

**NEW BRUNSWICK INVESTMENT
MANAGEMENT CORPORATION**
Financial Statements

March 31, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of New Brunswick Investment Management Corporation are the responsibility of management. They have been approved by the Board of Directors.

Management prepared the financial statements in accordance with generally accepted accounting principles.

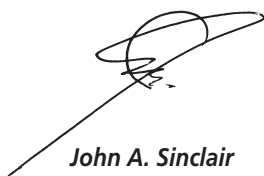
The New Brunswick Investment Management Corporation maintains books of account, systems of information and systems of financial and management control which provide reasonable assurance that accurate financial information is available, that assets are protected and that resources are managed efficiently.

The Board of Directors oversees financial reporting through its Audit Committee. The committee reviews matters related to accounting, auditing, internal control systems, the financial statements and report of the external auditors.



Jan Imeson, CA

Chief Financial Officer



John A. Sinclair

President and Chief Executive Officer

AUDITORS' REPORT

To the Directors of New Brunswick Investment Management Corporation

We have audited the statement of financial position of New Brunswick Investment Management Corporation as at March 31, 2008 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2008 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



KPMG LLP

Chartered Accountants

Fredericton, NB, Canada
May 16, 2008

**NEW BRUNSWICK
INVESTMENT MANAGEMENT CORPORATION
Financial Statements**

March 31, 2008

	Page
Statement of Financial Position	26
Statement of Operations and Changes in Net Assets	27
Notes to Financial Statements	28

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Statement of Financial Position

As at March 31, 2008

(in thousands of Canadian dollars)

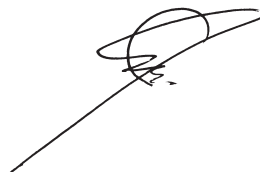
	2008	2007
Assets:		
Current:		
Cash	\$ 11	\$ 26
Accounts receivable - Pension Funds	3,328	2,900
Other receivables	9	7
Prepaid expenses	239	244
Total current assets	3,587	3,177
Capital assets (note 5)	255	218
Total Assets	\$ 3,842	\$ 3,395
Liabilities, Deferred Contributions and Net Assets:		
Current:		
Accounts payable and accrued liabilities	\$ 3,077	\$ 2,609
HST payable	45	134
Current portion of supplemental pension (note 7)	24	24
Total current liabilities	3,146	2,767
Supplemental pension (note 7)	230	254
Employee future benefits (note 8)	211	156
Deferred contributions related to capital assets (note 9)	255	218
Commitment (note 6)		
Total liabilities and deferred contributions	\$ 3,842	\$ 3,395
Net assets	\$ -	\$ -

See accompanying notes to financial statements.

Approved on behalf of the Board:



Chairman of the Board



President and Chief Executive Officer

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION
Statement of Operations and Changes in Net Assets
As at March 31, 2008

(in thousands of Canadian dollars)

	2008	2007
Revenue:		
Fees:		
Public Service Superannuation Fund	\$ 6,756	\$ 6,001
Teachers' Pension Fund	5,679	5,131
Judges' Superannuation Fund	41	37
Amortization of deferred contributions related to capital assets	113	114
Other	1	1
Total revenue	12,590	11,284
Expenses:		
Salaries and benefits	5,390	4,378
External management fees	3,757	4,110
Information systems	1,166	1,085
Securities custody	1,019	461
Office and business	490	482
Professional services	376	389
Office rent	279	265
Amortization	113	114
Total expenses	12,590	11,284
Change in net assets	\$ –	\$ –

See accompanying notes to financial statements.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Notes to Financial Statements

Year ended March 31, 2008

(in thousands of Canadian dollars)

1. Nature of Operations

New Brunswick Investment Management Corporation ("NBIMC") was established pursuant to the New Brunswick Investment Management Corporation Act which was proclaimed on March 11, 1996.

NBIMC is a non-share capital corporation. NBIMC recovers all operating expenses and capital expenditures on a cost recovery basis. As a crown corporation, NBIMC is exempt from federal and provincial income taxes.

NBIMC's legislated mandate is to:

- Act as trustee for the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund ("the Funds");
- Provide investment counseling services and other services for certain trust funds;
- Promote the development of the financial services industry and capital markets in the Province;
- Have regard to investment opportunities in the Province in developing its investment policies; and
- Carry out such other activities or duties as may be authorized or required by the Act or as the Lieutenant-Governor in Council may direct.

At March 31, 2008, the estimated market value of assets managed by NBIMC was \$8.7 billion (March 31, 2007 - \$8.7 billion). These assets are held in separate pooled funds unit trust entities, managed by NBIMC. NBIMC does not consolidate the financial results of the Funds or the pooled funds with these corporate financial statements.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(a) Revenue recognition

Fees for services are recognized in revenue as services are performed and collection is probable. NBIMC follows the deferral method of accounting for contributions. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding with amortization rates for the related capital assets.

(b) Capital assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives, calculated on a straight-line basis, using the following rates:

Computer equipment	- 3 years
Furniture and equipment	- 12.5 years
Leasehold improvements	- over the remaining lease term

Assets under capital lease are amortized over the estimated useful life of the assets.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Notes to Financial Statements

Year ended March 31, 2008

(in thousands of Canadian dollars)

2. Significant Accounting Policies (cont'd)

(c) Comparative figures

Certain comparative financial statement balances have been reclassified to conform to the current year's financial statement presentation.

(d) Statement of Cash Flows

A statement of cash flows has not been prepared as the required cash flow information is readily apparent from the other financial statements.

3. Changes in Accounting Policy

Effective April 1, 2007, NBIMC adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, *Financial Instruments – Recognition and Measurement* retroactively and without restatement. This new standard, which applies to fiscal years beginning on or after October 1, 2007, provide requirements for the recognition and measurement of financial instruments.

There was no impact to NBIMC resulting from the adoption of the new standard.

4. Future Accounting Pronouncements

Commencing with the fiscal year beginning April 1, 2008, NBIMC will be adopting CICA Handbook Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation*, which establish the disclosure and presentation standards related to financial instruments.

The impact of the adoption of the above standards is not yet known or reasonably determinable.

5. Capital assets

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 504	\$ 411	\$ 93	\$ 78
Furniture and equipment	386	279	107	109
Leasehold improvements	318	263	55	31
	\$ 1,208	\$ 953	\$ 255	\$ 218

At March 31, 2008 capital assets include \$19 (2007 - \$nil) in net book value of assets under capital lease. Amortization for the year was \$4 (2007 - \$nil).

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Notes to Financial Statements

Year ended March 31, 2008

(in thousands of Canadian dollars)

6. Commitments

NBIMC leases premises and equipment under various operating leases which expire at various dates between 2009 and 2012.

Future minimum payments, by year and in aggregate, are as follows:

2009	\$ 246
2010	246
2011	246
2012	204
	<hr/>
	\$ 942

7. Supplemental Pension

NBIMC has an estimated liability of \$254 (2007 - \$278) for special supplemental pension relating to past service awarded during 2003-2004. This amount is equivalent to the commuted value of the expected payments. The ultimate cost to NBIMC will vary based on the rise in the consumer price index and demographic factors. Changes in the expected liability are recorded in the period the change occurs. Payments to date and future payments will be received from an increase in the fees charged to the Funds.

8. Employee Future Benefits

(a) Pension

Full-time employees of NBIMC are covered by the Public Service Superannuation Plan (the "Plan") of the Province of New Brunswick. The Plan is a defined benefit multi-employer plan under which contributions are made by both NBIMC and the employees. For the year ended March 31, 2008, NBIMC expensed contributions of \$306 under the terms of the Plan (2007 - \$237). NBIMC has no direct liability or entitlement to any unfunded liability or surplus in the plan related to its current or former employees.

(b) Retirement allowance

Full-time employees of NBIMC are entitled to be paid a retirement allowance upon their retirement based upon years of service. Over the service life of its employees, NBIMC accrues the estimated future liability based upon actuarial estimates and assumptions. The accrued liability is reduced by actual payments made. This is an unfunded program with no specific assets segregated to meet the obligations when they come due.

Based upon an actuarial valuation dated March 31, 2005, NBIMC's accrued transitional obligation as of April 1, 2003 was \$118. This amount is being amortized on a straight-line basis over the estimated average remaining service life (19 years) of active employees.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION
Notes to Financial Statements
Year ended March 31, 2008
(in thousands of Canadian dollars)

8. Employee Future Benefits (cont'd)

The significant assumptions are as follows:

	2008	Assumptions	2007
Annual discount rate	5.75%		5.00%
Annual salary increases	3.00%		3.00%
Mortality	None		None
Termination of employment	Public Service Superannuation Plan experience		
Retirement age	15% at Age 57 60% at Age 60 25% at Age 63		
Actuarial cost method	Projected Unit Credit pro-rated on service		

Information on the retirement allowance obligation is as follows:

	2008	2007
Accrued benefit plan obligation		
Balance, beginning of year	\$ 280	\$ 239
Current service cost	33	28
Benefit payments	(5)	-
Interest cost	15	13
Actuarial loss	(24)	-
Balance, end of year (unfunded)	299	280
Unamortized net actuarial gain	(2)	(30)
Unamortized transitional obligation	(87)	(94)
Accrued benefit liability	\$ 211	\$ 156

Benefit cost recognized in the year is as follows:

	2008	2007
Current service cost	\$ 33	\$ 28
Interest cost	15	13
Amortization:		
Transitional liability	6	6
Pension expense	\$ 54	\$ 47

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Notes to Financial Statements

Year ended March 31, 2008

(in thousands of Canadian dollars)

9. Deferred contributions related to capital assets

	2008	2007
Balance, beginning of year	\$ 218	\$ 229
Additional contributions received, net	150	103
Less amounts amortized to revenue	(113)	(114)
Balance, end of year	\$ 255	\$ 218

10. Related Party Transactions

NBIMC is related to all Province of New Brunswick departments, agencies and crown corporations by virtue of common ownership. NBIMC obtains certain services from related parties during its normal course of operations which are recorded at the exchange amount agreed to by the parties.

Related party transactions are included in accounts payable and accrued liabilities in the amount of \$10 (2007 - \$70). NBIMC obtains certain of its telecommunications services from a department of the Province of New Brunswick. Included in operating expenses are fees in the amount of \$628 (2007 - \$552).

11. Fair Value of Financial Assets and Financial Liabilities

The fair value of NBIMC's cash, accounts receivable – Pension Funds, other receivables, accounts payable and accrued liabilities and supplemental pension approximate their carrying amounts.

**NEW BRUNSWICK
INVESTMENT MANAGEMENT CORPORATION**

Financial Statements of

- Public Service Superannuation Fund
- Teachers' Pension Fund
- Judges' Superannuation Fund

Year ended March 31, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of each of the Public Services Superannuation Fund, Teachers' Pension Fund and Judges' Superannuation Fund are the responsibility of management of New Brunswick Investment Management Corporation, as trustee. They have been approved by the Board of Directors.

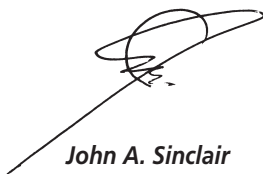
Management prepared the financial statements in accordance with section 27(1) of the New Brunswick Investment Management Act. These financial statements are special purposes financial statements and reflect the net assets held in trust and changes in net assets held in trust in accordance with the basis of accounting as disclosed in note 1 to the financial statements.

The New Brunswick Investment Management Corporation maintains books of account, systems of information and systems of financial and management control which provide reasonable assurance that accurate financial information is available, that assets are protected and that resources are managed efficiently.

The Board of Directors oversees financial reporting through its Audit Committee. The committee reviews matters related to accounting, auditing, internal control systems, the financial statements and report of the external auditors.



Jan Imeson, CA
Chief Financial Officer



John A. Sinclair
President and Chief Executive Officer

AUDITORS' REPORT

To the Directors of New Brunswick Investment Management Corporation.

We have audited the statements of net assets held in trust by the New Brunswick Investment Management Corporation for the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund as at March 31, 2008 and the statements of changes in net assets held in trust for the year then ended. These financial statements have been prepared to comply with section 27(1) of the New Brunswick Investment Management Corporation Act. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the net assets held in trust by the New Brunswick Investment Management Corporation for the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund as at March 31, 2008 and the changes in net assets held in trust for the year then ended in accordance with the basis of accounting as disclosed in note 1 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Directors of New Brunswick Investment Management Corporation for the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund and the Minister of Finance for the Province of New Brunswick for complying with section 27(1) of the New Brunswick Investment Management Corporation Act. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.



KPMG LLP

Chartered Accountants
Fredericton, NB, Canada
May 16, 2008

**NEW BRUNSWICK
INVESTMENT MANAGEMENT CORPORATION**

**Net Assets Held in Trust
Financial Statements**

Year ended March 31, 2008

	Page
Public Service Superannuation Fund	
Statement of Net Assets Held in Trust	36
Statement of Changes in Net Assets Held in Trust	36
Teachers' Pension Fund	
Statement of Net Assets Held in Trust	37
Statement of Changes in Net Assets Held in Trust	37
Judges' Superannuation Fund	
Statement of Net Assets Held in Trust	38
Statement of Changes in Net Assets Held in Trust	38
Notes to Financial Statements	39

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Public Service Superannuation Fund Statement of Net Assets Held in Trust

(in thousands of dollars)

As at March 31, 2008

	2008	2007
Assets:		
Investments (note 5)	\$ 4,720,465	\$ 4,701,559
Contributions receivable	11,518	8,441
Other receivable	234	133
	4,732,217	4,710,133
Liabilities:		
Accounts payable and accrued liabilities (note 8)	2,210	2,060
Net assets	\$ 4,730,007	\$ 4,708,073

Public Service Superannuation Fund Statement of Changes in Net Assets Held in Trust

(in thousands of dollars)

Year ended March 31, 2008

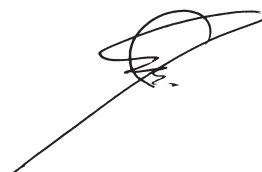
	2008	2007
Net assets held in trust, beginning of year as previously reported	\$ 4,708,073	4,339,527
Impact of adoption of new financial instruments standards (note 3)	(952)	-
Net assets held in trust, beginning of year	4,707,121	4,339,527
Increase in net assets:		
Investment income (note 7)	32,428	378,679
Pension contributions from sponsor	146,275	136,584
Employer amortization contributions	56,367	53,941
	235,070	569,204
Decrease in net assets:		
Payments to sponsor for benefits	202,323	191,703
Payments to sponsor for expenses	2,450	2,373
Fees paid to NBIMC	7,411	6,582
	212,184	200,658
Net increase for the year	22,886	368,546
Net assets held in trust, end of year	\$ 4,730,007	\$ 4,708,073

See accompanying notes to financial statements.

Approved on behalf of the Board:



Chairman of the Board



President and Chief Executive Officer

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Teachers' Pension Fund Statement of Net Assets Held in Trust

(in thousands of dollars)

As at March 31, 2008

	2008	2007
Assets:		
Investments (note 5)	\$ 3,938,173	\$ 3,978,534
Contributions receivable	3,088	3,890
Other receivable	112	113
	3,941,373	3,982,537
Liabilities:		
Accounts payable and accrued liabilities (note 8)	1,801	1,602
Net assets	\$ 3,939,572	\$ 3,980,935

Teachers' Pension Fund Statement of Changes in Net Assets Held in Trust

(in thousands of dollars)

Year ended March 31, 2008

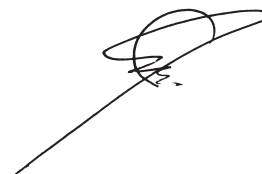
	2008	2007
Net assets held in trust, beginning of year as previously reported	\$ 3,980,935	\$ 3,732,270
Impact of adoption of new financial instruments standards (note 3)	(790)	-
Net assets held in trust, beginning of year	3,980,145	3,732,270
Increase in net assets:		
Investment income (note 7)	30,478	316,853
Pension contributions from sponsor	78,281	73,888
Employer amortization contributions	81,934	78,406
	190,693	469,147
Decrease in net assets:		
Payments to sponsor for benefits	223,679	213,485
Payments to sponsor for expenses	1,357	1,337
Fees paid to NBIMC	6,230	5,660
	231,266	220,482
Net increase (decrease) for the year	(40,573)	248,665
Net assets held in trust, end of year	\$ 3,939,572	\$ 3,980,935

See accompanying notes to financial statements.

Approved on behalf of the Board:



Chairman of the Board



President and Chief Executive Officer

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Judges' Superannuation Fund Statement of Net Assets Held in Trust

(in thousands of dollars)

As at March 31, 2008

	2008	2007
Assets:		
Investments (note 5)	\$ 28,654	\$ 29,037
Contributions receivable	7	5
	28,661	29,042
Liabilities:		
Accounts payable and accrued liabilities (note 8)	28	12
Net assets	\$ 28,633	\$ 29,030

Judges' Superannuation Fund Statement of Changes in Net Assets Held in Trust

(in thousands of dollars)

Year ended March 31, 2008

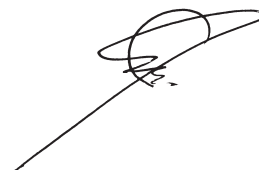
	2008	2007
Net assets held in trust, beginning of year as previously reported	\$ 29,030	\$ 27,524
Impact of adoption of new financial instruments standards (note 3)	(6)	-
Net assets held in trust, beginning of year	29,024	27,524
Increase in net assets:		
Investment income (note 7)	205	2,348
Pension contributions from sponsor	601	573
	806	2,921
Decrease in net assets:		
Payments to sponsor for benefits	1,092	1,359
Payments to sponsor for expenses	58	12
Fees paid to NBIMC	47	44
	1,197	1,415
Net increase for the year	(391)	1,506
Net assets held in trust, end of year	\$ 28,633	\$ 29,030

See accompanying notes to financial statements.

Approved on behalf of the Board:



Chairman of the Board



President and Chief Executive Officer

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

The assets of the Public Service Superannuation Fund ("PSSF"), Teachers' Pension Fund ("TPF") and Judges' Superannuation Fund ("JSF"), (collectively "the Funds") are held in trust by the New Brunswick Investment Management Corporation ("NBIMC"). NBIMC was appointed as trustee on March 11, 1996, pursuant to the *New Brunswick Investment Management Corporation Act* of the New Brunswick Legislature (the "NBIMC Act") and assumed responsibility for the management of the Funds' assets effective April 1, 1996.

On April 1, 1998, the assets of the Funds were transferred to unit trust funds established by NBIMC. This portfolio structure facilitates the collective investment management and administration of the assets. There were 18 unit trusts in place at year-end, each pool with a specific investment mandate. Each of the Funds holds units of the unit trusts in accordance with the investment policy of the Fund.

1. Basis of accounting

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Directors of New Brunswick Investment Management Corporation for the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund and the Minister of Finance for the Province of New Brunswick for complying with section 27(1) of the *New Brunswick Investment Management Corporation Act*. The basis of accounting used in these financial statements differs materially from Canadian generally accepted accounting principles because it excludes the actuarial liabilities of the plans. Consequently, these financial statements do not purport to show the adequacy of the plans' assets to meet its pension obligations.

2. Significant accounting policies

(a) Accounting entity:

These financial statements include information only about assets of the Funds under the management of NBIMC. The amounts of contributions to and payments from the Funds are determined by their Sponsor, the Province of New Brunswick. The Sponsor is responsible for the administration of collections from and payments to members.

(b) Investments:

All investments of the Funds are represented by holdings of units of each of the unit trust funds. The total value is based on the calculated net asset value per unit multiplied by the number of units held. Investments held in the unit trusts are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the latest bid price for long positions and the latest ask price for short positions. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Fair value for Private equity and Canadian real estate investments are estimated using a combination of methodologies, including discounted cash flows, multiples of earning measures, third party valuation and comparable recent transactions. Investments in money market instruments are reported at cost which approximates fair value.

(c) Contributions:

Contributions from sponsors and employers are recorded in the period that payroll deductions are made.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

2. Significant accounting policies (cont'd)

(d) Investment Income:

Investment income includes realized and unrealized gains and losses in the value of the units held in each of the unit trusts. Investment transactions are recognized by the underlying unit trusts as of their trade date.

(e) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the date of the statement of net assets held in trust. Investment income and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in investment income.

(f) Measurement uncertainty:

The preparation of financial statements in conformity with the disclosed basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Valuation of investments at fair value is the most significant item where estimates are used. Actual results could differ from those estimates.

(g) Derivative financial instruments:

A derivative is a financial contract, the value of which is derived from the notional value of underlying assets, indices, interest rates or currency exchange rates. The Funds through their investments in the unit trust funds are party to certain derivatives, principally interest rate swaps, forward foreign exchange contracts, cross currency swaps and total return equity swaps. The instruments are utilized to assist with risk management and to gain exposure to certain asset classes without directly purchasing or selling the underlying asset. Swap contracts create credit risk exposure due to the possible inability of counterparties to meet the terms of the contracts. There is also risk arising from exposure to movements in equity values, interest rates and foreign exchange rates, as applicable.

Derivatives are measured at their fair value with changes in fair value recognized in changes in net assets for the year.

Total return equity swaps, traded in the over-the-counter market, are contractual agreements between two counterparties to exchange financial returns with predetermined conditions based on notional amounts. Total return equity swaps are valued based on quoted market index rates. Forward foreign exchange contracts are valued based on quoted exchange rates. Interest rate and cross currency swaps are valued using quoted market information from Bloomberg.

(h) Income taxes:

The Plans are Registered Pension Trusts as defined in the Income Tax Act and are not subject to income taxes.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

3. Change in Accounting Policy

Effective April 1, 2007, the Funds adopted, retrospectively without restatement of comparative periods, the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, *Financial Instruments – Recognition and Measurement*. This new standard involves changes to the way certain investments are valued for accounting purposes by requiring that fair value of quoted listed securities be determined using the latest bid prices for long positions and latest ask prices for short positions. In addition, the new standard requires that all transaction costs be expensed as incurred, rather than included in the acquisition cost of the investment.

All investments of the Funds are represented by holdings of units of each of the unit trust funds. Each of the unit trust funds has also adopted, without restatement, CICA Handbook Section 3855 for accounting purposes. Investments in the unit trust funds are valued at their accounting fair value (GAAP NAV) as of the date of the financial statements. Purchases and redemptions of units of each unit trust are valued at the transaction date based on the calculated net asset value (daily NAV) multiplied by the number of units. Daily NAV uses closing market prices for quoted listed securities.

All financial instrument investments have been classified as held for trading, whereby changes in fair values are reflected as unrealized gains or losses immediately in the income statement. Transactions costs, including acquisition and sale costs, are shown as a separate item in the income statement.

The impact of adopting the new standard, which resulted in a decrease in the opening value of investments and a corresponding decrease in net assets on the balance sheet, was: PSSF - \$952, TPF - \$790 and JSF - \$6.

4. Future Accounting Requirements

Financial Instrument and Presentation

Effective April 1, 2008, the Funds will be required to comply with CICA Handbook Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. These sections will replace existing Section 3861, *Financial Instruments – Disclosure and Presentation*. Presentation standards are carried forward unchanged. Disclosure standards are enhanced and expanded to complement the changes in accounting policy adopted in accordance with Section 3855, *Financial Instruments – Recognition and Measurement*.

International Financial Reporting Standards

The Canadian Accounting Standards Board has confirmed that January 1, 2011 will be the date that International Financial Reporting Standards (IFRS) will replace current Canadian standards and become Canadian generally accepted accounting principles (GAAP) for publicly accountable entities. The Funds will adopt IFRS for the fiscal year ending March 31, 2012 for their financial reporting.

Changing from current Canadian GAAP to IFRS is likely to be a significant undertaking for the Funds. By March 31, 2009, management expects to develop a comprehensive conversion plan to accomplish this changeover therefore the impact of this change is not yet known. The conversion plan will include a comparison between current Canadian GAAP and IFRS for all accounting policies used by the Funds together with any permitted choices.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

5. Investments

Investment assets of the F unds are held in the unit trust funds for which NBIMC is trustee.

Following is a description of each unit trust fund in existence during the year ended March 31, 2008:

Nominal Bond Fund

Invests primarily in investment grade bonds (a minimum of triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The performance objective is to add 20 basis points to its benchmark, the DEX All Government Bond Index, over a four-year moving average.

New Brunswick Fixed Income Opportunity Fund

Invests primarily in fixed income issues to finance economic activity in New Brunswick. The performance objective is to add 20 basis points to its benchmark, the DEX All Government Bond Index, over a four-year moving average.

Inflation Linked Securities Fund

Invests primarily in fixed income instruments that are adjusted for inflation of G-7 countries. The performance objective is to add 10 basis points to its benchmark, the DEX Real Return Bond Index, over a four-year moving average.

Money Market Fund

Invests primarily in fixed income securities having a maturity of less than one year. The performance objective is to add 20 basis points to its benchmark. The benchmark is calculated as 93% of the DEX 91-Day Treasury Bill Index and 7% of the Call Loan Rate.

Canadian Equity - Active Long Strategy

This fund seeks to add value through prudent selection of individual securities and sector allocations through over and under weighting of the index. The performance objective is to add 150 basis points to its benchmark, the S&P /TSX Total Return Composite Index.

Canadian Equity Index Fund (formerly Canadian Equity Fund)

This fund primarily uses derivative products such as swaps and futures to gain exposure to various segments of the S&P/TSX Composite Index. Leverage on derivative products is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments. The performance objective is to match the return of the S&P/TSX Total Return Composite Index over four year rolling periods.

External Canadian Equity Fund

This fund is managed by external managers and invests in publicly traded Canadian equities. The performance objective is to add 150 basis points (2007 – 100 basis points) to its benchmark, the S&P/TSX Total Return Composite Index, over a four-year moving average.

S&P/TSX Completion Index Fund (formerly TSE Small Cap Fund)

Managed by an external manager, this fund invests primarily in the companies of the S&P/TSX Completion Index. The performance objective is to exceed the performance of its benchmark, the S&P/TSX Completion Total Return Index, by 150 basis points (after fees) (2007 – 100 basis points).

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

5. Investments (cont'd)

Allocation Equity International Fund

This fund is used to implement asset allocation decisions and diversify equity investments by participating in the equity markets of the U.S., Japan and developed European countries. It gains exposure to these markets by investing in equities, derivative products such as futures, options and swaps, as well as investing in pooled funds of index products managed by an external manager. Leverage on derivative products is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments. This fund is also used to implement quantitative strategies on the U.S. equity markets. The benchmark is a weighting of the respective country or regional indices. On April 1, 2008, this fund was terminated (see note 9).

EAFE Equity Index Fund (formerly European Equity Index Fund)

Prior to April 1, 2008, this fund invested in publicly-traded securities that are included in the MSCI Europe (Developed Markets) Index. The objective was to achieve a rate of return equivalent to or exceeding that of the index. Initial investment activity for this fund occurred on February 9, 2007. On April 1, 2008, the investment mandate for this fund was changed to include securities in the MSCI EAFE (Developed Markets) Index. The objective is to achieve a rate of return equivalent to the MSCI EAFE (Developed Markets) Net Dividends.

External International Equity Fund (formerly Public Equity Fund)

This fund is managed by external managers and invests in publicly traded equities in markets in Europe, Australasia, the Far East and the United States. The performance objective is to exceed the performance of the benchmark, which is a weighting of the respective country or regional indices, by 150 basis points (2007 – 200 basis points) over a four-year moving average.

North American Market Neutral Fund

This fund focuses on adding value through security selection within its universe of the S&P/TSX Composite Index as well as certain publicly traded US-listed stocks. Favored securities are purchased and offset by a corresponding short position in another security within the same sector. The portfolio is supported by a cash underlay and its performance objective is to add 500 basis points annually over a four-year moving average basis to its benchmark. The benchmark is calculated as 93% of the DEX 91-Day Treasury Bill Index and 7% of the Call Loan Rate.

New Brunswick and Atlantic Canada Equity Opportunity Fund

This fund invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. The performance objective is to achieve a 4% real rate of return over a long-term investment horizon (2007 – add 80 basis points to the S&P/TSX Completion Index over a four-year moving average).

Private Equity Fund

This fund is managed by external managers that invest primarily in non-publicly traded securities of U.S. and European companies. The performance objective is to exceed the performance of its benchmark, a blend of the respective countries' total return indices.

Canadian Real Estate Fund

This fund is managed by an external manager and invests in Canadian real estate investments through limited partnerships or similar investment vehicles. The benchmark is inflation, as measured by the percentage change in the twelve-month CPI-Canada All Items Index, plus four percent.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

5. Investments (cont'd)

U.S. Real Estate Fund

This fund is managed by an external manager that invests primarily in publicly traded securities of U.S. Real Estate Investment Trusts. The performance objective is to add 150 basis points to the FTSE-NAREIT® Equity Index, net of fees, over the long-term.

Commodity Fund

This fund is used to implement asset allocation decisions and diversify client investment portfolios by participating in the commodity markets. It gains exposure to the commodity markets by using derivative products such as futures and swaps. Leverage on derivative products is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments. The benchmark is the S&P Goldman Sachs Commodity Index – Total Return (US\$). The performance objective is to match the benchmark index.

Student Investment Fund

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was \$1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% S&P/TSX Total Return Composite Index, 45% DEX All Government Bond Index, 4.65% (2007 – 5%) DEX 91-Day Treasury Bill Index and 0.35% (2007 – 0%) Call Loan Rate. NBIMC staff closely monitor the activities of this fund, including executing and processing all transactions on behalf of the students.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

5. Investments (cont'd)

Following are details of unit trust holdings by each of The Funds:

(a) Public Service Superannuation Fund:

	Units	Unit Value (rounded in dollars)	2008	2007
Fixed income:				
Nominal Bond	715,195	\$ 1,757	\$ 1,256,546	\$ 1,363,543
New Brunswick Fixed Income Opportunity	8,978	2,065	18,538	19,078
Inflation Linked Securities	182,413	2,329	424,777	542,154
Money Market	108,742	1,422	154,677	132,823
			1,854,538	2,057,598
Equities:				
Canadian Equity - Active Long Strategy	72,126	974	70,271	-
Canadian Equity Index	256,254	2,231	571,825	646,462
External Canadian Equity	104,270	2,451	255,551	243,432
S&P/TSX Completion Index	37,545	2,158	81,004	82,971
Allocation Equity International	423,631	1,397	591,915	727,846
European Equity Index	702,820	869	610,294	267,014
External International Equity	55,839	1,327	74,072	132,802
			2,254,932	2,100,527
Alternative investments:				
North American Market Neutral	142,464	1,316	187,540	187,571
New Brunswick and Atlantic Canada Equity Opportunity	7,619	947	7,212	6,388
Private Equity	62,688	1,343	84,248	56,861
Canadian Real Estate	19,685	2,205	43,410	24,967
U.S. Real Estate	62,409	2,992	186,697	171,912
Commodity	70,252	1,435	100,806	94,719
			609,913	542,418
Balanced:				
Student Investment	485	2,231	1,082	1,016
			\$ 4,720,465	\$ 4,701,559

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

5. Investments (cont'd)

(b) Teachers' Pension Fund:

	Units	Unit Value (rounded in dollars)	2008	2007
Fixed income:				
Nominal Bond	607,879	\$ 1,757	\$ 1,068,000	\$ 1,193,637
New Brunswick Fixed Income Opportunity	7,490	2,065	15,466	16,145
Inflation Linked Securities	160,643	2,329	374,083	498,563
Money Market	90,526	1,422	128,767	112,155
			1,586,316	1,820,500
Equities:				
Canadian Equity - Active Long Strategy	60,172	974	58,624	-
Canadian Equity Index	196,149	2,231	437,702	507,265
External Canadian Equity	86,989	2,451	213,198	205,995
S&P/TSX Completion Index	31,322	2,158	67,578	70,210
Allocation Equity International	336,514	1,397	470,192	576,129
European Equity Index	568,209	869	493,405	225,950
External International Equity	46,584	1,327	61,796	112,377
			1,802,495	1,697,926
Alternative investments:				
North American Market Neutral	118,853	1,316	156,458	158,725
New Brunswick and Atlantic Canada Equity Opportunity	6,357	947	6,017	5,405
Private Equity	52,299	1,343	70,285	48,116
Canadian Real Estate	16,422	2,205	36,215	21,128
U.S. Real Estate	65,220	2,992	195,108	145,476
Commodity	58,609	1,435	84,100	80,152
			548,183	459,002
Balanced:				
Student Investment	528	2,231	1,179	1,106
			\$ 3,938,173	\$ 3,978,534

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

5. Investments (cont'd)

(c) Judges' Pension Fund:

	Units	Unit Value (rounded in dollars)	2008	2007
Fixed income:				
Nominal Bond	4,341	\$ 1,757	\$ 7,628	\$ 8,422
New Brunswick Fixed Income Opportunity	55	2,065	113	118
Inflation Linked Securities	1,107	2,329	2,578	3,348
Money Market	659	1,422	937	819
			11,256	12,707
Equities:				
Canadian Equity - Active Long Strategy	438	974	426	-
Canadian Equity Index	1,556	2,231	3,471	3,993
External Canadian Equity	633	2,451	1,551	1,503
S&P/TSX Completion Index	228	2,158	492	512
Allocation Equity International	2,572	1,397	3,593	4,496
European Equity Index	4,266	869	3,705	1,649
External International Equity	339	1,327	450	820
			13,688	12,973
Alternative investments:				
North American Market Neutral	865	1,316	1,138	1,158
New Brunswick and Atlantic Canada Equity Opportunity	46	947	44	39
Private Equity	381	1,343	511	351
Canadian Real Estate	119	2,205	264	154
U.S. Real Estate	379	2,992	1,133	1,062
Commodity	426	1,435	612	585
			3,702	3,349
Balanced:				
Student Investment	4	2,231	8	8
			\$ 28,654	\$ 29,037

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

6. Investment Risk Management

Investments are subject to many risk factors. Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to foreign currency fluctuations, interest rate volatility, market and credit risk. NBIMC has set formal policies and procedures that establish an asset mix among equity and fixed income investments, that requires diversification of investments within categories, and set limits on the size of exposure to individual investments and counterparties. In addition, derivative financial instruments are used, where appropriate, to assist in the management of these risks.

- (a) **Foreign Currency Risk:** Foreign currency exposure arises from a unit trust fund holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies can result in a positive or a negative effect on the fair value of investments. NBIMC mitigates this risk through the use of foreign exchange forward contracts (see also note 9).

The net underlying unhedged currency exposures as at March 31, 2008 are as follows:

Public Service Superannuation Fund

Currency	2008		2007	
	Net Exposure	%	Net Exposure	%
United States Dollar	\$ (2,358)	—	\$ 15,721	0.3
Euro	(27,660)	(0.6)	(59,356)	(1.3)
Japanese Yen	123,215	2.6	1,367	—
British Pound Sterling	(15,483)	(0.3)	(39,856)	(0.8)
Swiss Frank	(4,548)	(0.1)	(13,656)	(0.3)
Danish Kroner	(2,382)	(0.1)	(1,131)	—
Norwegian Kroner	(1,521)	—	(2,626)	(0.1)
Swedish Kroner	(3,576)	(0.1)	(6,311)	(0.1)
Other	57,669	1.2	—	—
Net Unhedged Currencies	123,356	2.6	105,848	(2.3)
Canadian Dollar	4,597,110	97.4	4,807,407	102.3
Net Assets	\$ 4,720,466	100.0	\$ 4,701,559	100.0

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

6. Investment Risk Management (cont'd)

Teachers' Pension Fund

Currency	2008		2007	
	Net Exposure	%	Net Exposure	%
United States Dollar	\$ (2,617)	(0.1)	\$ 13,245	0.3
Euro	(23,352)	(0.6)	(50,312)	(1.2)
Japanese Yen	99,695	2.5	1,082	—
British Pound Sterling	(13,162)	(0.3)	(33,910)	(0.8)
Swiss Frank	(3,844)	(0.1)	(11,556)	(0.3)
Danish Kroner	(1,991)	(0.1)	(957)	—
Norwegian Kroner	(1,282)	—	(2,222)	(0.1)
Swedish Kroner	(2,999)	(0.1)	(5,340)	(0.1)
Other	46,623	1.2	—	—
Net Unhedged Currencies	97,071	2.4	89,970	(2.2)
Canadian Dollar	3,841,100	97.6	4,068,505	102.2
Net Assets	\$ 3,938,171	100.0	\$ 3,978,535	100.0

Judges' Superannuation Fund

Currency	2008		2007	
	Net Exposure	%	Net Exposure	%
United States Dollar	\$ (14)	—	\$ 97	0.3
Euro	(168)	(0.6)	(367)	(1.3)
Japanese Yen	748	2.6	8	—
British Pound Sterling	(94)	(0.3)	(246)	(0.8)
Swiss Frank	(28)	(0.1)	(84)	(0.3)
Danish Kroner	(14)	(0.1)	(7)	—
Norwegian Kroner	(9)	—	(16)	(0.1)
Swedish Kroner	(22)	(0.1)	(39)	(0.1)
Other	350	1.2	—	—
Net Unhedged Currencies	749	2.6	654	(2.3)
Canadian Dollar	27,905	97.4	29,691	102.3
Net Assets	\$ 28,654	100.0	\$ 29,037	100.0

(b) Interest Rate Risk: Interest rate risk refers to the effect on the market value of the unit trust fund's investments due to fluctuation of interest rates. The fixed income portfolio has guidelines on duration and distribution, which are designed to mitigate the risk of interest rate volatility.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

6. Investment Risk Management (cont'd)

- (c) **Market Risk:** Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. NBIMC's policy is to invest in a diversified portfolio of investments, based on criteria established in their Investment Policies and Investment Procedures Manual, and may utilize derivative contracts that are designed to mitigate the impact of market risk.

NBIMC conducts certain of its investment activities on behalf of the Funds by trading through broker channels on regulated exchanges and in the over the counter market. Investment strategies may involve the use of financial derivatives such as forward foreign exchange contracts or total return swaps. Investment strategies also include "market neutral" strategies whereby an investment in a long position in one stock is matched with a short position in another stock, typically within the same industry sector. Brokers typically require that collateral be pledged against potential market fluctuations when trading in derivative financial instruments or when shorting security positions. The Statement of Investment Policy for each Fund precludes the use of leverage in the investment portfolio. Accordingly, to the extent that there is market exposure from derivative investments, the Funds will hold cash underlay equal to the amount of market exposure. Market neutral strategies mitigate market risk through adherence to maximum investment limits and stop loss constraints, supported by cash underlay.

As at March 31, 2008 the fair value of securities that have been deposited or pledged with various financial institutions as collateral or margin are as follows:

	2008	2007
Public Service Superannuation Fund	\$ 138,600	\$ 140,943
Teachers' Pension Fund	122,059	128,187
Judges' Superannuation Fund	841	870
	\$ 261,500	\$ 270,000

- (d) **Credit Risk:** The Funds are exposed to credit-related risk in the event a security counterparty defaults or becomes insolvent. NBIMC has established investment criteria which are designed to manage credit risk by establishing limits to credit exposure from individual corporate entities. The carrying value of the investment portfolios represent the maximum credit exposure as of March 31, 2008 (see note 5). This also applies to other assets as they have a short term to settlement.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Net Assets Held in Trust
Notes to Financial Statements***(in thousands of dollars)*Year ended March 31, 2008

7. Investment income**(a) Public Service Superannuation Fund:**

	2008	2007
Fixed income:		
Nominal Bond	\$ 84,553	\$ 72,097
New Brunswick Fixed Income Opportunity	1,529	1,150
Inflation Linked Securities	22,002	1,494
Money Market	4,724	5,976
	<hr/> 112,808	<hr/> 80,717
Equities:		
Canadian Equity - Active Long Strategy	(1,868)	-
Canadian Equity Index	43,603	89,976
External Canadian Equity	10,545	27,188
S&P/TSX Completion Index	(2,324)	9,539
Allocation Equity International	(98,371)	93,321
EAFE Equity Index	(48,357)	2,066
External International Equity	(16,756)	20,423
	<hr/> (113,528)	<hr/> 242,513
Alternative investments:		
North American Market Neutral	15,522	14,100
New Brunswick and Atlantic Canada Equity Opportunity	700	(86)
Private Equity	17,002	7,111
Canadian Real Estate	3,801	10,930
U.S. Real Estate	(30,182)	30,683
Commodity	26,238	(7,376)
	<hr/> 33,081	<hr/> 55,362
Balanced:		
Student Investment	67	87
	<hr/> \$ 32,428	<hr/> \$ 378,679

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

7. Investment income (cont'd)

(b) Teachers' Pension Fund:

	2008	2007
Fixed income:		
Nominal Bond	\$ 71,862	\$ 63,800
New Brunswick Fixed Income Opportunity	1,281	984
Inflation Linked Securities	19,037	1,336
Money Market	3,872	5,233
	<u>96,052</u>	<u>71,353</u>
Equities:		
Canadian Equity - Active Long Strategy	(1,535)	-
Canadian Equity Index	34,606	71,593
External Canadian Equity	9,036	23,208
S&P/TSX Completion Index	(1,898)	8,124
Allocation Equity International	(78,141)	75,945
EAFE Equity Index	(39,285)	1,757
External International Equity	(13,963)	17,467
	<u>(91,180)</u>	<u>198,094</u>
Alternative investments:		
North American Market Neutral	13,087	12,043
New Brunswick and Atlantic Canada Equity Opportunity	587	(72)
Private Equity	14,286	6,054
Canadian Real Estate	3,171	9,339
U.S. Real Estate	(27,611)	26,281
Commodity	22,013	(6,332)
	<u>25,533</u>	<u>47,313</u>
Balanced:		
Student Investment	73	93
	<u>\$ 30,478</u>	<u>\$ 316,853</u>

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

7. Investment income (cont'd)

(c) Judges' Superannuation Fund:

	2008	2007
Fixed income:		
Nominal Bond	\$ 516	\$ 449
New Brunswick Fixed Income Opportunity	9	7
Inflation Linked Securities	134	9
Money Market	29	38
	<u>688</u>	<u>503</u>
Equities:		
Canadian Equity - Active Long Strategy	(12)	-
Canadian Equity Index	269	555
External Canadian Equity	66	167
S&P/TSX Completion Index	(14)	59
Allocation Equity International	(599)	576
EAFE Equity Index	(294)	13
External International Equity	(102)	128
	<u>(686)</u>	<u>1,498</u>
Alternative investments:		
North American Market Neutral	95	88
New Brunswick and Atlantic Canada Equity Opportunity	4	-
Private Equity	104	45
Canadian Real Estate	23	68
U.S. Real Estate	(185)	191
Commodity	161	(46)
	<u>202</u>	<u>346</u>
Balanced:		
Student Investment	1	1
	<u>\$ 205</u>	<u>\$ 2,348</u>

8. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities of the three combined trust funds, is \$3,277 (2007- \$2,900) due to NBIMC.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2008

9. Subsequent Events

On April 1, 2008, the Allocation Equity International Fund was terminated by redeeming its outstanding units, whereupon its assets were transferred as follows: \$(37,874) to the EAFE Equity Index Fund, \$219,450 to a newly created fund, the Quantitative Strategies Fund, \$897,399 to a newly created fund, the US Equity Index Fund and \$(13,291) in fair value of forward foreign currency contracts in the undernoted transaction.

Also on April 1, 2008, each of the Funds settled a separate grantor trust (the "Hedging Trust"), with NBIMC appointed as trustee under the Trust Declaration. The Hedging Trusts are designed to facilitate hedging policy decisions with respect to exposure to foreign currencies. Existing foreign currency contracts were transferred by the unit trusts, where applicable, to the Hedging Trusts in the same proportion that each Fund held of the underlying unit trust:

	March 31, 2008 Notional Value	PSSF Foreign Exchange Hedging Fund	TPF Foreign Exchange Hedging Fund	JSF Foreign Exchange Hedging Fund
Allocation Equity International Fund	\$ 687,075	\$ 381,618	\$ 303,141	\$ 2,317
Commodity Fund	179,293	97,424	81,277	591
External International Equity Fund	136,384	74,108	61,826	450
EAFE Equity Index Fund	672,814	370,790	299,773	2,251
Inflation-Linked Securities Fund	11,307	5,994	5,278	36
Private Equity Fund	152,492	82,861	69,128	503
U.S. Real Estate Fund	385,743	188,065	196,537	1,142