1,150,700	10.2	7.4			17.6
Temple-Inland Inc.			3,600	0.3				0.3
Tenaga Nasional Berhad			613,000	4.0				4.0
Tencor Instruments			75,900	2.7				2.7
Tenet Healthcare Corp.			13,900	0.4				0.4
Tenneco, Inc.			10,900	0.7				0.7
Tesco			1,439,300	12.0				12.0
Tesco Corporation			102,500	1.9				1.9
Tesco Co., Ltd.			6,000	-				-
Teva Pharmaceutical Industries Ltd.			12,020	2.1				2.1
Texaco Inc.			83,500	11.2				11.2
Texas Instruments Incorporated			12,100	1.1				1.1
Texas Utilities Company			151,500	8.5				8.5
Textron, Inc.			51,200	6.6				6.6
Thai Farmers Bank Co., Ltd.	class F warrants		71,900	0.6			0.6	
			6,150	-			-	0.6
Thai Glass Industries Ltd.			70,000	0.3				0.3
Thai Telephone & Telecommunication Co., Ltd.			82,900	0.1				0.1
Thomas & Betts Corp.			2,600	0.2				0.2
Thomson Corporation, The			6,942,045	210.0				210.0

Thorn Emi, Plc		134,200	4.4		4.4
Thorn Plc		106,000	0.6		0.6
Threecom Corp.		10,800	1.1		1.1
Thyssen AG		8,289	2.0		2.0
Time Warner Inc.		36,400	1.9		1.9
Times Mirror Co.		6,600	0.5		0.5
Timken Company, The		2,000	0.1		0.1
Tiomin Resources Inc.	special warrants	150,000	0.5		0.5
Tisza Vegyi Kombinat Rt		38,600	0.6		0.6
Titan Cement Co.		6,150	0.5		0.5
Tobu Railway Co., Ltd.		465,000	3.1		3.1
Toda Corp.		9,000	0.1		0.1
Tohcello Co., Ltd.		7,000	-		-
Tohoku Misawa Homes Co., Ltd.				0.1	0.1
Tokai Bank, Ltd., The		310,000	4.4		4.4
Tokio Marine & Fire Insurance Company, Ltd., The		1,890,000	24.3		24.3
Tokyo Electric Power Co., Inc., The		90,000	2.7		2.7
Tokyo Electron Ltd.		395,000	16.6		16.6
Toppan Printing Co., Ltd.		10,000	0.2		0.2
Toray Industries, Inc.		24,000	0.2		0.2
Torchmark Corporation		23,500	1.6		1.6
Toronto-Dominion Bank, The		9,142,735	321.8		321.8
Torrington Resources Ltd.		20,000	0.1		0.1
Torstar Corporation	class B	434,646	14.3		14.3
Toshiba Corp.		1,000,000	8.6		8.6
Total Petroleum (North America) Ltd.		891,138	12.5		12.5
Total, Cie française pétrolière	class B	172,424	19.2		19.2
Toyo Communication Equipment Co., Ltd.		3,000	0.1		0.1
Toyo Corp.		5,000	0.1		0.1
Toyo Ink Mfg. Co., Ltd.		15,000	0.1		0.1
Toyota Motor Corporation		1,019,000	40.1	0.3	40.4
Toys "R" Us, Inc.		53,600	2.2		2.2
Trans Zambezi Industries Limited		211,500	0.7		0.7
TransAlta Corporation		3,069,702	53.0		53.0
Transamerica Corp.		4,200	0.5		0.5
Transat A.T. Inc.	A	397,107	4.5		4.5
TransCanada PipeLines Limited		4,163,479	99.9		99.9
Trans-Natal Coal Corp., Ltd.		43,170	0.4		0.4
Travelers Group Inc.		253,466	15.8		15.8
Tri Link Resources Ltd.		464,300	11.1		11.1
Tribune Company		3,900	0.4		0.4
Trimac Limited		233,300	3.9		3.9
Trimark Financial Corporation		150,426	6.2		6.2
Trinova Corp.		1,800	0.1		0.1
Triton Mining Corporation		430,500	1.8		1.8
TrizecHahn Corporation		2,148,816	64.4	104.0	168.4
	warrants	100,000	0.6		0.6
					169.0

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
			304,000	2.8				2.8
			4,000	0.3				0.3
			1,168,000	0.4				0.4
			5,261,500	0.6				0.6
			7,622,374	0.5				0.5
			1,087,449	0.4				0.4
			5,433,000	1.1				1.1
			9,800	0.7				0.7
	class A		73,600	1.2				1.2
			14,194	0.3				0.3
	preferred B		642,000	0.4				0.4
			4,700	0.5				0.5
			9,900	0.6				0.6
			85,900	3.0				3.0
			4,100	0.1				0.1
			7,600	0.2				0.2
			28,100	1.3				1.3
			12,000	0.5				0.5
			18,400	0.6				0.6
			5,400	0.2				0.2
			1,491,650	14.3				14.3
116	preferred		16,600,000	0.7				0.7
			13,800	0.5				0.5
	class A		94,650	6.7				6.7
					0.9			0.9
			199,400	1.9				1.9
			260,300	10.8				10.8
			90,100	5.9				5.9
			158,900	8.9				8.9
			6,500	0.3				0.3
			32,900	2.7				2.7
			16,000	0.6				0.6
			15,197	0.4				0.4
		A	633,000	8.7				8.7
			11,100	0.1				0.1
			25,200	0.4				0.4
			293,100	9.5				9.5
			648,042	8.0				8.0
			239,700	14.8				14.8
			413,000	2.6				2.6
			518,680	7.9				7.9

United States Surgical Corp.			4,000	0.2		0.2
United Technologies Corporation			235,000	21.3		21.3
United Utilities Plc			140,000	2.0		2.0
Universal Foods Corp.			184,600	8.9		8.9
Unocal Corp.			146,400	8.2		8.2
Upper Egypt Flour Mills			16,875	0.4		0.4
Uralita			758,255	8.1		8.1
Usinas Siderurgicas de Minas Gerais	preferred		820,000,000	1.1		1.1
Usinor Sacilor SA			241,550	4.8		4.8
VAE Eisenbahnsysteme AG			10,110	1.6		1.6
VF Corporation			158,500	14.7		14.7
VIAG AG			6,970	3.7		3.7
VSZ AS Vychodoslovenske Zeleziarne			19,000	0.5		0.5
Vale do Rio Doce, Companhia	preferred		117,900	3.1		3.1
Valeo SA			60,000	5.1		5.1
Van Houtte Ltée, A.L.		A	170,900	4.8		4.8
Van Melle N.V.			12,200	1.4		1.4
Velan Inc.		A, G	95,400	1.9		1.9
Vendex International N.V.			69,000	4.0		4.0
Venezolana de pulpa y papel CA			112,000	0.1		0.1
Venezolana Prerreducidos CAR			63,500	0.5		0.5
Ventritex Inc.			86,000	2.9		2.9
Veba AG			226,478	17.9		17.9
Vereniging Nederlandse Uitgevers Vb			520,000	14.9		14.9
Viacom, Inc.			22,900	1.1		1.1
Viad Corp.			28,700	0.6		0.6
Viceroy Resource Corporation			350,000	2.1		2.1
Vicom Multimedia Inc.			47,500	0.1		0.1
Vidéotron Ltée, Le Groupe <sup>1</sup>		C, G	5,616,608	63.5	63.5	
	class A	C, G	9,451,576	106.8	106.8	170.3
Vienna International Airport			32,450	2.3		2.3
Village Roadshow Ltd.	preferred A		476,030	1.8		1.8
Virginia Gold Mines Inc.	special warrants		400,000	1.4	1.4	
			100,000	0.3	0.3	
	warrants		100,000	0.1	0.1	1.8
Vodafone Group Plc			1,257,000	7.3		7.3
Vogue Resources Inc.			35,100	0.1	0.1	
	warrants		75,000	-	-	0.1
Volkswagenwerk AG			7,350	4.2	4.2	
	preferred		9,732	4.3	4.3	8.5
Volmac Software Group			290,571	11.6		11.6
Volvo	class B		156,700	4.7		4.7
Votorantim Celulose e Papel SA			27,600	0.3		0.3
WESCO Inc.					0.1	0.1
WIC Western International Communications Ltd.	class B		425,800	8.9		8.9

INVESTMENTS IN SHARES AND BONDS OF PUBLIC CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Subsidiaries	Shares		Convertible securities	Bonds	Subtotal	Total
			Number	Amount				
Wrigley (WM) Jr. Company			7,400	0.6				0.6
WMX Technologies, Inc.			187,700	8.4				8.4
WPP Group Plc			527,000	3.1				3.1
W.R. Grace & Co.			5,700	0.4				0.4
W.W. Grainger, Inc.			3,300	0.4				0.4
Wachovia Corporation			10,700	0.8				0.8
Walgreen Company			15,800	0.9				0.9
Wal-Mart Stores, Inc.			434,600	13.6				13.6
Warner-Lambert Company			17,400	1.8				1.8
Wascana Energy Inc.			1,497,149	23.7				23.7
Waterford Wedgwood	units		501,878	0.9				0.9
Wells Fargo & Company			6,000	2.2				2.2
Wendy's International, Inc.			8,200	0.2				0.2
West Africa Mining Exploration Corporation Inc.			130,300	0.8				0.8
West Fraser Timber Co., Ltd.			443,800	19.5				19.5
Westaim Corporation			377,821	1.5				1.5
Westburne, Inc. <sup>1</sup>	warrants	A, G	6,807,648	83.7			83.7	
			550,000	0.9			0.9	84.6
Western Atlas Inc.			3,400	0.3				0.3
Western Mining Corporation Holdings Limited			1,080,300	9.3				9.3
Western Star Trucks Holdings Ltd.			310,000	10.7				10.7
Westinghouse Electric Corp.			27,000	0.7				0.7
Westmin Resources Limited	warrants		3,844,400	25.6			25.6	
			76,890	-			-	25.6
Westpac Banking Corporation			1,378,000	10.7				10.7
Westvaco Corporation			6,500	0.3				0.3
Weyerhaeuser Company			12,700	0.8				0.8
Wharf Holdings			1,297,000	8.9				8.9
Whirlpool Corporation			20,400	1.3				1.3
White Martins S.A.			615,600,000	1.2				1.2
White Rose Crafts & Nursery Sales Limited	rights		101,400	0.1			0.1	
			101,400	-			-	0.1
Whitman Corp.			6,700	0.2				0.2
Wielkopolski Bank Kredytowy S.A.			30,000	0.3				0.3
Wienerberger Baustoffindustrie AG			10,400	2.8				2.8
Willamette Industries, Inc.			3,500	0.3				0.3
William Gothong & Aboitiz			644,000	0.2				0.2
William Resources Inc.					5.5			5.5
Williams Companies, Inc., The			10,050	0.5				0.5
Williams Holdings Plc			500,000	4.0				4.0

Winn-Dixie Stores, Inc.		9,700	0.4	0.4
Winpak Ltd.		70,300	2.3	2.3
Wisconsin Energy Corp.		120,800	4.4	4.4
Wolseley Plc		498,300	5.4	5.4
Wolters Kluwer		15,000	2.7	2.7
Woodside Petroleum Ltd.		344,000	3.4	3.4
Woolworth Co. Limited, F.W.		8,500	0.3	0.3
WorldCom, Inc.		24,900	0.9	0.9
Worthington Industries		5,800	0.1	0.1
Xerox Corporation		190,800	13.8	13.8
YPF S.A.	class D	75,161	2.6	2.6
Yamada Denki Co., Ltd.		6,000	0.2	0.2
Yapi ve Kredi Bankasi A.S.		22,800,000	0.8	0.8
Yasuda Fire & Marine Insurance Co., Ltd., The		398,000	2.8	2.8
Yasuda Trust & Banking Co., Ltd., The		1,490,000	8.6	8.6
Yoosung Enterprise Company		9,000	0.4	0.4
York International		130,500	10.0	10.0
Yukong Limited		1,798	-	-
Zalakeramia Rt		944	0.1	0.1
Zeneca Group Plc		745,300	28.8	28.8
3i Group Plc		81,530	0.9	0.9

<sup>1</sup> Company in which the Caisse is considered an insider within the meaning of applicable Canadian laws.

<sup>2</sup> Company in which the Caisse would be considered an insider only within the meaning of applicable American laws.

<sup>3</sup> Securities held by the Caisse for more than two years in accordance with Section 36 of the act respecting the Caisse.

In this table are listed the major investments in shares and bonds of public corporations. This table does not account for the hedging of foreign exchange risks. 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 interests or competitiveness or which may reveal an intended transaction, a transaction or series of transactions in process or which may cause prejudice to a company. Consequently, there may occasionally exist differences between the investments in the annual list and those recorded in the books of the Caisse, at December 31. However, whenever possible and without transgressing the above standards, the annual list states the total amount of these differences.



**INVESTMENTS IN SHARES AND BONDS OF PRIVATE CORPORATIONS**  
as at December 31, 1996  
(fair value - in millions of dollars)

Investment amounts:

A = \$0 to \$5 million      C = \$10 to \$30 million      E = \$50 to \$75 million      G = \$100 to \$150 million  
B = \$5 to \$10 million      D = \$30 to \$50 million      F = \$75 to \$100 million      H = \$150 million and over

CORPORATIONS	Designation	Units	Shares	Convertible securities	Bonds	Investment amounts
<b>CAISSE REAL ESTATE GROUP</b>						
<b>Cadim inc.</b>						
	PSR-Boca Associates Limited Partnership	X				A
	Domaine d'Iberville (Est) Limitée		X			B
	Lone Star Opportunity Fund L.P.	X				A
	Polish Real Estate Fund B.V.	X				A
	Princess Associates Limited Partnership	X				A
	Sinocad Inc.		X			A
	Société en commandite Condominiums Mérici	X				A
	Société en commandite St-Jacques	X				A
	Société en commandite Les Développements du Lac du Haut Anjou	X				A
	Société immobilière du Vietnam inc.		X			A
<b>Ivanhoe Inc.</b>						
	Cavendish Shopping Centre Co. Ltd.		X			A
<b>SITQ Inc.</b>						
	Alizé, Gestion technique d'immeubles inc.		X			A
	Grupo Inmobiliario Caisse, S.A. de C.V.		X			A
	PenYork Properties Inc.		X			A
	PillarCaisse Management Limited		X			A
<b>SITQ International inc.</b>						
	Épic S.A.		X			C
<b>SITQ Placements inc.</b>						
	3269655 Canada inc.		X			A
<b>CAISSE PRIVATE INVESTMENTS GROUP</b>						
<b>Capital CDPO inc.<sup>1</sup></b>						
	Accès Capital Abitibi-Témiscamingue, S.E.C.	X				A
	Choisy Inc., Le Groupe				X	A
	Clé Ltée, Compagnie de location d'équipement		X			A
	Collections Shan Inc., Les				X	A
	Complexe serricole Drummond		X			A
			X		X	A
	Distributions Alimentaires Le Marquis			X		A
			X			A
	Dubuc Mode de Vie inc.				X	A
	Ecoval Inc.		X	X		A

Enterprise Planning Systems Inc.					X					A
Faro Technologies Inc.					X					A
Gestion Capital 07 Enr., S.E.C.		X								A
Investissements 3L (Laval-Laurentides-Lanaudière) S.E.C.		X								A
Investissements Bas-Saint-Laurent- Gaspésie-Les-Iles-de-la-Madeleine Enr.		X								A
Lamcom Lamination Inc.							X			A
Metcor Inc.								X		A
Meunier Inc., John	class A				X					A
Placetel inc.					X	X		X		A
Société d'investissements Capimont Enr.		X								A
Société en commandite Capidem Enr.		X								A
Société en commandite Capital de l'Estrie Enr.		X								A
Société en commandite Capital Montérégie Enr.		X								A
Société en commandite Investissements Mauricie-Bois-Francs-Drummond		X								A
St-Jean Ltée, Emballage					X					A
Vinya Plastiques Inc.								X		A
3192032 Canada Inc.	class A				X					A
9013-8082 Québec Inc. (Verity Audio)								X		A
9039-0246 Québec Inc. (Paradox)								X		A
9039-2911 Québec Inc.					X					A
<b>Capital Communications CDPO inc.<sup>1</sup></b>										
Accel IV L.P.		X								C
B & B Jocus Inc.								X		A
CML Technologies Inc.	classes A, B, C preferred A				X					A
Centennial Fund IV, L.P.		X								C
Com 2i et Cie SCA		X								A
Groupe Communications Services Inc.	class A purchase options				X	X		X		B
Groupe Image Buzz Inc.	class A				X	X		X		A
Logibro inc.	purchase options class A				X	X				A
NetStar Communications	classes A, B notes				X	X		X		D
Public Technologies Multimédia (PTM) Inc.					X	X				A
Régional Vision Inc.	class A				X					A
ResourceCan Ltd.	notes							X		B
Services CartoGraphiques 2+1 Inc., Les	class A				X					A
Société en commandite d'affichage Omni		X								B
Société en commandite R.Q.C.D.		X								A
Société Européenne d'Investissement CFI/CDPO		X								A
Telesystem Ltd., National	class A preferred D, E				X					G
Telesystem Financial Corporation <sup>2</sup>	preferred D class A				X					D
					X					D

INVESTMENTS IN SHARES AND BONDS OF PRIVATE CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Units	Shares	Convertible securities	Bonds	Investment amounts
Telesystem International Wireless Corporation	class B		X			D
Toon Boom Technology Inc.			X			A
TotalNet Inc.	class A		X	X		A
3163199 Canada Inc.	class A		X	X		A
3321118 Canada Inc.			X			A
<b>Capital d'Amérique CDPQ inc.<sup>1</sup></b>						
AML Almiria Holdings Inc.	class A		X			B
Air Transat Holidays A.T. Inc.					X	C
Algonquin Power Financial Services (Donnacona) Inc.					X	B
Almiria Capital Corporation	class A		X			A
Altacap Inc., Investisseurs					X	A
Artel Cuisifrance Inc.	class A		X	X		B
Bail Montmorency Ltée					X	A
Bail St-Jérôme Limitée					X	A
Biogénie S.R.D.C. Inc.	class A		X			A
Biothermica Énergie Inc.			X		X	A
Bolton Tremblay (1994) Inc.					X	A
CAI Advisors & Co.		X				B
CGTX Inc.					X	A
Canadian Pension Equity and Company, L.P.		X				A
Capital de participation québécois, Société en commandite		X				A
Cavalier Textiles Group	classes A, B		X		X	C
Centreville (Longueuil) Inc.					X	A
Chapais Énergie, Société en commandite		X			X	C
Château des Laurets S.A.S.			X		X	B
	purchase options		X			A
Chemins de fer Charlevoix Inc.					X	A
Chemins de fer du Québec Inc., Société des Commercial Alcools Inc.			X			A
	special		X			B
Cramex, Société en commandite					X	A
Datamark-Lithochrome Inc.	preferred H		X			A
			X	X		A
Domaine d'Iberville (Est) Limitée					X	A
Duopac Inc., Emballages			X		X	A
Énergie CDPQ (1996) Inc.			X			A
Équipements de Sécurité Arkon Inc., Les	class A		X		X	B
Environmental Private Equity Fund II, L.P.		X				B
Environmental Research and Development Capital, L.P.		X				A

Globagest Inc., Les conseillers financiers	class C		X	X					A
Hamro Inc., Groupe	class B		X						B
	preferred B		X						A
Hidroeléctrica Rio Lajas, S.A.								X	A
Hydro-Bromptonville Inc.								X	B
Hydroméga Inc., Développements								X	B
Hydroméga I, Société en commandite								X	A
Imprimerie Gagné Ltée								X	A
Innergex, Société en commandite								X	C
JM Asbestos inc.	preferred		X						A
			X						A
LR Jet Corporation								X	D
Lafayette Paper Mills Limited			X						A
Miralta Capital Inc.			X				X		A
Mobicom inc., Capital	preferred A, B, C		X						D
			X						A
Novacap Inc., Investissements	class A		X						B
Noverco (1991) Inc.			X				X		H
	warrants		X						D
Optimum Inc., Groupe	class B		X						A
Poirier Inc., Magnus			X				X		A
Premier Caskets Corporation	class C		X						A
Previc Corporation, Les Cercueils	class C		X						A
R & M Metatek Inc.	purchase options		X						A
	classes A, B		X				X		A
R.S.P. Hydro inc.							X		C
Ronor Innovations Inc.			X		X				A
SOQUIP Inc., Exploration	preferred		X						A
Sabex inc.			X				X		C
	preferred A, G		X						A
Schroders Canadian Buy-Out Fund II		X							A
Société d'investissement Desjardins		X							C
Société en commandite Gazmont							X		B
Société en commandite hydro-électrique Buckingham		X							A
Sodémex inc., Gestion	classes A, B		X						A
Sodémex, Société en commandite		X							A
Tour de Mons, La, SA			X				X		B
	purchase options		X						A
Vic Royal Inc., Les Cercueils	class E		X						A
Victoriaville Ltée., Cercueils	class A		X						A
Zorro Holding Corp.	classes B, D		X				X		C
2318-4518 Québec Inc.	preferred		X						B
			X						A
3189180 Canada Inc.			X				X		A
9003-3291 Québec Inc.	class B		X				X		A

INVESTMENTS IN SHARES AND BONDS OF PRIVATE CORPORATIONS (continued)  
as at December 31, 1996  
(fair value - in millions of dollars)

CORPORATIONS	Designation	Units	Shares	Convertible securities	Bonds	Investment amounts
<b>Capital International CDPO inc.<sup>1</sup></b>						
	Asia Pacific Growth Fund III, L.P.	X				A
	BC European Capital V	X				B
	Blackstone Group, The	X				D
	China Renaissance Industries, L.P.	X				C
	Corporate Partners L.P.	X				B
	Euro-Clinvest		X			A
	Harbour Group Investments III, L.P.	X				C
	Infradev International	X				A
	Investissements Communications In-Com S.A.		X			A
	Japan/U.S. Venture Partners	X				A
	Martin-Maurel, Compagnie financière		X			A
	Pallas, Compagnie Industrielle (Comipar)		X			A
	Renaissance Funds LDC, The	X				C
	Schroder UK Buy-Out Fund III	X				D
	3i UK Investment Partners	X				B
<b>Sofinov, Société financière d'innovation inc.<sup>1</sup></b>						
	Air Data inc.		X	X	X	A
	Alex Informatique Inc.	class A	X			B
	Bio-IMRM R&D Inc.		X			A
		purchase options	X			A
	Bio-Research Laboratories Ltd.		X			A
	Biosignal Inc.	class A	X			A
	BondFace Technology inc.	purchase options	X			A
	Cératel Inc., Micro-électronique	class A	X		X	A
	Conik Technologies Inc.		X		X	A
	Domain Partners III, L.P.	X				A
	Electromed International Limitée		X			A
	Equiconcept Inc.	class A	X			A
	Galen Partners II, L.P.	X				C
	Highquest Engineering Inc.			X		A
	IAF BioVac Inc.		X			C
	Imaged Corporation	notes			X	A
	M3i Inc., Systèmes			X		A
	MDS Health Ventures Inc.	preferred I		X		B
	MDS Health Ventures Capital Corp.			X		A
	Neurochem Inc.	special		X		A
	Neuroscience Partners, L.P.	X				B
	Neuroscience Pharma (NPT) Inc.	warrants		X		A
			X			A
		preferred		X		B
	Nexia Biotechnologies inc.	preferred		X		A

Organogel Canada Ltée	purchase options			X				A
	class A			X				A
Phoenix Gaz Systems		X						A
Phoenix Hydrogen Systems		X						A
RTP Pharma Inc.				X				A
Research Triangle Pharmaceuticals Ltd.				X				A
	warrants			X				A
Sabex inc.				X				A
	class A			X				A
	preferred A, H			X		X		C
Seragen Inc.	purchase options			X				A
Seragen Biopharmaceuticals Ltd.				X				A
Silonex Inc.				X	X			A
Solfitech inc.				X				A
	preferred			X				A
Spinex International Inc.	classes A, B			X				A
	preferred C			X				A
TA Associates - Advent VII L.P.		X						C
Technocap Inc., Fonds	preferred			X				B
Ventures West B.C. Technology Investment Fund, The		X						A
Virtual Prototypes Inc.	class D			X				A

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Difference between investments reflected in the annual list and those on record at the Caisse

nil

There may exist differences of up to 20% between the fair value of these investments and the classification assigned to them by the Caisse.

<sup>1</sup> Investment made or held by a subsidiary in accordance with Section 37.1 of the act respecting the Caisse.

<sup>2</sup> The Caisse holds and manages, through its Canadian Stock Markets team, convertible securities of Telesystem Financial Corporation for an amount of \$85.3 million.

In this table are listed the major investments in shares and bonds of private corporations. This table does not account for the hedging of foreign exchange risks. 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 interests or competitiveness or which may reveal an intended transaction, a transaction or series of transactions in process or which may cause prejudice to a company. Consequently, there may occasionally exist differences between the investments in the annual list and those recorded in the books of the Caisse, at December 31. However, whenever possible and without transgressing the above standards, the annual list states the total amount of these differences.

The specific value of investments in any closed company (according to the definition of the Québec Securities Act) does not appear in this list unless the company has agreed to such disclosure.

**FUNDS ENTRUSTED BY DEPOSITORS**  
as at December 31  
(in millions of dollars)

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
<b>Commission administrative des régimes de retraite et d'assurances</b>										
Government and Public Employees Retirement Plan (RREGOP)										
Funds entrusted	20,304.1	17,639.7	15,725.9	14,227.9	12,507.8	11,092.9	9,687.5	8,562.8	7,315.0	6,374.4
Net income allocated	2,178.4	1,379.1	1,023.5	1,240.2	937.6	944.7	699.3	902.7	613.0	686.7
Deposits (withdrawals)	486.0	534.7	474.5	479.9	477.3	460.7	425.4	345.1	327.6	233.0
Cash	2,664.4	1,913.8	1,498.0	1,720.1	1,414.9	1,405.4	1,124.7	1,247.8	940.6	919.7
Percentage of total cash	65.4	78.1	82.4	80.1	76.2	59.4	48.1	36.3	37.0	38.3
<b>Régie des rentes du Québec</b>										
Funds entrusted	13,737.6	13,802.9	14,016.8	14,560.7	14,599.7	14,689.4	14,408.6	14,071.9	13,428.4	12,947.7
Net income allocated	1,709.8	1,392.8	1,021.1	1,522.5	1,262.3	1,521.0	1,156.8	1,546.3	1,222.3	1,356.6
Deposits (withdrawals)	(1,775.1)	(1,606.7)	(1,565.0)	(1,561.5)	(1,352.0)	(1,240.2)	(820.1)	(902.8)	(741.6)	(672.8)
Cash	(65.3)	(213.9)	(543.9)	(39.0)	(89.7)	280.8	336.7	643.5	480.7	683.8
Percentage of total cash	(1.6)	(8.7)	(29.9)	(1.8)	(4.8)	11.9	14.4	18.7	18.9	28.4
<b>Commission de la santé et de la sécurité du travail</b>										
Funds entrusted	5,081.1	4,549.1	4,163.8	3,885.5	3,747.1	3,728.8	3,595.7	3,339.7	2,610.6	2,150.0
Net income allocated	527.1	401.0	278.3	351.6	331.7	395.4	275.0	340.8	211.7	223.5
Deposits (withdrawals)	4.9	(15.7)	-	(213.2)	(313.4)	(262.3)	(19.0)	388.3	248.9	(143.1)
Cash	532.0	385.3	278.3	138.4	18.3	133.1	256.0	729.1	460.6	80.4
Percentage of total cash	13.0	15.7	15.3	6.4	1.0	5.6	10.9	21.2	18.1	3.4
<b>Commission de la construction du Québec</b>										
Supplemental Pension Plan for Employees of the Québec Construction Industry										
Funds entrusted	4,896.8	4,485.5	4,174.8	3,950.7	3,672.8	3,350.6	2,998.5	2,612.0	2,263.2	2,008.3
Net income allocated	556.3	355.7	289.1	321.6	281.2	275.6	233.5	271.3	196.4	197.2
Deposits (withdrawals)	(145.0)	(45.0)	(65.0)	(43.7)	41.0	76.5	153.0	77.5	58.5	68.1
Cash	411.3	310.7	224.1	277.9	322.2	352.1	386.5	348.8	254.9	265.3
Percentage of total cash	10.1	12.7	12.3	12.9	17.3	14.9	16.5	10.1	10.1	11.0
<b>Société de l'assurance automobile du Québec</b>										
Funds entrusted	4,882.4	4,444.2	4,506.2	5,012.6	5,062.8	4,921.6	4,735.6	4,621.5	4,155.0	3,785.8
Net income allocated	570.6	439.0	360.1	527.8	437.7	514.5	388.8	501.2	377.3	396.9
Deposits (withdrawals)	(132.4)	(501.0)	(866.5)	(578.0)	(296.5)	(328.5)	(274.7)	(34.7)	(8.1)	34.0
Cash	438.2	(62.0)	(506.4)	(50.2)	141.2	186.0	114.1	466.5	369.2	430.9
Percentage of total cash	10.8	(2.5)	(27.8)	(2.3)	7.6	7.9	4.9	13.6	14.5	17.9

**Fonds d'amortissement des régimes  
de retraite gouvernementaux**

Funds entrusted	<b>998.8</b>	900.5	836.9	-	-	-	-	-	-	-
Net income allocated	<b>98.3</b>	63.6	(13.1)	-	-	-	-	-	-	-
Deposits (withdrawals)	-	-	850.0	-	-	-	-	-	-	-
Cash	<b>98.3</b>	63.6	836.9	-	-	-	-	-	-	-
Percentage of total cash	<b>2.4</b>	2.6	46.0	-	-	-	-	-	-	-

**Other depositors**

Funds entrusted	<b>474.8</b>	479.1	427.8	396.6	294.8	244.0	236.8	116.5	112.4	77.4
Net income allocated	<b>41.5</b>	34.3	24.2	25.5	19.3	21.9	21.5	13.1	12.0	7.1
Deposits (withdrawals)	<b>(45.8)</b>	17.0	7.0	76.3	31.5	(14.7)	98.8	(9.0)	23.0	15.8
Cash	<b>(4.3)</b>	51.3	31.2	101.8	50.8	7.2	120.3	4.1	35.0	22.9
Percentage of total cash	<b>(0.1)</b>	2.1	1.7	4.7	2.7	0.3	5.2	0.1	1.4	1.0

**Total depositors**

Funds entrusted	<b>50,375.6</b>	46,301.0	43,852.2	42,034.0	39,885.0	38,027.3	35,662.7	33,324.4	29,884.6	27,343.6
Net income allocated	<b>5,682.0</b>	4,065.5	2,983.2	3,989.2	3,269.8	3,673.1	2,774.9	3,575.4	2,632.7	2,868.0
Deposits (withdrawals)	<b>(1,607.4)</b>	(1,616.7)	(1,165.0)	(1,840.2)	(1,412.1)	(1,308.5)	(436.6)	(135.6)	(91.7)	(465.0)
Cash	<b>4,074.6</b>	2,448.8	1,818.2	2,149.0	1,857.7	2,364.6	2,338.3	3,439.8	2,541.0	2,403.0



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**SUMMARY OF DEPOSITORS' HOLDINGS**  
as at December 31  
(fair value - in percentage)

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Commission administrative des régimes de retraite et d'assurances - RREGOP	40.4	38.1	35.8	33.8	31.2	29.2	27.3	26.2	25.0	23.9
Régie des rentes du Québec	27.4	30.0	32.1	34.8	36.8	38.7	40.4	42.1	44.6	46.9
Commission de la santé et de la sécurité du travail	10.0	9.7	9.4	9.2	9.3	9.7	9.9	9.7	8.6	7.8
Commission de la construction du Québec	9.7	9.7	9.5	9.3	9.1	8.7	8.3	7.7	7.5	7.3
Société de l'assurance automobile du Québec	9.7	9.7	10.5	12.1	12.9	13.1	13.5	14.0	14.1	14.1
Fonds d'amortissement des régimes de retraite gouvernementaux	1.9	1.8	1.8	-	-	-	-	-	-	-
Other depositors	0.9	1.0	0.9	0.8	0.7	0.6	0.6	0.3	0.2	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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**FUNDS' NET ASSETS**  
as at December 31  
(in millions of dollars)

	Cost		1995	1994	Fair value						
	1996	1996			1993	1992	1991	1990	1989	1988	1987
<b>General Fund</b>	<b>18,667.6</b>	<b>21,253.0</b>	20,391.4	19,493.6	21,945.0	20,263.8	20,957.8	19,379.1	20,318.4	18,372.8	17,091.1
<b>Individual Funds</b>											
301	16,853.9	19,264.3	16,356.7	13,464.8	13,169.7	10,557.4	9,691.6	8,049.4	7,739.6	6,294.8	5,453.1
302	2,781.3	3,204.0	2,751.5	2,295.4	2,305.5	2,126.4	1,979.2	1,634.2	1,608.3	1,369.2	1,235.0
303	126.9	138.6	124.0	109.5	103.8	41.2	39.9	35.6	35.0	30.7	28.0
304	-	-	-	-	-	-	14.2	23.6	24.4	21.8	19.1
305	114.5	131.9	113.8	96.1	93.7	77.4	55.5	27.5	-	-	-
306	54.8	60.7	46.9	-	-	-	-	-	-	-	-
308	966.7	1,056.1	920.8	794.1	-	-	-	-	-	-	-
311	2,412.2	2,810.5	2,586.4	2,351.6	2,468.6	2,247.7	2,255.5	2,063.5	1,962.3	1,650.5	1,454.1
312	1,686.0	1,903.6	1,675.3	1,397.1	1,350.9	1,090.8	949.2	679.0	636.0	549.3	524.9
313	631.3	686.3	594.0	445.4	425.0	345.2	286.9	204.5	148.5	102.7	74.6
330	4,911.5	5,535.7	4,808.0	4,151.8	4,198.1	3,761.1	3,888.7	3,487.5	3,438.7	2,653.5	2,186.4
	30,539.1	34,791.7	29,977.4	25,105.8	24,115.3	20,247.2	19,160.7	16,204.8	15,592.8	12,672.5	10,975.2
	49,206.7	56,044.7	50,368.8	44,599.4	46,060.3	40,511.0	40,118.5	35,583.9	35,911.2	31,045.3	28,066.3

**16** NET INCOME ALLOCATED TO DEPOSITORS  
as at December 31  
(in millions of dollars)

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
<b>Participation deposits</b>										
<b>General Fund</b>	<b>2,274.8</b>	1,824.2	1,384.0	2,042.4	1,668.1	2,008.6	1,520.3	2,027.2	1,592.2	1,741.6
<b>Individual Funds</b>										
301	<b>1,863.3</b>	1,180.0	873.3	1,058.7	783.8	785.0	576.4	741.8	498.9	557.4
302	<b>314.1</b>	197.6	149.2	180.1	152.8	158.7	121.0	159.2	112.4	128.2
303	<b>13.0</b>	8.5	7.0	5.9	3.0	3.4	3.1	3.8	2.9	3.3
304	-	-	-	-	-	1.5	2.1	2.6	1.4	1.7
305	<b>13.0</b>	8.0	5.5	7.5	5.5	4.2	1.0	-	-	-
306	<b>5.1</b>	3.0	-	-	-	-	-	-	-	-
308	<b>98.3</b>	63.6	(13.1)	-	-	-	-	-	-	-
311	<b>300.0</b>	181.0	169.4	192.0	174.7	183.9	162.8	196.0	136.6	134.6
312	<b>192.8</b>	133.9	91.3	95.8	79.1	68.6	53.7	62.3	52.2	55.8
313	<b>63.4</b>	40.8	28.4	33.8	27.4	23.1	16.9	13.0	7.5	6.5
330	<b>526.1</b>	399.5	277.9	351.5	331.2	394.2	268.9	331.0	210.6	223.4
	<b>3,389.1</b>	2,215.9	1,588.9	1,925.3	1,557.5	1,622.6	1,205.9	1,509.7	1,022.5	1,110.9
<b>Demand and term deposits</b>	<b>18.1</b>	25.4	10.3	21.5	44.2	41.9	48.7	38.5	18.0	15.5
	<b>5,682.0</b>	4,065.5	2,983.2	3,989.2	3,269.8	3,673.1	2,774.9	3,575.4	2,632.7	2,868.0

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**17** CHANGES IN INVESTMENTS AS PART OF NET ASSETS  
as at December 31  
(in percentage)

	Cost		1995	1994	1993	Fair value		1990	1989	1988	1987
	1996	1996				1992	1991				
Variable-income securities <sup>1</sup>	<b>45.8</b>	<b>49.1</b>	43.1	43.6	41.5	41.5	41.9	41.3	41.1	35.7	34.3
Fixed-income securities <sup>2</sup>	<b>54.2</b>	<b>50.9</b>	56.9	56.4	58.5	58.5	58.1	58.7	58.9	64.3	65.7

<sup>1</sup> Shares, convertible securities, real estate holdings.

<sup>2</sup> Bonds, mortgages, short-term investments, securities acquired under reverse repurchase agreements.

Figures prior to 1996 have not been restated to conform with the presentation of 1996.

**18** SUMMARY OF INVESTMENTS  
as at December 31  
(in percentage)

	Cost				Fair value						
	1996	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Bonds and securities acquired under reverse repurchase agreements	47.4	44.8	47.6	48.3	48.3	48.7	48.4	48.3	46.7	52.0	55.4
Canadian shares	20.3	25.7	27.4	29.6	28.1	27.5	28.3	27.6	28.0	28.7	28.0
Foreign shares	17.2	17.4	12.1	10.4	10.1	10.2	9.3	8.6	8.2	4.6	4.3
Mortgages	2.8	2.6	3.3	4.1	4.2	5.0	5.2	5.5	5.3	5.8	6.2
Real estate holdings	8.3	6.0	3.6	3.6	3.3	3.7	4.3	5.0	5.0	2.4	2.0
Short-term investments	4.0	3.5	6.0	4.0	6.0	4.9	4.5	5.0	6.8	6.5	4.1
	<b>100.0</b>	<b>100.0</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Figures prior to 1996 have not been restated to conform with the presentation of 1996.

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**19** SUMMARY OF FOREIGN INVESTMENTS  
as at December 31  
(in millions of dollars)

	Cost				Fair value						
	1996	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Bonds and securities acquired under reverse repurchase agreements	1,092	1,100	84	391	804	1,760	2,282	1,742	1,762	1,400	1,526
Shares and convertible securities	9,035	10,499	6,184	4,639	4,666	4,196	3,757	3,132	2,991	1,429	1,228
Mortgages	113	122	29	-	-	-	-	-	-	-	-
Real estate holdings	919	930	211	74	-	-	-	-	-	-	-
Short-term investments	475	494	114	324	102	225	70	416	592	387	1
Foreign investments	<b>11,634</b>	<b>13,145</b>	6,622	5,428	5,572	6,181	6,109	5,290	5,345	3,216	2,755
Total investments	<b>52,656</b>	<b>60,432</b>	51,042	44,536	46,557	40,915	40,551	36,108	36,829	31,157	28,360
Percentage	<b>22.1</b>	<b>21.8</b>	13.0	12.2	12.0	15.1	15.1	14.6	14.5	10.3	9.7

Figures prior to 1996 have not been restated to conform with the presentation of 1996.

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**SUMMARY OF SHORT-TERM INVESTMENTS**  
as at December 31  
(in percentage)

	Fair value	Par value									
	1996	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Treasury bills	39.3	48.6	50.4	52.3	53.3	56.7	67.2	45.8	33.5	57.6	69.1
Financial institution paper	36.9	31.3	31.0	21.8	17.6	13.0	15.8	10.5	29.4	21.5	13.5
Government corporation notes <sup>1</sup>	10.8	9.2	14.4	16.7	16.7	18.1	12.3	20.9	12.3	10.1	-
Commercial paper	13.0	10.9	4.2	9.2	12.4	12.2	4.6	22.3	23.5	6.3	9.0
Other commercial paper	-	-	-	-	-	-	0.1	0.5	1.3	4.5	8.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> In 1987, government corporation notes are included in commercial paper.

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**CHANGES IN PRIVATE INVESTMENTS**  
as at December 31

	Cost	Fair value									
	1996	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
In millions of dollars	2,151	3,503	2,817	2,288	2,278	1,715	1,802	1,887	2,025	1,893	1,698
Number of investments	269	269	206	183	149	124	128	138	140	129	113

**BREAKDOWN OF INVESTMENTS IN PERCENTAGE**  
 as at December 31

INVESTMENTS	Cost				Fair value						
	1996	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
<b>Bonds</b>											
Domestic securities											
Gouvernement du Québec	18.4	17.6	19.1	22.1	21.8	20.0	21.6	24.3	23.7	26.3	30.0
Government of Canada	12.3	11.1	11.3	6.5	4.3	5.7	2.8	2.0	3.0	5.5	4.0
Other governments	-	-	-	0.4	0.1	-	0.2	-	-	-	-
Guaranteed by gouvernement du Québec	9.1	9.0	12.0	12.8	14.5	12.7	11.3	9.6	7.0	7.6	7.8
Guaranteed by other governments	0.2	0.2	0.2	0.3	0.4	0.4	0.6	0.5	0.6	0.6	0.4
Guaranteed by grants	1.6	1.7	2.2	2.4	2.6	2.6	3.0	3.5	3.7	4.0	3.8
Municipalities and school boards	1.6	1.7	2.1	2.6	2.6	2.6	2.9	3.1	2.8	2.6	2.7
Corporate	0.6	0.5	0.5	0.3	0.3	0.4	0.4	0.4	1.1	0.9	1.3
	<b>43.8</b>	<b>41.8</b>	47.4	47.4	46.6	44.4	42.8	43.4	41.9	47.5	50.0
Foreign securities											
U.S. Government	0.9	0.8	-	0.9	1.7	1.4	2.0	2.2	4.1	4.5	5.3
Government of France	-	-	-	-	-	1.2	1.7	1.4	0.6	-	-
Government of Germany	-	-	-	-	-	1.3	1.0	1.0	-	-	-
Government of the United Kingdom	-	-	-	-	-	0.2	0.8	0.3	-	-	-
Other	0.2	0.2	0.2	-	-	0.2	0.1	-	0.1	-	0.1
	<b>1.1</b>	<b>1.0</b>	0.2	0.9	1.7	4.3	5.6	4.9	4.8	4.5	5.4
	<b>44.9</b>	<b>42.8</b>	47.6	48.3	48.3	48.7	48.4	48.3	46.7	52.0	55.4
<b>Shares and convertible securities</b>											
Domestic securities											
Metals and minerals	1.6	1.9	2.2	2.4	2.1	1.9	1.7	1.6	1.9	2.9	3.5
Gold and silver	1.8	2.2	2.2	2.3	1.9	1.4	1.5	1.9	1.8	1.5	1.3
Oil and gas	2.2	2.9	2.9	2.9	2.7	2.2	2.0	2.3	2.0	1.9	2.0
Paper and forest products	1.6	1.7	1.9	2.0	1.6	1.0	0.8	0.9	0.9	1.3	1.5
Consumer products	1.1	1.7	1.9	1.9	2.1	2.8	2.5	2.3	2.7	2.6	2.7
Industrial products	2.8	3.5	3.7	4.2	3.3	3.3	3.0	2.5	2.6	3.0	2.5
Real estate and construction	1.0	0.7	0.6	0.8	0.6	0.2	0.4	0.2	0.2	0.1	0.1
Transportation and environmental services	0.7	0.7	0.6	0.8	0.6	0.7	0.7	1.0	1.0	0.5	0.4
Pipelines	0.2	0.2	0.4	0.3	0.4	0.5	0.6	0.6	0.5	0.4	0.7
Utilities	1.9	2.8	2.6	2.8	2.6	2.8	3.0	3.2	3.1	3.1	3.1
Communications	1.1	1.8	1.9	2.1	2.4	2.7	2.4	2.2	2.0	2.0	1.6
Distribution and services	1.4	1.1	1.6	1.6	1.7	1.4	2.0	2.1	2.0	2.4	1.5
Financial services	2.5	3.9	3.9	4.3	4.7	5.0	6.0	5.3	5.6	5.4	4.9
Conglomerates	0.4	0.6	1.0	1.2	1.4	1.5	1.6	1.5	1.7	1.6	2.2
Toronto index participation units (TIP)	-	-	-	-	-	0.1	0.1	-	-	-	-
	<b>20.3</b>	<b>25.7</b>	27.4	29.6	28.1	27.5	28.3	27.6	28.0	28.7	28.0

Foreign securities												
External funds	7.4	7.2	5.7	5.4	3.8	4.5	5.4	6.0	5.6	2.1	1.1	
Internal funds	9.8	10.2	6.4	5.0	6.3	5.7	3.9	2.6	2.6	2.5	3.2	
	17.2	17.4	12.1	10.4	10.1	10.2	9.3	8.6	8.2	4.6	4.3	
	37.5	43.1	39.5	40.0	38.2	37.7	37.6	36.2	36.2	33.3	32.3	
<b>Mortgages</b>												
Canada	2.6	2.4	3.2	4.1	4.2	5.0	5.2	5.5	5.3	5.8	6.2	
United States	0.2	0.2	0.1	-	-	-	-	-	-	-	-	
	2.8	2.6	3.3	4.1	4.2	5.0	5.2	5.5	5.3	5.8	6.2	
<b>Real estate holdings</b>												
Canada	6.5	4.5	3.2	3.4	3.3	3.7	4.3	5.0	5.0	2.4	2.0	
Abroad	1.8	1.5	0.4	0.2	-	-	-	-	-	-	-	
	8.3	6.0	3.6	3.6	3.3	3.7	4.3	5.0	5.0	2.4	2.0	
<b>Total long-term investments</b>	<b>93.5</b>	<b>94.5</b>	94.0	96.0	94.0	95.1	95.5	95.0	93.2	93.5	95.9	
<b>Short-term investments</b>												
Domestic securities	3.1	2.7	5.8	3.3	5.8	4.3	4.3	3.9	5.2	5.3	4.1	
Foreign securities	0.9	0.8	0.2	0.7	0.2	0.6	0.2	1.1	1.6	1.2	-	
	4.0	3.5	6.0	4.0	6.0	4.9	4.5	5.0	6.8	6.5	4.1	
<b>Securities acquired under reverse repurchase agreements</b>												
Domestic securities	1.6	1.2	-	-	-	-	-	-	-	-	-	
Foreign securities	0.9	0.8	-	-	-	-	-	-	-	-	-	
	2.5	2.0	-	-	-	-	-	-	-	-	-	
<b>Total short-term investments</b>	<b>6.5</b>	<b>5.5</b>	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<b>Breakdown of long-term investments</b>												
Public sector	47.2	44.5	50.1	50.0	51.1	50.7	50.3	50.3	49.0	54.6	56.4	
Private sector	52.8	55.5	49.9	50.0	48.9	49.3	49.7	49.7	51.0	45.4	43.6	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Figures prior to 1996 have not been restated to conform with the presentation of 1996.

**BREAKDOWN OF INVESTMENTS IN MILLIONS OF DOLLARS**  
 as at December 31

INVESTMENTS	Cost				Fair value						
	1996	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
<b>Bonds</b>											
Domestic securities											
Gouvernement du Québec	9,685.5	10,649.2	9,735.3	9,830.3	10,158.6	8,173.2	8,771.1	8,773.8	8,717.7	8,204.9	8,507.2
Government of Canada	6,456.5	6,684.8	5,778.9	2,900.2	1,988.4	2,304.3	1,125.7	713.8	1,105.4	1,718.0	1,146.0
Other governments	13.9	14.7	7.2	176.8	44.2	18.1	65.9	14.8	-	-	-
Guaranteed by gouvernement du Québec	4,799.8	5,436.3	6,110.9	5,717.0	6,762.5	5,190.2	4,588.2	3,454.7	2,573.1	2,367.8	2,204.3
Guaranteed by other governments	93.8	110.0	104.8	133.4	177.9	175.5	228.3	154.7	215.9	196.9	115.3
Guaranteed by grants	850.5	1,017.5	1,107.0	1,086.9	1,217.5	1,076.2	1,264.5	1,266.6	1,393.6	1,229.2	1,097.4
Municipalities and school boards	865.2	1,004.1	1,090.1	1,124.8	1,230.7	1,051.8	1,174.8	1,121.7	1,028.3	784.6	747.2
Corporate	287.0	301.4	246.7	138.9	121.7	146.9	169.8	150.6	421.2	291.4	363.2
	<b>23,052.2</b>	<b>25,218.0</b>	24,180.9	21,108.3	21,701.5	18,136.2	17,388.3	15,650.7	15,455.2	14,792.8	14,180.6
Foreign securities											
U.S. Government	484.7	495.8	0.2	390.6	775.7	580.8	813.4	777.0	1,491.8	1,399.9	1,501.5
Government of France	-	-	-	-	10.1	508.6	669.9	497.2	244.2	-	-
Government of Germany	-	-	-	-	3.6	528.9	423.4	374.8	-	-	-
Government of the United Kingdom	-	-	-	-	-	69.3	326.2	93.3	-	-	-
Other	116.2	122.4	84.0	-	14.8	72.5	48.7	-	26.2	-	24.7
	<b>600.9</b>	<b>618.2</b>	84.2	390.6	804.2	1,760.1	2,281.6	1,742.3	1,762.2	1,399.9	1,526.2
	<b>23,653.1</b>	<b>25,836.2</b>	24,265.1	21,498.9	22,505.7	19,896.3	19,669.9	17,393.0	17,217.4	16,192.7	15,706.8
<b>Shares and convertible securities</b>											
Domestic securities											
Metals and minerals	874.1	1,118.3	1,143.9	1,071.1	966.5	773.8	722.3	563.0	700.7	889.6	979.9
Gold and silver	988.3	1,295.4	1,122.3	1,025.0	882.0	590.2	590.4	693.8	661.1	474.1	380.3
Oil and gas	1,189.8	1,773.5	1,482.3	1,312.9	1,272.1	898.5	792.0	845.8	741.1	599.5	557.4
Paper and forest products	878.6	1,026.5	958.6	888.8	752.4	426.8	322.2	325.6	331.3	405.9	432.5
Consumer products	557.4	1,029.4	942.8	837.5	988.8	1,141.6	1,030.4	822.3	1,006.7	819.1	754.3
Industrial products	1,463.4	2,135.9	1,905.1	1,861.7	1,522.0	1,340.4	1,210.5	901.6	946.0	928.9	701.4
Real estate and construction	535.2	450.3	319.6	339.8	295.7	91.5	151.3	63.5	77.0	41.1	21.9
Transportation and environmental services	355.9	414.0	323.1	332.1	272.1	294.9	268.6	351.3	373.5	165.7	121.2
Pipelines	99.9	138.8	180.0	135.9	176.2	213.5	255.8	207.7	181.5	131.9	195.8
Utilities	987.1	1,674.1	1,312.6	1,258.1	1,197.5	1,134.1	1,224.0	1,153.8	1,141.6	968.9	867.1
Communications	555.2	1,090.5	986.1	945.0	1,139.4	1,089.8	963.7	811.6	724.8	624.0	451.7
Distribution and services	717.4	686.0	842.7	705.5	798.0	581.7	826.0	760.3	748.9	736.1	422.0
Financial services	1,296.9	2,379.3	1,969.4	1,905.8	2,191.3	2,056.6	2,439.7	1,925.0	2,069.2	1,652.7	1,432.0
Conglomerates	207.2	361.2	502.1	540.7	661.8	605.5	645.4	556.4	591.2	505.7	620.1
Toronto index participation units (TIP)	-	-	-	-	-	28.7	28.8	8.9	-	-	-
	<b>10,706.4</b>	<b>15,573.2</b>	13,990.6	13,159.9	13,115.8	11,267.6	11,471.1	9,990.6	10,294.6	8,943.2	7,937.6

Foreign securities											
External funds	3,897.4	4,357.4	2,913.1	2,415.3	1,769.5	1,852.7	2,184.4	2,179.2	2,050.4	658.1	304.8
Internal funds	5,137.6	6,141.9	3,271.2	2,223.9	2,896.2	2,343.7	1,573.1	953.2	940.8	771.1	923.6
	9,035.0	10,499.3	6,184.3	4,639.2	4,665.7	4,196.4	3,757.5	3,132.4	2,991.2	1,429.2	1,228.4
	19,741.4	26,072.5	20,174.9	17,799.1	17,781.5	15,464.0	15,228.6	13,123.0	13,285.8	10,372.4	9,166.0
<b>Mortgages</b>											
Canada	1,374.0	1,445.7	1,659.8	1,842.0	1,957.9	2,047.4	2,104.9	1,984.0	1,969.2	1,813.2	1,752.1
United States	113.1	121.6	28.5	-	-	-	-	-	-	-	-
	1,487.1	1,567.3	1,688.3	1,842.0	1,957.9	2,047.4	2,104.9	1,984.0	1,969.2	1,813.2	1,752.1
<b>Real estate holdings</b>											
Canada	3,455.9	2,679.8	1,634.2	1,527.4	1,517.2	1,519.0	1,744.0	1,788.0	1,836.3	749.0	564.1
Abroad	919.0	930.5	210.6	74.0	-	-	-	-	-	-	-
	4,374.9	3,610.3	1,844.8	1,601.4	1,517.2	1,519.0	1,744.0	1,788.0	1,836.3	749.0	564.1
<b>Total long-term investments</b>	<b>49,256.5</b>	<b>57,086.3</b>	47,973.1	42,741.4	43,762.3	38,926.7	38,747.4	34,288.0	34,308.7	29,127.3	27,189.0
<b>Short-term investments</b>											
Domestic securities	1,599.7	1,599.3	2,954.7	1,471.1	2,692.6	1,763.5	1,733.5	1,404.1	1,928.2	1,643.1	1,169.0
Foreign securities	475.4	494.2	114.1	323.9	101.6	224.9	70.0	416.0	592.0	387.0	1.0
	2,075.1	2,093.5	3,068.8	1,795.0	2,794.2	1,988.4	1,803.5	1,820.1	2,520.2	2,030.1	1,170.0
<b>Securities acquired under reverse repurchase agreements</b>											
Domestic securities	833.3	770.7	-	-	-	-	-	-	-	-	-
Foreign securities	490.6	481.7	-	-	-	-	-	-	-	-	-
	1,323.9	1,252.4	-	-	-	-	-	-	-	-	-
<b>Total short-term investments</b>	<b>3,399.0</b>	<b>3,345.9</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>52,655.5</b>	<b>60,432.2</b>	51,041.9	44,536.4	46,556.5	40,915.1	40,550.9	36,108.1	36,828.9	31,157.4	28,359.0
<b>Breakdown of long-term investments</b>											
Public sector	23,249.9	25,412.4	24,018.4	21,360.0	22,384.0	19,749.4	19,500.1	17,242.4	16,796.2	15,901.3	15,343.6
Private sector	26,006.6	31,673.9	23,954.7	21,381.4	21,378.3	19,177.3	19,247.3	17,045.6	17,512.5	13,226.0	11,845.4
<b>Total</b>	<b>49,256.5</b>	<b>57,086.3</b>	47,973.1	42,741.4	43,762.3	38,926.7	38,747.4	34,288.0	34,308.7	29,127.3	27,189.0

Figures prior to 1996 have not been restated to conform with the presentation of 1996.



**24** ADMINISTRATIVE STATISTICS  
as at December 31  
(in millions of dollars)

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Net assets at cost	49,751	46,326	43,867	42,147	39,545	38,027	35,668	33,341	29,885	27,344
Investment management expenses and administrative expenses	35.4	44.2	46.4	43.2	37.4	31.4	25.3	19.8	17.5	17.5
Amount per 1,000 dollars of net assets	0.71	0.95	1.06	1.02	0.94	0.82	0.70	0.58	0.58	0.64
Net assets per employee	222.1	168.5	137.9	131.3	127.2	125.9	129.7	140.1	134.6	140.2
Number of depositors	18	18	18	15	15	15	15	13	11	11
Number of employees	224	275	318	321	311	302	275	238	222	195

Except for net assets at cost, figures reflect operations managed internally only. Outsourcing of computer services to Solfitech reduced the number of employees by 41 in 1996.

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