

Financial Statements of

**NEW BRUNSWICK INVESTMENT
MANAGEMENT CORPORATION**

Year ended March 31, 2003

MANAGEMENT RESPONSIBILITIES FOR FINANCIAL REPORTING

The Financial Statements of the New Brunswick Investment Management Corporation are the responsibility of the management of the Corporation. They have been approved by its 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.



Dan Goguen
Vice-President, Finance and Administration



E. L. MacKinnon
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, 2003 and the statement of revenue and expenses 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, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



KPMG LLP

Chartered Accountants

Fredericton, NB, Canada
April 15, 2003

**NEW BRUNSWICK
INVESTMENT MANAGEMENT CORPORATION
Financial Statements**

Year ended March 31, 2003

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NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Statement of Financial Position

March 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Current assets:		
Cash	\$ 10,507	\$ 10,858
Accounts receivable, Pension Funds	976,396	1,112,864
Prepaid expenses	226,189	149,527
	1,213,092	1,273,249
Capital assets (note 3)	383,702	412,293
	\$ 1,596,794	\$ 1,685,542
Liabilities and Deferred Contributions		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,147,152	\$ 1,172,427
Harmonized Sales Tax	65,940	100,822
	1,213,092	1,273,249
Deferred contributions related to capital assets	383,702	412,293
Commitment (note 4)		
	\$ 1,596,794	\$ 1,685,542

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 Revenue and Expenses

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Revenue:		
Fees:		
Public Service Superannuation Fund	\$ 3,784,711	\$ 3,307,591
Teachers' Pension Fund	3,480,007	3,108,129
Judges' Superannuation Fund	26,998	24,390
Amortization of deferred contributions related to capital assets	166,310	130,319
Other	4,424	2,072
	<hr/> 7,462,450	<hr/> 6,572,501
Expenses:		
Salaries and benefits	3,149,031	3,383,446
Other services (note 5)	4,074,362	2,989,290
Materials and supplies	72,747	69,446
Amortization of capital assets	166,310	130,319
	<hr/> 7,462,450	<hr/> 6,572,501
	<hr/> \$ -	<hr/> \$ -

See accompanying notes to financial statements.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Notes to Financial Statements

Year ended March 31, 2003

New Brunswick Investment Management Corporation (the "Corporation") was established pursuant to the New Brunswick Investment Management Corporation Act which was proclaimed on March 11, 1996. The Corporation is exempt from income taxes.

Its 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.

1. Significant accounting policies:

(a) *Accounting entity:*

The Corporation is an entity separate from the pension funds for which it is trustee. Expenses of the Corporation are fully funded, primarily by the Funds.

(b) *Basis of accounting:*

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

(c) *Capital assets:*

Capital assets are recorded at cost and amortization is calculated on a straight-line basis using the annual rates shown in note 3.

(d) *Revenue recognition:*

Fees for services are recognized in revenue as services are performed.

The Corporation 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.

2. 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.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Notes to Financial Statements (continued)**

Year ended March 31, 2003

3. Capital assets:

				2003	2002
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	33 1/3%	\$ 518,911	\$ 411,318	\$ 107,593	\$ 101,373
Furniture and equipment	8%	339,917	158,860	181,057	188,891
Leasehold improvements	10%	256,802	161,750	95,052	122,029
		\$1,115,630	\$ 731,928	\$ 383,702	\$ 412,293

4. Commitment:

The Corporation leases premises under an operating lease which expires on January 31, 2012. Future minimum payments, by year and in aggregate, are as follows:

2004	\$ 245,700
2005	245,700
2006	245,700
2007	245,700
Later years through 2012	1,187,550
	<hr/>
	\$2,170,350

5. Other services:

	2003	2002
External management fees and expenses	\$2,295,590	\$1,451,314
Custodial services	106,583	102,378
Travel	204,296	199,692
Office rent	233,150	171,331
Professional services	389,616	335,815
Information systems	688,159	595,198
Other	156,968	133,562
	<hr/>	<hr/>
	\$4,074,362	\$2,989,290

6. Fair value of financial assets and financial liabilities:

The fair value of the Corporation's cash, accounts receivable Pension Funds, accounts payable and accrued liabilities approximate their carrying amounts.

**NEW BRUNSWICK
INVESTMENT MANAGEMENT CORPORATION
Financial Statements**

Year ended March 31, 2003

Net Assets Held in Trust

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

MANAGEMENT RESPONSIBILITIES FOR FINANCIAL REPORTING

The Financial Statements of the New Brunswick Investment Management Corporation are the responsibility of the management of the Corporation. They have been approved by its 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.



Dan Goguen
Vice-President, Finance and Administration



E. L. MacKinnon
President and Chief Executive Officer

AUDITORS' REPORT

To the Directors of New Brunswick Investment Management Corporation for the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund

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, 2003 and the statements of changes in net assets held in trust 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 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, 2003 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 and our report thereon have been prepared for filing with the Minister of Finance for the Province of New Brunswick pursuant to the requirements of section 27(1) of the New Brunswick Investment Management Corporation Act and are not appropriate for any other purpose.



KPMG LLP
Chartered Accountants

Fredericton, NB, Canada
July 2, 2003

**NEW BRUNSWICK
INVESTMENT MANAGEMENT CORPORATION
Net Assets Held in Trust
Financial Statements**

Year ended March 31, 2003

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NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Public Service Superannuation Fund
Statement of Net Assets Held in Trust
(in thousands of dollars)**

March 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Investments (note 2)	\$ 2,753,510	\$ 3,008,263
Contributions receivable	7,333	15,029
	2,760,843	3,023,292
Liabilities		
Accounts payable and accrued liabilities	970	960
Net assets	\$ 2,759,873	\$ 3,022,332

**Public Service Superannuation Fund
Statement of Changes in Net Assets Held in Trust
(in thousands of dollars)**

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Increase in net assets:		
Investment income (note 3)	\$ -	\$ 99,084
Pension contributions from sponsor	116,572	102,683
	116,572	201,767
Decrease in net assets:		
Investment loss (note 3)	220,134	-
Payments to sponsor for benefits	152,099	134,789
Payments to sponsor for expenses	2,179	2,074
Fees paid to NBIMC	4,619	3,704
Harmonized Sales Tax (note 4)	-	870
	379,031	141,437
Net increase (decrease)	(262,459)	60,330
Net assets held in trust, beginning of year	3,022,332	2,962,002
Net assets held in trust, end of year	\$ 2,759,873	\$ 3,022,332

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)**

March 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Investments (note 2)	\$ 2,506,691	\$ 2,791,760
Contributions receivable	3,697	-
	<u>2,510,388</u>	<u>2,791,760</u>
Liabilities		
Accounts payable and accrued liabilities	657	985
Net assets	<u>\$ 2,509,731</u>	<u>\$ 2,790,775</u>

**Teachers' Pension Fund
Statement of Changes in Net Assets Held in Trust
(in thousands of dollars)**

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Increase in net assets:		
Investment income (note 3)	\$ -	\$ 94,889
Pension contributions from sponsor	69,526	62,958
	<u>69,526</u>	<u>157,847</u>
Decrease in net assets:		
Investment loss (note 3)	180,819	-
Payments to sponsor for benefits	164,270	151,026
Payments to sponsor for expenses	1,234	1,177
Fees paid to NBIMC	4,247	3,481
Harmonized Sales Tax (note 4)	-	834
	<u>350,570</u>	<u>156,518</u>
Net increase (decrease)	<u>(281,044)</u>	<u>1,329</u>
Net assets held in trust, beginning of year	<u>2,790,775</u>	<u>2,789,446</u>
Net assets held in trust, end of year	<u>\$ 2,509,731</u>	<u>\$ 2,790,775</u>

See accompanying notes to financial statements.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Judges' Superannuation Fund**
Statement of Net Assets Held in Trust
(in thousands of dollars)

March 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Investments (note 2)	\$ 19,350	\$ 22,342
Contributions receivable	2	-
	19,352	22,342
Liabilities		
Accounts payable and accrued liabilities	33	24
Net assets	\$ 19,319	\$ 22,318

Judges' Superannuation Fund
Statement of Changes in Net Assets Held in Trust
(in thousands of dollars)

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Increase in net assets:		
Investment income (note 3)	\$ -	\$ 691
Pension contributions from sponsor	241	1,558
	241	2,249
Decrease in net assets:		
Investment loss (note 3)	1,972	-
Payments to sponsor for benefits	1,220	1,147
Payments to sponsor for expenses	15	36
Fees paid to NBIMC	33	27
Harmonized Sales Tax (note 4)	-	6
	3,240	1,216
Net increase (decrease)	(2,999)	1,033
Net assets held in trust, beginning of year	22,318	21,285
Net assets held in trust, end of year	\$ 19,319	\$ 22,318

See accompanying notes to financial statements.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements

(in thousands of dollars)

Year ended March 31, 2003

The assets of the Public Service Superannuation Fund, Teachers' Pension Fund and Judges' Superannuation Fund, ("the Funds") are held in trust by the New Brunswick Investment Management Corporation ("NBIMC"). NBIMC was appointed as trustee on March 11, 1996, by an Act of the New Brunswick Legislature which bears the Corporation's name (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 13 unit trust funds in place at year-end, each pool with a specific investment mandate. Each of the Funds holds units of the unit trust funds in accordance with the investment policy of the Funds.

1. Significant accounting policies:

These financial statements are prepared in accordance with Section 19 of the NBIMC Act and the significant accounting policies stated below.

(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 the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held. Investments in the unit trust funds are valued at their market value as of the date of the financial statements. For securities listed on an exchange, market value is the closing price listed for the exchange. If no closing price is available, the average of the latest bid and ask price is used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Private equity investments are carried at cost unless circumstances specific to each security warrant a change in value. Investments in money market instruments are reported at cost which approximates market value.

(c) **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. Revenue 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.

(d) **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 market value is the most significant item where estimates are used. Actual results could differ from those estimates

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

2. Investments:

Investment assets of the Funds 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, 2003:

Nominal Bond:

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 return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Fixed Income Opportunity:

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

Inflation Linked Securities:

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

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 20 basis points to its benchmark which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Allocation Equity International:

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 using 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 long-short strategies on the U.S. equity markets.

Allocation Equity Domestic:

This fund is used to implement asset allocation decisions by investing in the Canadian equity market. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

New Brunswick and Atlantic Canada Equity Opportunity:

This fund invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. The return objective is to add 80 basis points to its benchmark, the S&P/TSX Composite Index, over a four-year moving average.

Canadian Equity:

Investments are selected primarily from the top 120 companies on the Toronto Stock Exchange. The return objective is to add 80 basis points to its benchmark, the S&P/TSX Composite Index, over a four-year moving average.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

2. Investments *(continued)*:

TSE Small-Cap:

Managed by an external manager, this fund invests primarily in the bottom 180 companies of the S&P/TSX Composite. The return objective is to exceed the performance of its benchmark, the S&P/TSE Small-Cap Index, by 100 basis points.

Private Equity:

This fund is managed by external managers that invest primarily in non-publicly traded securities of U.S. and European companies. The return objective is to exceed the performance of its benchmark, a blend of the S&P 500, FTSE-100, DAX, CAC-40 and MIB-30 total return indices, by 300 basis points over a four-year moving average.

U.S. Real Estate:

This fund is managed by an external manager that invests primarily in publicly traded securities of U.S. Real Estate Investment Trusts. The return objective is to add 150 basis points to the NAREIT[®] Equity Index.

Public Equity:

This fund is managed by external managers. As of March 31, 2002 two managers were in place, with each having a 50% allocation of total assets. One manager, whose mandate remains in place, invests primarily in U.S. publicly-traded companies and has a return objective of 200 basis points above the S&P 500 Total Return index. The mandate of the second manager had been to invest primarily in European publicly-traded companies and had a return objective of 200 basis points above its benchmark, an equal blend of the total return indices for the FTSE-100, DAX, CAC-40 and MIB-30 indices. On January 7, 2003, this mandate was terminated.

Student Investment:

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/TSX60, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index. The activities of this fund are closely monitored by NBIMC staff who execute and process all transactions on behalf of the students.

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.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

2. Investments *(continued)*:

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.

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.

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 to utilize derivative contracts that are designed to mitigate the impact of market risk.

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.

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements (continued)

(in thousands of dollars)

Year ended March 31, 2003

2. Investments (continued):

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

(a) Public Service Superannuation Fund:

	Units	Unit Value	2003	2002
Fixed income:				
Nominal Bond	643,652	\$ 1,276	\$ 821,053	\$ 893,811
New Brunswick Fixed Income Opportunity	18,629	1,392	25,933	21,480
			846,986	915,291
Inflation Linked Securities	208,635	1,529	319,076	349,727
Money Market	86,575	1,199	103,774	147,040
			1,269,836	1,412,058
Equities:				
Allocation Equity International	609,694	747	455,531	427,924
Allocation Equity Domestic	64,259	1,140	73,267	43,784
New Brunswick and Atlantic Canada Equity Opportunity	24,778	1,114	27,597	30,411
Canadian Equity	757,470	905	685,742	773,646
TSE Small-Cap	67,977	1,003	68,168	85,710
Private Equity	138,513	590	81,737	90,378
U.S. Real Estate	45,386	1,202	54,562	62,875
Public Equity	53,571	681	36,474	80,850
			1,483,078	1,595,578
Balanced:				
Student Investment	485	1,227	596	627
			\$ 2,753,510	\$ 3,008,263

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

2. Investments *(continued)*:

(b) Teachers' Pension Fund:

	Units	Unit Value	2003	2002
Fixed income:				
Nominal Bond	605,750	\$ 1,276	\$ 772,704	\$ 857,670
New Brunswick Fixed Income Opportunity	16,961	1,392	23,611	19,944
			796,315	877,614
Inflation Linked Securities	206,552	1,529	315,891	352,587
Money Market	78,173	1,199	93,702	135,400
			1,205,908	1,365,601
Equities:				
Allocation Equity International	521,699	747	389,786	369,434
Allocation Equity Domestic	58,505	1,140	66,706	40,658
New Brunswick and Atlantic Canada Equity Opportunity	22,559	1,114	25,126	28,236
Canadian Equity	664,112	905	601,224	693,248
TSE Small-Cap	59,826	1,003	59,995	76,547
Private Equity	126,102	590	74,413	83,907
U.S. Real Estate	41,322	1,202	49,676	58,379
Public Equity	48,774	681	33,208	75,068
			1,300,134	1,425,477
Balanced:				
Student Investment	528	1,227	649	682
			\$ 2,506,691	\$ 2,791,760

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

2. Investments *(continued)*:

(c) Judges' Superannuation Fund:

	Units	Unit Value	2003	2002
Fixed income:				
Nominal Bond	3,688	\$ 1,276	\$ 4,703	\$ 5,416
New Brunswick Fixed Income Opportunity	131	1,392	183	160
			4,886	5,576
Inflation Linked Securities	1,532	1,529	2,344	2,709
Money Market	596	1,199	714	1,083
			7,944	9,368
Equities:				
Allocation Equity International	4,801	747	3,587	3,624
Allocation Equity Domestic	452	1,140	516	325
New Brunswick and Atlantic Canada Equity Opportunity	174	1,114	194	226
Canadian Equity	5,923	905	5,361	6,347
TSE Small-Cap	526	1,003	528	709
Private Equity	974	590	575	671
U.S. Real Estate	319	1,202	384	467
Public Equity	377	681	257	600
			11,402	12,969
Balanced:				
Student Investment	4	1,227	4	5
			\$ 19,350	\$ 22,342

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Net Assets Held in Trust****Notes to Financial Statements** *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

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

	2003	2002
Fixed income:		
Nominal Bond	\$ 80,738	\$ 42,361
New Brunswick Fixed Income Opportunity	2,881	1,093
	<hr/> 83,619	<hr/> 43,454
Inflation Linked Securities	62,089	9,035
Money Market	3,702	4,752
	<hr/> 149,410	<hr/> 57,241
Equities:		
Allocation Equity International	(156,289)	(27,163)
Allocation Equity Domestic	(9,441)	9,872
New Brunswick and Atlantic Canada Equity Opportunity	(3,766)	1,345
Canadian Equity	(136,919)	35,485
TSE Small-Cap	(13,633)	12,376
Private Equity	(28,054)	(1,047)
U.S. Real Estate	1,048	12,818
Public Equity	(22,459)	(1,869)
	<hr/> (369,513)	<hr/> 41,817
Balanced:		
Student Investment	(31)	26
	<hr/> \$ (220,134)	<hr/> \$ 99,084

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Net Assets Held in Trust****Notes to Financial Statements** *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

3. Investment income (loss) *(continued)*:**(b) Teachers' Pension Fund:**

	2003	2002
Fixed income:		
Nominal Bond	\$ 76,914	\$ 41,363
New Brunswick Fixed Income Opportunity	2,655	1,034
	<u>79,569</u>	<u>42,397</u>
Inflation Linked Securities	61,972	9,228
Money Market	3,392	4,459
	<u>144,933</u>	<u>56,084</u>
Equities:		
Allocation Equity International	(133,947)	(24,554)
Allocation Equity Domestic	(8,718)	9,296
New Brunswick and Atlantic Canada Equity Opportunity	(3,487)	1,251
Canadian Equity	(121,835)	31,746
TSE Small-Cap	(12,083)	11,776
Private Equity	(25,890)	(998)
U.S. Real Estate	957	12,031
Public Equity	(20,715)	(1,772)
	<u>(325,718)</u>	<u>38,776</u>
Balanced:		
Student Investment	(34)	29
	<u>\$ (180,819)</u>	<u>\$ 94,889</u>

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION**Net Assets Held in Trust****Notes to Financial Statements** *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

3. Investment income (loss) *(continued)*:**(c) Judges' Superannuation Fund:**

	2003	2002
Fixed income:		
Nominal Bond	\$ 480	\$ 256
New Brunswick Fixed Income Opportunity	21	8
	<hr/> 501	<hr/> 264
Inflation Linked Securities	468	69
Money Market	27	35
	<hr/> 996	<hr/> 368
Equities:		
Allocation Equity International	(1,286)	(223)
Allocation Equity Domestic	(70)	72
New Brunswick and Atlantic Canada Equity Opportunity	(28)	10
Canadian Equity	(1,111)	292
TSE Small-Cap	(110)	99
Private Equity	(205)	(8)
U.S. Real Estate	7	95
Public Equity	(165)	(14)
	<hr/> (2,968)	<hr/> 323
Balanced:		
Student Investment	-	-
	<hr/> \$ (1,972)	<hr/> \$ 691

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Net Assets Held in Trust

Notes to Financial Statements *(continued)*

(in thousands of dollars)

Year ended March 31, 2003

4. Harmonized Sales Tax:

After extensive discussions between NBIMC and the Canada Customs and Revenue Agency, it was determined that NBIMC was obligated to collect and remit Harmonized Sales Tax (HST) on the fees it charges to the pension funds under its trusteeship. As a result, NBIMC voluntarily collected and remitted HST to Canada Customs and Revenue Agency for the years 1996 to 2001 during 2002. This amount is reported as a separate item on the statement of changes in net assets for 2002 for each pension fund. HST related to the fiscal years ending March 31, 2002 and March 31, 2003 has been included under the caption "Fees paid to NBIMC" on the statement of changes in net assets.