The

WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

2006 ANNUAL REPORT

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PROGRAM PROFILE

The Winnipeg Civic Employees' Benefits Program superceded the former Employee Benefits Program of the City of Winnipeg, effective January 1, 2003. The Program is comprised of:

- The Winnipeg Civic Employees' Pension Plan;
- The Winnipeg Civic Employees' Long Term Disability Plan; and
- The Winnipeg Civic Employees' Early Retirement Benefits Arrangement.

Governance Structure

The Winnipeg Civic Employees' Benefits Program is governed by two Boards – The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund) in respect of the Winnipeg Civic Employees' Pension Plan and the Winnipeg Civic Employees' Early Retirement Benefits Arrangement, and The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund) for the Winnipeg Civic Employees' Long Term Disability Plan.

The Program operates under a jointly-trusteed governance structure pursuant to the terms and conditions of the Pension Trust Agreement and the Disability Plan Trust Agreement, entered into by the City of Winnipeg and civic unions. The 14-member Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund) is appointed equally by the City of Winnipeg and the civic unions. The individuals who comprise The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund) include the same individuals as those of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund) with the exception of one of the seven Employer Trustees and the Member Trustee who represents the pensioners and deferred members.

This jointly-trusteed governance structure embodies both joint governance and surplus- and risk-sharing between Participating Employers and Program Members.

The Board of Trustees

The Board of Trustees is responsible for the overall operation of the Program which includes ensuring that the Program is administered in accordance with the Trust Agreement, Program Text, and applicable legislation, adopting and reviewing the investment policy, monitoring investment performance, and adopting and reviewing funding policy for the Program. The Board is also responsible for ensuring adequate financial records are maintained and for reporting annually on the results of operations of the Program to Participating Employers, Unions, and Program Members. To discharge its responsibility, the Board performs in an oversight capacity with respect to all significant aspects of the management of the Program's operations.

The Board has established various committees to provide a process to assist in its decisions.

Investment Committee

The Investment Committee is responsible for determining the asset mix of the Program (within the parameters of the Program's Statement of Investment Policies and Procedures), for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers.

The Committee is comprised of three members appointed by Employer Trustees and three members appointed by Member Trustees.

Audit Committee

The Audit Committee oversees the Program's financial reporting and accounting policies and systems and makes recommendations to the Board in this regard.

Benefits Committee

The Benefits Committee adjudicates long term disability claims with the assistance of the Board's Medical Consultant and Case Management Team.

Governance Committee

The Governance Committee is charged with making recommendations to the Board on governance policies, guidelines and procedures; assessing the effectiveness of the Board's governance policies; and with responsibility for the orientation of new Trustees.

Administration

The day-to-day administration of the Program is carried out under the direction of the Executive Director. The areas of responsibility include investments, pension and group insurance benefits, disability benefits, finance and administration, and information systems.

Participating Employers

- City of Winnipeg
- Riverview Health Centre
- Manitoba Hydro (former Winnipeg Hydro employees)
- Winnipeg Convention Centre
- St. Boniface Museum
- Transcona Historical Museum
- Highlander Sportsplex
- The Board of Trustees of The Winnipeg Civic Employees' Benefits Program

THE WINNIPEG CIVIC EMPLOYEES'
BENEFITS PROGRAM

Financial Position

As at December 31, 2006	Fair Value	Actuarial Value
	(000's)	(000's)
Net Assets Available For Benefits		
Main Account – General Component	$ 3,318,333	$ 3,060,498
Main Account – Future Contribution Reserve	291,803	291,803
Plan Members' Account – Enhancement Cost Reserve	53,724	53,724
Plan Members' Account – Unallocated Portion	-	-
City Account	129,550	129,550
	$ 3,793,410	$ 3,535,575
Program Obligations – as extrapolated	$ 2,987,442	$ 2,987,442
Funded Ratio – on extrapolated obligations	127.0%	118.3%

Program Highlights

Program Highlights	2006	2005
	(000's)	(000's)
Investments at Fair Value	$ 3,793,410	$ 3,463,409
Net Investment Income – Total Program (including changes in fair value)	$ 437,456	$ 369,639
Investment Rate of Return	13.0%	11.9%
Employee Contributions	$ 26,928	$ 27,228
Employer Contributions and Transfers From City Account*	$ 26,544	$ 26,850
Benefits Paid:		
Pension Plan	$ 116,118	$ 113,705
Long Term Disability Plan	$ 9,009	$ 8,233
Lump Sum Refunds	$ 21,958	$ 18,583
Membership:		
Contributing Members	8,249	8,283
Inactive Members	917	888
Pensioners	6,025	5,967
	15,191	15,138

*Employee required contributions to the Program are matched by a combination of:

i) Employer contributions to the Pension Plan in the amount of $5.523 million (2005 - $5.164 million)

ii) Employer contributions to the Long Term Disability Plan in the amount of $10.004 million (2005 - $9.193 million)

iii) Employer contributions to the Early Retirement Benefits Arrangement in the amount of $.020 million (2005 - $.012 million)

iv) Transfer from the City Account in the amount of $10.997 million (2005 - $12.481 million)

Employee contributions also include such items as additional voluntary contributions and past service contributions for which there are no required Employer contributions.

STATEMENT OF ACTUARIAL POSITION

	December 31, 2005 (000's)
1. Actuarial Value of Assets	
Main Account	$ 3,152,457
Plan Members' Account	57,860
City Account	125,191
	3,335,508
2. Actuarial Liabilities	
Pension Plan	2,801,699
Long Term Disability Plan	60,394
Early Retirement Benefits Arrangement	2,907
	2,865,000
3. Excess of actuarial value of Program assets over actuarial liabilities	470,508
4. Amounts Previously Allocated	
Future Contribution Reserve	239,482
Plan Members' Account	57,860
City Account	125,191
	422,533
5. Actuarial Surplus (3.- 4.)	47,975
6. Funded Ratio (1. / 2.)	
Including Plan Members' and City Accounts	116.4%
Excluding Plan Members' and City Accounts	110.0%

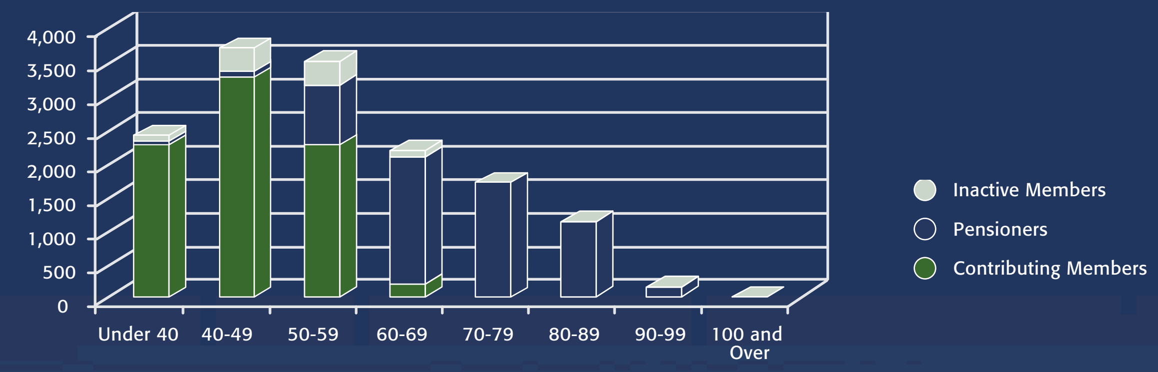
COST OF BENEFITS FOR SERVICE IN 2006

	Employee Contributions	Employer Contributions*	Allocation from Reserves	Total Cost
As % of Contributory Earnings				
1999 Benefits Level	6.72%	6.72%	7.74%	21.18%
Benefit Enhancements	-	-	2.75%	2.75%
	6.72%	6.72%	10.49%	23.93%

* Includes amounts transferred from City Account

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

Membership Profile as at December 31, 2006
(By Age Bands)



Actuarial Liabilities And Reserves Per Actuarial Valuation as at December 31, 2005
(in $ millions)

Actuarial Liabilities And Reserves Per Actuarial Valuation as at December 31, 2004
(in $ millions)

MESSAGE FROM

THE CHAIR AND EXECUTIVE DIRECTOR

As a Board of Trustees and Program Administration, our responsibility is to serve the Winnipeg Civic Employees' Benefits Program, and ultimately, Program Members. We take this responsibility very seriously.

While annual reports, such as this, by their very nature, tend to focus on investment and financial information and results, be assured that we are mindful always of our commitment to provide quality service to our Members. Whether services for new entrants, active employees, pensioners or their survivor beneficiaries – Program staff work diligently to meet your needs and expectations. Our commitment is to provide you with caring and quality service.

Governance Matters

During the year in review, the Board continued its work in developing governance policies to guide its activities, including the establishment of a Policy on Roles and Responsibilities to delineate the respective roles and responsibilities of the Board of Trustees, Chair and Vice-Chair, individual Trustees, and the Executive Director. Some of our work on governance matters continues to be in response to the change in the Program's governance structure to joint trusteeship in 2003, but much is in recognition of the increasing complexity and importance of pension plan governance. We are pleased that progress is being made in this regard. This work continues.

Also a component of the due diligence processes of the Board, in fulfilling its fiduciary obligations, is the periodic testing of the market for the services the Board engages. In 2006, the Board, in conjunction with the Winnipeg Police Pension Board, issued a Request for Proposals for actuarial services. The evaluation process in this regard is largely complete with a formal selection decision to be made in 2007.

Investment-Related Activities

From an investment perspective, the rate of return of the Winnipeg Civic Employees' Pension Plan for 2006 of 13.0% significantly exceeded the nominal actuarial assumption of 6.25%. It is recognized, however, that the 5% per year real rate of return objective will prove to be challenging in light of today's investment markets and low interest rates. A number of changes on the investment front were made during the year with the expectation that these changes will position our portfolio well going forward.

The Plan's allocation to Non-North American equities was increased during 2006 to 13.8% of the portfolio weighting (from 12.1% in 2005) by increasing assets under the management of Franklin Templeton Investments. Concurrently, an investment manager search was conducted for an additional Non-North American equities manager to complement the investment style of the Plan's incumbent managers, namely Franklin Templeton Investments and Capital Guardian. The process concluded with the engagement of Baillie Gifford Overseas Limited to manage a Non-North American publicly-traded equities portfolio with target funding of $160 million Canadian.

Progress was made in respect of the Plan's strategy of participation in the private equity asset class. In this regard, the Board incorporated a wholly-owned subsidiary, 5332657 Manitoba Ltd., to invest in and hold certain private equity investments on behalf of the Pension Plan. Hamilton Lane Advisors, LLC, was engaged as a "fund of funds" private equity manager with a funding commitment of $80 million Canadian. The Program also continued to fund its private equity investment through the Richardson Financial Group during 2006. At year-end 2006, $21.8 million in private equity investments have been funded (with the aggregate commitment to be funded over the next several years representing approximately 2.7% of the Fund).

Acknowledgments

In closing, we would like to acknowledge the service of and extend a sincere thank you to David Shepherdson and Ursula Stelman (both Employer Trustees) who resigned from the Board during the year, and also Nick Diakiw (Member Trustee on behalf of pensioners and deferred members) whose four-year term ended on December 31, 2006. In their place, we welcome to the Board, Dave Wardrop (Director of Transit) and Sudhir Sandhu (Acting Manager of Labour Relations) of the City of Winnipeg, who were appointed by the City as Employer Trustees. The replacement of Mr. Diakiw followed a comprehensive recruitment process, pursuant to the provisions of the Pension Trust Agreement, with the conclusion being the appointment by the Program's ten Signatory Unions of Rick Borland for a four-year term beginning January 1, 2007. Mr. Borland previously served on the former Employee Benefits Board for many years and was a founding Trustee of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program. We look forward to his return to the Board in 2007.

From the Board and the Administration, let us express our sincere appreciation to each and every Trustee and Investment Committee Member for their strong commitment and dedication to fulfilling the objectives and responsibilities of the Board, and to Program staff who work diligently to meet the needs and expectations of you, our Program Members. Our commitment going forward is to continue to work diligently and in the best interest of all Program Members.

We invite you to read our 2006 Annual Report. In addition to the Winnipeg Civic Employees' Pension Plan and the Winnipeg Civic Employees' Long Term Disability Plan, this report includes the City of Winnipeg Employees' Group Life Insurance Plan, the "Civic" component of which is administered by the Board of Trustees. We hope you will find this report to be helpful and informative. And, as always, we welcome your feedback.

Sincerely,

John Moehring
Chair

Sincerely,

Glenda Willis
Executive Director

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

History

Employees of the City of Winnipeg have enjoyed a long and proud history of participation in employee pension and benefit plans in one form or another, with the current Program's origins dating back to 1921. Following the unification of the former municipalities into the current City of Winnipeg in 1972, the Employee Benefits Program was created. Then, in 1989, all of the prior pension plans that had existed separately for the former municipalities and the Metropolitan Corporation of Greater Winnipeg were amalgamated into the Employee Benefits Program.

The most recent major fundamental change took effect on January 1, 2003 upon commencement of the restructured Winnipeg Civic Employees' Benefits Program under joint trusteeship.

This fundamental change took a number of years to accomplish, with the underpinnings of change dating back to December 1999 when City Council and the unions representing City of Winnipeg employees, with the exception of police officers (who have a separate pension plan), approved the restructuring of the former Employee Benefits Program. The restructuring required legislative amendment to The City of Winnipeg Act in 2001, Manitoba Court of Queen's Bench approval, and approval of regulatory authorities, which approvals were received in 2002.

Program Members received significant benefit improvements in 2000 pursuant to an Interim Arrangement, and these benefit improvements have been extended, under joint trusteeship, to apply to service after December 31, 2002.

This new era of joint trusteeship encompasses both joint governance and surplus- and risk-sharing between Participating Employers and Program Members, pursuant to the Pension Trust Agreement and the Disability Plan Trust Agreement entered into by the City and the civic unions.

Joint Governance

With joint governance, both the City of Winnipeg and the Program Members, through their representatives, have an equal voice in decision-making. The joint Board of Trustees became responsible for the management of the Program on January 1, 2003 in accordance with the Pension Trust Agreement and Disability Plan Trust Agreement. The City of Winnipeg and the Program Members have equal representation on the joint Board.

Surplus- and Risk-Sharing

The Pension Trust Agreement provides for a sharing, by Participating Employers and Program Members, of both future actuarial surpluses and funding deficiencies. While the Program holds reserves which are available to buffer against future funding deficiencies, an increase in contributions and/or a reduction in benefits (particularly those that have been increased since 1999) could be required if the assets of the Program are not sufficient to meet the Program's liabilities on an ongoing basis.

The Participating Employers' share of any actuarial surpluses will be available to finance reductions of employer contributions. The Program Members' share of actuarial surpluses will be available to finance improvements above the 1999 level of benefits or to reduce Members' contributions.

MANAGING ASSETS PRUDENTLY

Funded Status at December 31, 2005

The most recent actuarial valuation of The Winnipeg Civic Employees' Benefits Program as at December 31, 2005, disclosed that the Program was fully funded and had an excess of actuarial value of assets over actuarial liabilities of $470,508,000 – a funded ratio of 116.4% on the basis of actuarial values. If the market value of assets had been used instead of the actuarial value, the excess would have been $598,409,000 – a funded ratio of 120.9% on a market value basis. These results continue to portray a picture of absolute and relative health for the Program with respect to benefits accrued for all service up to December 31, 2005.

Under the Pension Trust Agreement, the entire excess on an actuarial basis is allocated to special-purpose Reserves and Accounts that are primarily intended to finance the portion of future service costs which are expected to exceed future employee and employer contributions:

- the Future Contribution Reserve exists to finance the future service cost of the 1999 level benefits that exceed matching employee and employer contributions;
- the Enhancement Cost Reserve exists to finance the future service cost of benefit improvements over and above the 1999 level for which there are no new additional contributions;
- the City Account is available to the City and other Participating Employers to finance any reduction in employer Program contributions below those that match employee contributions; and
- the Plan Members' Account - Unallocated Portion is available for benefit improvements.

These Reserves and Accounts, especially the Future Contribution Reserve and the Enhancement Cost Reserve, will play an integral role in financing the cost of future service benefits under the Program. Under the Pension Trust Agreement, contributions are limited to 8% of pensionable earnings from each of the employees and employers, even though the cost of providing the benefits (approximately 23.9% of pay) exceeds the maximum combined contributions at 16% of pay. The sustainability of present benefit levels will, therefore, largely depend on the ability of these Reserves to finance this shortfall into the future. The Reserves will have to be continuously "topped up" if they are to be maintained at their target levels.

The actuarial valuation as at December 31, 2005 disclosed that the Program generated a surplus of $47,975,000 on 2005 operations. In accordance with the terms of the Pension Trust Agreement, this surplus was allocated to the Future Contribution Reserve. The actuarial valuation also disclosed that the Future Contribution Reserve, after allocation of the 2005 actuarial surplus, is funded at 89.9% of its target level of $319,877,000 and the Enhancement Cost Reserve is funded at 62.5% of its target level of $92,538,000.

Although the Reserves are available to offset funding deficiencies should they emerge (following the order of remedies specified in the Pension Trust Agreement), the Reserves are not intended to be used as a buffer to permanently finance investment shortfalls or other experience losses. To the extent that they end up being used for such purposes, their ability to finance the cost of future service benefits will be constrained, and could result in reductions in benefit levels and increases in future employee and employer contribution levels.

Key Actuarial Assumptions

One of the key assumptions that underlies the determination of actuarial liabilities, thereby affecting the actuarial surplus, is the valuation interest rate. The valuation interest rate assumed was 6.25% per year, and was developed with reference to expected long-term economic and investment conditions. The valuation interest rate assumed was carefully and prudently developed, giving recognition to the long-term asset mix expected to be utilized by the Program, and after assuming an equity premium that is modest by historical standards.

Other key economic assumptions include future inflation at 2.25% per year (resulting in an assumed real rate of investment return of 4% per year) and future general increases in pay of 3.75% per year.

Although the assumptions are considered appropriate both for funding and accounting purposes, there is nonetheless measurement uncertainty associated with these estimates versus actual future investment returns and salary escalation that will impact on the future financial position of the Program, possibly in a material way.

Extrapolated Funded Status – at December 31, 2006

At the time the year-end financial statements were being prepared, the results of the actuarial valuation of the Program as at December 31, 2006, were not available. Accordingly, the assumptions used in the most recent actuarial valuation as at December 31, 2005 were used to extrapolate the obligations of the Program at year-end. The extrapolation is prepared for financial reporting purposes only, with any apparent emerging surplus or deficiency subject to confirmation or revision in the subsequent actuarial valuation report.

Actions that are required under the Pension Trust Agreement, relative to the funded status of the Program, are undertaken only with reference to the reported results of the formal actuarial valuation. Readers of the Program's financial statements should, therefore, be careful to treat such extrapolated results as "preliminary."

The notes to the financial statements disclose that the actuarial value of assets of the Main Account - General Component are greater than the extrapolated obligations of the Program by approximately $73,056,000 as at December 31, 2006. Although the extrapolated values of the assets and obligations project a sizeable amount of apparent surplus, the experience gains or losses, as well as the effect of any future changes in actuarial assumptions, that ultimately emerge for 2006 will have a significant bearing on the final level of surplus (or funding deficiency) that is determined for the Main Account – General Component in the next actuarial valuation as at December 31, 2006. It is not expected that the results of this forthcoming valuation will result in changes to the contribution rates or benefit levels under the Program.

After taking into account all special-purpose Reserves and Accounts, the extrapolated funded status of the Program remains at 118.3% on an actuarial basis and 127.0% on a market value basis. These funded positions compare with those from the most recent actuarial valuation one year earlier of 116.4% and 120.9%, respectively.

The application of a five-year asset smoothing method has had the effect of deferring a portion of the market gains in 2004 through 2006 to future years, as actual rates of return have exceeded the 6.25% assumed rates of return for these years.

As at December 31, 2006, the assets as measured on an actuarial basis are less than their related market value by $257,835,000 – an improvement in position of $128,135,000 from the previous year. Accordingly, on the basis of the 2005 actuarial assumptions, should the Program earn exactly the assumed 6.25% on the actuarial asset base over the next four years, the $257,835,000 smoothing difference would be expected to emerge as surplus over this four-year period, potentially enhancing the financial position of the Program.

If the Program is able to achieve investment returns sufficient to meet its investment assumptions moving forward, there should be no negative impact on benefit levels or funding in the near term. However, should future returns fall short of the assumed rates of return, this situation could result in reductions to benefit levels and increases in employee and employer contribution rates.

Long-Term Investment Goals and Performance

Over the last ten years, the Program achieved an average rate of return of 8.9% per year, ranking third quartile among larger pension plans in Canada. The long-term goal of the Program is to achieve a rate of return that exceeds inflation by 5.0% per year. With the ten-year annualized inflation rate being 2.0%, the Program exceeded this goal by a sizeable margin of 1.9% per year over the last ten years. It should be noted, however, that this ten-year measurement period includes the return for 1997 – a year in which the absolute return was very high by historical standards.

Although a long-term investment return which exceeds inflation by 4% per year, together with matching contributions from the employees and employers, is expected to adequately finance the benefits derived from past service for the existing Program Members, ongoing future actuarial surplus generation will be required to top up the Future Contribution Reserve and Enhancement Cost Reserve and to finance the shortfall of matching contributions versus the benefit cost for new employees as they replace current employees retiring from the workforce. Actuarial surplus generation will also be needed to enable Participating Employers to continue contributing below matching levels over the longer term.

Accordingly, notwithstanding the assumed 4% per year real return used for the actuarial valuation at December 31, 2005, it is desirable to strive for a real rate of return of at least 5% per year over the long-term, and this 5% objective is reflected in the Program's Statement of Investment Policies and Procedures.

Although the Program has for many years been able to achieve long-term real returns in excess of 5%, it is the achievement of sufficient excess returns in the future which will have the most significant bearing on the ultimate sustainability of current benefits (including Cost-of-Living Adjustments) and contribution levels.

The Board recognizes that the 5% per year real rate of return objective will prove to be a challenging objective in light of today's investment markets and low interest rates. The Board, and its Investment Committee, will continue to prudently manage the Program's assets towards this objective.

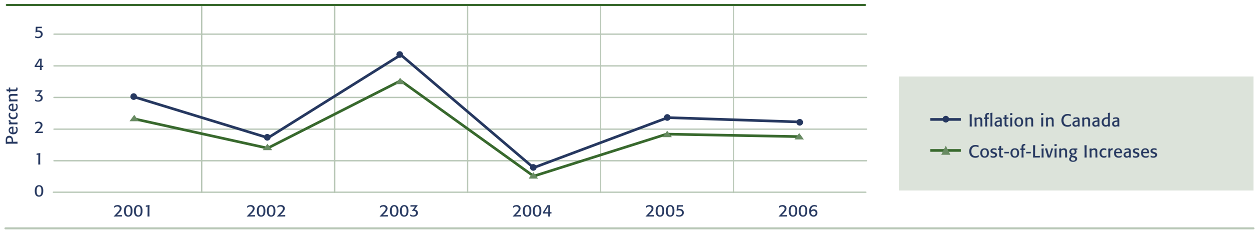
Early Retirement Benefits Arrangement

As the Program allows for retirement at or after age 55 without a minimum service requirement, there are some situations where Program benefits exceed the maximum early retirement benefits permitted for registered pension plans under the Income Tax Act. Accordingly, The Winnipeg Civic Employees' Benefits Program includes an Early Retirement Benefits Arrangement to pay any early retirement pension benefits that cannot be paid by the Winnipeg Civic Employees' Pension Plan, as a registered pension plan. No contributions are made to fund these benefits in advance of their payment, so as not to incur a tax liability, but rather a portion of the employer contributions to the Program are used to pay these benefits as they fall due.

Although the Early Retirement Benefits Arrangement has been in existence for quite some time, 1999 was the first year that benefits were paid under the Arrangement. The amount paid out in 2006 was $19,523 (2005 - $12,268). Payments under the Winnipeg Civic Employees' Early Retirement Benefits Arrangement will continue to be reported in future years, but financial statements will not be published until the amounts are somewhat significant.

WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

COST-OF-LIVING INCREASES



WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

FIVE YEAR FINANCIAL SUMMARY

	2006	2005	2004	2003	2002
	(000's)	(000's)	(000's)	(000's)	(000's)
Investments at Fair Value					
Bonds and Debentures	$ 1,296,619	$ 1,201,900	$ 1,192,727	$ 1,199,931	$ 1,188,617
Real Return Bonds	18,514	19,461	17,990	16,058	14,861
Canadian Equities	1,394,067	1,308,906	1,121,628	1,076,871	931,137
Foreign Equities	1,001,303	833,667	710,919	616,982	556,037
Cash and Short-term Deposits	75,491	98,980	158,081	92,192	35,825
Private Equities	21,818	14,359	2,531	102	191
Other Liabilities	(14,402)	(13,864)	(8,287)	(7,995)	(7,088)
	$ 3,793,410	$ 3,463,409	$ 3,195,589	$ 2,994,141	$ 2,719,580
Assets Available for					
Main Account					
- General Component	3,318,333	3,040,876	2,770,270	2,562,386	2,612,668
- Future Contribution Reserve	291,803	239,482	240,728	244,212	-
Plan Members' Account					
- Unallocated Portion	-	-	-	6,413	15,132
- Enhancement Cost Reserve	53,724	57,860	60,770	57,275	-
City Account	129,550	125,191	123,821	123,855	91,780
	$ 3,793,410	$ 3,463,409	$ 3,195,589	$ 2,994,141	$ 2,719,580
Main Account – General Component*					
Contributions					
Employees	$ 26,928	$ 27,228	$ 25,193	$ 24,092	$ 23,163
City of Winnipeg and Participating Employers	5,523	5,164	5,177	2,509	-
Reciprocal Transfers	310	388	735	503	534
Transfer from					
Future Contribution Reserve	30,573	32,012	32,548	31,824	-
Enhancement Cost Reserve	10,862	9,523	8,786	6,677	-
City Account	10,997	12,481	11,712	13,528	15,336
Net Investment Income (Loss)	380,455	322,356	251,138	308,032	(172,521)
	465,648	409,152	335,289	387,165	(133,488)
Pension Payments	116,118	113,705	105,988	101,151	96,460
Lump Sum Benefits	21,958	18,583	13,063	11,547	12,702
Administration	2,140	2,311	2,432	2,523	3,168
Transfer to					
Future Contribution Reserve	47,975	3,893	5,922	244,984	-
City Account	-	27	-	30,010	-
Plan Members' Account					
- Unallocated Portion	-	27	-	47,232	-
	188,191	138,546	127,405	437,447	112,330
Increase (Decrease) in Net Assets	$ 277,457	$ 270,606	$ 207,884	$ (50,282)	$ (245,818)

* The figures prior to 2003 presented in this summary related to the Main Account - General Component reflect the combination of the former Regular Pension Benefits Account and the Supplementary Pension Benefits Account.

Main Account – Future Contribution Reserve

	2006	2005	2004	2003	2002
	(000's)	(000's)	(000's)	(000's)	(000's)
Transfer of Surplus from Main Account - General Component	$ 47,975	$ 3,893	$ 5,922	$ 244,984	$ -
Net Investment Income	34,919	26,873	23,142	31,052	-
	82,894	30,766	29,064	276,036	-
Transfer to Main Account - General Component	30,573	32,012	32,548	31,824	-
Increase (Decrease) in Assets Available for Pension Benefits	$ 52,321	$ (1,246)	$ (3,484)	$ 244,212	$ -

Plan Members' Account – Unallocated Portion

	2006	2005	2004	2003	2002
Transfer of Surplus from Main Account - General Component	$ -	$ 27	$ -	$ 47,232	$ -
Net Investment Income (Loss)	-	3	634	934	(985)
	-	30	634	48,166	(985)
Transfer to Enhancement Cost Reserve	-	30	7,047	56,885	-
(Decrease) in Net Assets	$ -	$ -	$ (6,413)	$ (8,719)	$ (985)

Plan Members' Account – Enhancement Cost Reserve

	2006	2005	2004	2003	2002
Transfer of Surplus from Plan Members' Account - Unallocated Portion	$ -	$ 30	$ 7,047	$ 56,885	$ -
Net Investment Income	6,726	6,583	5,234	7,067	-
	6,726	6,613	12,281	63,952	-
Transfer to Main Account - General Component	10,862	9,523	8,786	6,677	-
Increase (Decrease) in Net Assets	$ (4,136)	$ (2,910)	$ 3,495	$ 57,275	$ -

City Account

	2006	2005	2004	2003	2002
Transfer of Surplus from Main Account - General Component	$ -	$ 27	$ -	$ 30,010	$ -
Net Investment Income (Loss)	15,356	13,824	11,678	15,593	(6,476)
	15,356	13,851	11,678	45,603	(6,476)
Transfer to Main Account - General Component	10,997	12,481	11,712	13,528	15,336
Increase (Decrease) in Net Assets	$ 4,359	$ 1,370	$ (34)	$ 32,075	$ (21,812)
Annual Rates of Return	13.0%	11.9%	10.0%	13.8%	-5.9%

BUILDING STRONG RELATIONSHIPS

Program staff strive to provide quality service to Program Members. Our services to Members, either prior to or after retirement, include the following:

- participating in orientation sessions for new employees;
- calculating termination or retirement pension benefits;
- calculating retirement pension estimates;
- meeting individually with Members who are retiring (or considering retirement) or the surviving beneficiaries of Program Members;
- responding to Members' personal and general enquiries;
- producing a bi-weekly pension payroll;
- producing individual annual statements of benefits;
- participating in pre-retirement seminars.

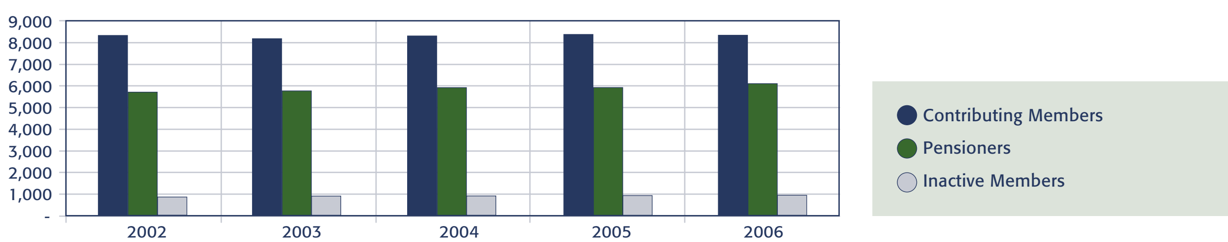
Total Program membership increased 0.4% to 15,191 at December 31, 2006. The number of contributing members decreased 0.4% to 8,248 in 2006, following small membership increases in 2005 and 2004. The number of contributing members has decreased over the longer term from the high of 9,617 contributing members in 1990. The number of pensioners continues to grow, increasing 1.0% to 6,025 during 2006.

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

Summary of Membership

	2006	2005	2004	2003	2002
Contributing Members	8,248	8,283	8,231	8,106	8,252
Inactive Members	918	888	849	839	836
Pensioners	6,025	5,967	5,837	5,716	5,606
Total Membership	15,191	15,138	14,917	14,661	14,694
Activity During the Year					
Retirements	223	275	260	231	256
Deaths in Service	12	13	18	16	19
Pensioner Deaths	230	209	194	206	191
New Disabilities	103	84	75	78	64
New Members	598	665	653	374	547
Terminations	409	333	285	315	359

Membership



REPORT FROM THE DIRECTOR OF INVESTMENTS

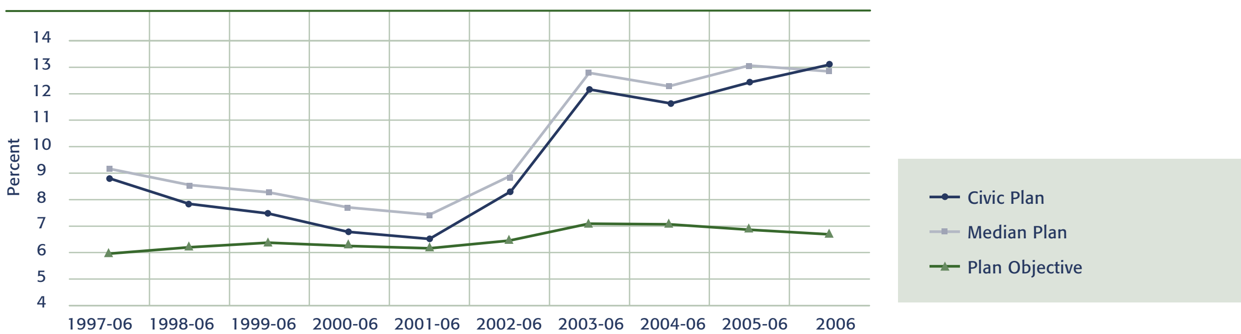
The Board of Trustees of The Winnipeg Civic Employees' Benefits Program delegates to its Investment Committee the responsibility for determining the Program's asset mix, within the parameters of the Program's Statement of Investment Policies and Procedures, for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers. The Program utilizes external investment managers to manage the equity portfolios. The short-term investments and the bond portfolio, including real return bonds, are managed internally.

In 2006, the investment portfolio returned 13.0%. Stock markets globally rose in 2006 as consumer confidence and capital investment continued to improve. The years 1996 through 2000 experienced abnormally high real returns, followed by negative returns for 2001 and 2002. The Program's four-year and ten-year annualized rates of return of 12.2% and 8.9%, respectively, place the Program at the 71st percentile and 59th percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service.

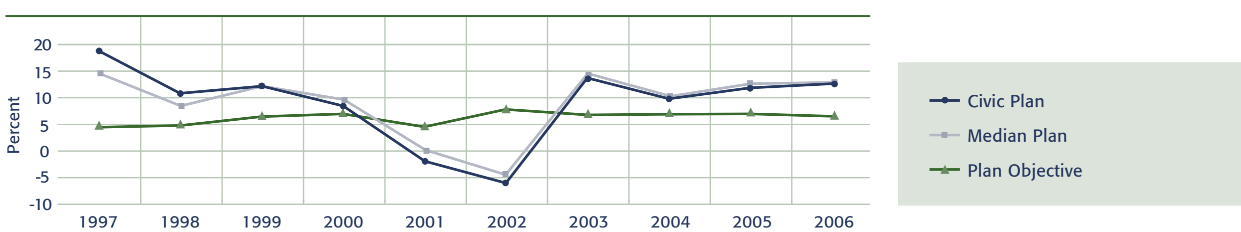
The marginally below median ten-year record (median return of 9.1%) can be attributed to the underperformance of our Canadian equity managers and the underperformance, until recently, of our passive investment in the S&P 500 Index relative to the performance of active managers. Our bond performance over this period ranks well into the 1st quartile. More recent performance, however, on a relative basis, has been adversely affected by having the Program's Canadian equity portfolios underweighted in the energy and materials sectors which have experienced exceptional returns for the last four years. Generally, our investment managers have a more conservative position in these cyclical sectors which now dominate the Canadian market.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

Annualized Rates of Return



Annual Rates of Return



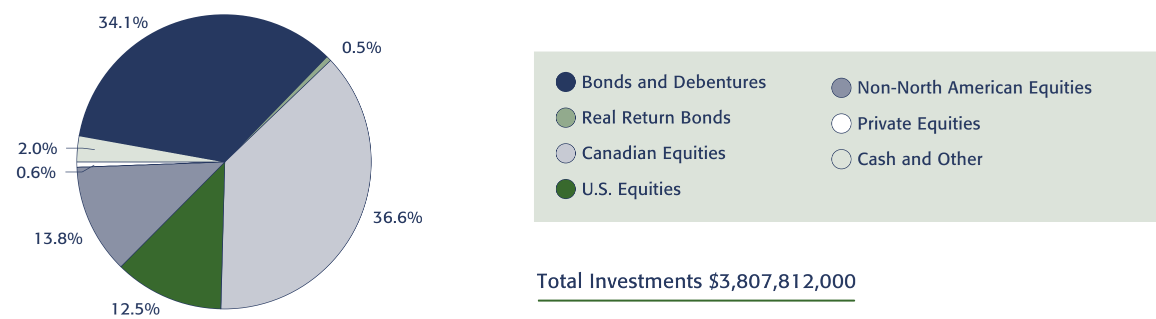
Asset Mix

As a result of appreciation in the equity markets, there was a marginal increase in allocation to equity investments - from 62.0% of the portfolio at the beginning of the year to 62.9% at year-end. Benefit payments and administrative expenses exceeded contributions and interest income by $113.9 million in 2006. Funds were raised by liquidating $136.1 million from the Program's Canadian equity position. An allocation of $40.3 million was directed to the Plan's bond position, thus maintaining this asset allocation at approximately 34.0% of the portfolio, and $4.1 million was directed to our new private equity fund-of-funds manager, Hamilton Lane.

Asset Mix

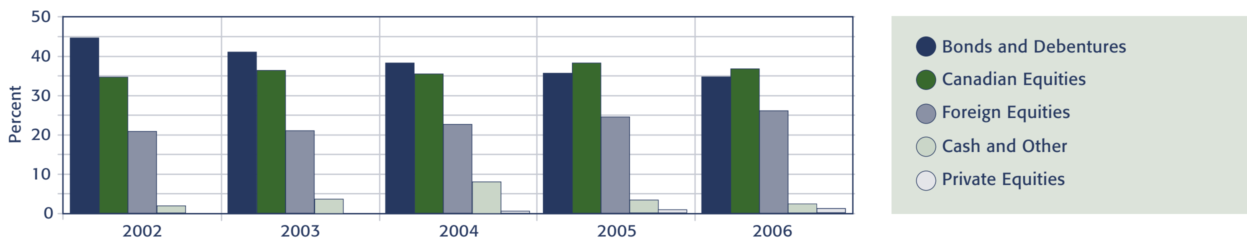
	2006	2005	2004	2003	2002
Bonds and Debentures	34.5%	35.2%	37.8%	40.5%	44.1%
Canadian Equities	36.6%	37.6%	35.0%	35.9%	34.2%
Foreign Equities	26.3%	24.0%	22.2%	20.5%	20.4%
Cash and Other	2.0%	2.8%	4.9%	3.1%	1.3%
Private Equities	0.6%	0.4%	0.1%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN
Asset Mix as at December 31, 2006



Total Investments $3,807,812,000

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN
Asset Mix as at December 31, 2006



Equity Investments

The Program's Canadian equity managers outperformed the S&P/TSX Composite Index but marginally underperformed the median pension fund in 2006 with a rate of return of 17.9%. The S&P/TSX Composite Index had a return of 17.3% in 2006 compared to a return of 24.1% in 2005.

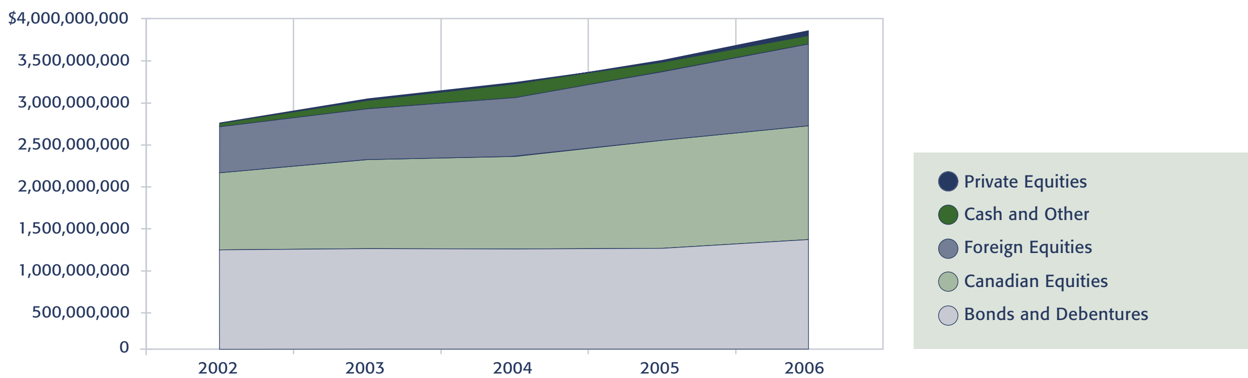
The Program's Foreign equity managers, collectively, achieved a rate of return of 20.1% in Canadian dollar terms in 2006. This return was below the median due to below-median performance in Non-North American equities. The U.S. equity managers collectively achieved a return of 15.0%, in Canadian dollars, in 2006, which was marginally below the return of the S&P 500 of 15.7%. Over the last ten years, the U.S. stock market has underperformed the Canadian stock market in Canadian dollars. The Program's Non-North American equity managers collectively returned 25.1% in 2006. The Europe, Australia, Far East Index rose 26.3% which was reflective of improving foreign markets, and strength in the Euro and British Pound.

Fixed Income Investments

The Program's bond portfolio achieved a rate of return of 4.0% in 2006. For the four- and ten-year periods ended December 31, 2006, the bond portfolio returned 6.3% and 7.7% annually, respectively, ranking in the top 6% of all bond fund returns in Canada for the ten-year period.

Our strategy of maintaining a marginally long duration, high quality bond portfolio positively influenced our absolute and relative performance over the ten years.

Investments



Asset Mix Strategy for 2007

The Investment Committee anticipates maintaining the public equity weighting in the portfolio at approximately 60% of the total portfolio. The Non-North American equity portion will increase by approximately 3%, thus improving the diversification of our fund and lessening risk. Correspondingly, profits will continue to be taken in the Canadian equity position, reducing the weight to 33%. By year-end 2007, it is anticipated that the portfolio will be weighted 61% public equities, 37% fixed income, 1% short term investments and 1% private equity.

Total Returns

	One Year	Four Years	Ten Years
Total Fund	13.0%	12.2%	8.9%
Bonds and Debentures	4.0%	6.3%	7.7%
Canadian Equities	17.9%	20.4%	11.3%
Foreign Equities	20.1%	10.4%	7.0%
Benchmarks			
Scotia Capital Markets Universe Bond Index	4.1%	6.1%	6.9%
S&P / TSX Composite Index	17.3%	20.6%	10.0%
S&P 500	15.7%	6.3%	6.7%
Europe, Australia, Far East Stock Market Index	26.3%	15.2%	6.0%
Consumer Price Index	1.6%	2.0%	2.0%

Rick Abbott
Director of Investments

THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of The Winnipeg Civic Employees' Benefits Program as at December 31, 2005 relying on data and other information provided to us by the Board of Trustees of the Program. The results of the valuation are contained in our report dated June 29, 2006.

The principal results are as follows:

Actuarial Position

The Program is fully funded in respect of benefits earned for service up to December 31, 2005 and has an excess of actuarial value of assets over actuarial liabilities of $470,508,000 as at that date.

The Program has an actuarial surplus of $47,975,000 for 2005, after taking into account $422,533,000 of the above excess that was previously allocated to the Future Contribution Reserve, the Plan Members' Account and the City Account. In accordance with the terms of the Pension Trust Agreement, this actuarial surplus should be allocated to the Future Contribution Reserve.

Cost of Benefits for Service in 2006

The normal actuarial cost of benefits expected to be earned under the Program for service in 2006 is 23.93% of contributory earnings.

This cost is expected to be financed by employee contributions averaging 6.72% of contributory earnings, employer contributions and transfers from the City Account of 6.72% of contributory earnings, transfers from the Future Contribution Reserve of 7.74% of contributory earnings and transfers from the Enhancement Cost Reserve within the Plan Members' Account of 2.75% of contributory earnings.

In our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of The Winnipeg Civic Employees' Benefits Program as at December 31, 2005 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and our opinion given, in accordance with accepted actuarial practice.

Donald M. Smith
Fellow of the Canadian Institute of Actuaries

Natalie F. Thompson
Fellow of the Canadian Institute of Actuaries

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN
AUDITORS' REPORT

To the Chairperson and Members
The Board of Trustees of The Winnipeg Civic
Employees' Benefits Program (Pension Fund)

We have audited the consolidated statement of net assets available for benefits of The Winnipeg Civic Employees' Pension Plan as at December 31, 2006 and the consolidated statements of changes in net assets available for benefits of the main account – general component, main account – future contribution reserve, plan members' account – unallocated portion, plan members' account – enhancement cost reserve and City account for the year then ended. These consolidated financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements present fairly, in all material respects, the net assets available for benefits of The Winnipeg Civic Employees' Pension Plan as at December 31, 2006 and the changes in its net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP
Chartered Accountants

Winnipeg, Manitoba
April 4, 2007

Consolidated Statement of Net Assets Available For Benefits

As at December 31	2006	2005
	(000's)	(000's)
Assets		
Investments, at fair value		
Bonds and debentures	$ 1,309,729	$ 1,217,537
Canadian equities	1,394,067	1,308,906
Foreign equities	1,001,303	833,667
Cash and short term-deposits	75,491	98,980
Private equities	21,818	14,359
	3,802,408	3,473,449
Accrued interest	5,404	3,824
Accounts receivable	892	958
Due from other plans	-	7
Total Assets	3,808,704	3,478,238
Liabilities		
Accounts payable	15,188	14,829
Due to other plans	106	-
Total Liabilities	15,294	14,829
Net Assets Available For Benefits	$ 3,793,410	$ 3,463,409
Net Assets Available For Benefits Comprised of:		
Main Account – General Component	$ 3,318,333	$ 3,040,876
Main Account – Future Contribution Reserve	291,803	239,482
Plan Members' Account – Unallocated Portion	-	-
Plan Members' Account – Enhancement Cost Reserve	53,724	57,860
City Account	129,550	125,191
	$ 3,793,410	$ 3,463,409

See accompanying notes to the consolidated financial statements

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

MAIN ACCOUNT – GENERAL COMPONENT

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2006	2005
	(000's)	(000's)
Increase in Assets		
Contributions		
Employees	$ 26,928	$ 27,228
City of Winnipeg and participating employers	5,523	5,164
Reciprocal transfers from other plans	310	388
	32,761	32,780
Transfers from other accounts and reserves (Note 1)		
City Account	10,997	12,481
Future Contribution Reserve	30,573	32,012
Enhancement Cost Reserve	10,862	9,523
	85,193	86,796
Investment income (Note 5)	111,807	106,257
Current period change in market value of investments	275,165	221,575
Total increase in assets	472,165	414,628
Decrease in Assets		
Pension payments	116,118	113,705
Lump sum benefits	21,958	18,583
Administrative expenses (Note 6)	2,140	2,311
Investment management and custodial fees	6,517	5,476
Transfer of surplus to Future Contribution Reserve (Note 3)	47,975	3,893
Transfer of surplus to City Account	-	27
Transfer of surplus to Plan Members' Account	-	27
Total decrease in assets	194,708	144,022
Increase in net assets	277,457	270,606
Net assets available for benefits at beginning of year	3,040,876	2,770,270
Net assets available for benefits at end of year	$ 3,318,333	$ 3,040,876

See accompanying notes to the consolidated financial statements

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

MAIN ACCOUNT – FUTURE CONTRIBUTION RESERVE

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2006	2005
	(000's)	(000's)
Increase in Assets		
Transfer of surplus from Main Account – General Component (Note 3)	$ 47,975	$ 3,893
Investment income (Note 5)	10,262	8,858
Current period change in fair value of investments	25,255	18,471
Total increase in assets	83,492	31,222
Decrease in Assets		
Investment management and custodial fees	598	456
Transfer to Main Account – General Component (Note 1)	30,573	32,012
Total decrease in assets	31,171	32,468
Increase (Decrease) in net assets	52,321	(1,246)
Net assets available for benefits at beginning of year	239,428	240,728
Net assets available for benefits at end of year	$ 291,803	$ 239,482

See accompanying notes to the consolidated financial statements

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

PLAN MEMBERS' ACCOUNT – UNALLOCATED PORTION

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2006	2005
	(000's)	(000's)
Increase in Assets		
Transfer of surplus from Main Account – General Component	$ -	$ 27
Investment income (Note 5)	-	1
Current period change in fair value of investments	-	2
Total increase in assets	-	30
Decrease in Assets		
Investment management and custodial fees	-	-
Transfers to Plan Members' Account – Enhancement Cost Reserve	-	30
Total decrease in assets	-	30
Increase in net assets	-	-
Net assets available for benefits at beginning of year	-	-
Net assets available for benefits at end of year	$ -	$ -

See accompanying notes to the consolidated financial statements

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

PLAN MEMBERS' ACCOUNT – ENHANCEMENT COST RESERVE

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2006	2005
	(000's)	(000's)
Increase in Assets		
Transfers from Plan Members' Account – Unallocated Portion (Note 1)	$ -	$ 30
Investment income (Note 5)	1,976	2,170
Current period change in fair value of investments	4,865	4,525
Total increase in assets	6,841	6,725
Decrease in Assets		
Investment management and custodial fees	115	112
Transfer to Main Account – General Component (Note 1)	10,862	9,523
Total decrease in assets	10,977	9,635
(Decrease) in net assets	(4,136)	(2,910)
Net assets available for benefits at beginning of year	57,860	60,770
Net assets available for benefits at end of year	$ 53,724	$ 57,860

See accompanying notes to the consolidated financial statements

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

CITY ACCOUNT

Consolidated Statement of Changes in Net Assets Available For Benefits

For the years ended December 31	2006	2005
	(000's)	(000's)
Increase in Assets		
Transfer of surplus from Main Account – General Component	$ -	$ 27
Investment income (Note 5)	4,513	4,557
Current period change in fair value of investments	11,106	9,502
Total increase in assets	15,619	14,086
Decrease in Assets		
Investment management and custodial fees	263	235
Transfer to Main Account – General Component (Note 1)	10,997	12,481
Total decrease in assets	11,260	12,716
Increase (decrease) in net assets	4,359	1,370
Net assets available for benefits at beginning of year	125,191	123,821
Net assets available for benefits at end of year	$ 129,550	$ 125,191

See accompanying notes to the consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2006

1. Description of Plan

a) General

The Winnipeg Civic Employees' Pension Plan is a defined benefit pension plan which provides pension benefits for all City of Winnipeg employees, with the exception of police officers, and employees of certain other employers which participate in the Plan. The Plan is part of The Winnipeg Civic Employees' Benefits Program which also includes The Winnipeg Civic Employees' Long Term Disability Plan and The Winnipeg Civic Employees' Early Retirement Benefits Arrangement.

All employees of participating employers who work full time throughout the year are required to become members of the Plan at the commencement of their employment. Seasonal and part-time employees are required to become members when they have earned 25% of the maximum pensionable earnings under the Canada Pension Plan in each of two consecutive years.

b) Financial structure

The Winnipeg Civic Employees' Pension Plan is comprised of three accounts, namely the Main Account (which has two components being the General Component and the Future Contribution Reserve), the Plan Members' Account (which has two components being the Unallocated Portion and the Enhancement Cost Reserve) and the City Account. The account structure is in accordance with the requirements of a Pension Trust Agreement entered into by the City and ten Signatory Unions on October 7, 2002 and became effective January 1, 2003 when The Winnipeg Civic Employees' Benefits Program superceded the former Employee Benefits Program of the City of Winnipeg.

i) Main Account – General Component

All benefits of the Pension Plan are paid from the Main Account - General Component.

Members contribute 6 1/2% of their Canada Pension Plan earnings plus 7 1/2% of any pensionable earnings in excess of Canada Pension Plan earnings to the Program.

All Program member contributions and employer contributions, other than those directed to The Winnipeg Civic Employees' Long Term Disability Plan or The Winnipeg Civic Employees' Early Retirement Benefits Arrangement, are credited to the Main Account.

The City and participating employers are required to match the members' contributions to the Program, but may contribute at less than matching levels for any year provided that an amount equal to the difference is transferred from the City Account to the Main Account.

The Plan has been designated as a "multi-unit pension plan" under the Pension Benefits Act of Manitoba. As a "multi-unit pension plan", the financial obligations of the participating employers are limited to those specified in the Pension Trust Agreement.

An actuarial valuation of the future benefit obligations of the Main Account is carried out each year. Actuarial surpluses and funding deficiencies are dealt with in accordance with the terms of the Pension Trust Agreement.

ii) Main Account – Future Contribution Reserve

The Future Contribution Reserve is credited with a portion of actuarial surpluses.

The Future Contribution Reserve finances, through transfers to the Main Account – General Component, the portion of the current service cost of the Program's 1999 benefits level that exceeds the Program members' and employers' matching contributions. The reserve is also intended to finance the future service cost related to this shortfall of matching contributions for the existing members.

iii) Plan Members' Account – Unallocated Portion

The Plan Members' Account - Unallocated Portion is credited with the share of all actuarial surpluses that are allocated to the Program members. The account will finance the past service cost of any benefit enhancements above the Program's 1999 benefits level, as well as any reduction in the Program members' contribution rates below current rates.

iv) Plan Members' Account – Enhancement Cost Reserve

The Enhancement Cost Reserve is credited with amounts transferred from the Plan Members' Account - Unallocated Portion.

The Enhancement Cost Reserve finances, through transfers to the Main Account - General Component, the current service cost of all benefit enhancements above the Program's 1999 benefits level. The reserve is also intended to finance the future service cost of the enhancements for the existing Program members.

v) City Account

The City Account is credited with the share of all actuarial surpluses that are allocated to the participating employers. The City Account finances, through transfers to the Main Account - General Component, any reduction in the participating employers' contributions from the amounts needed to match the Program members' required contributions.

c) Retirement pensions

The Plan allows for retirement at or after age 55 or following completion of 30 years of service, or when the sum of a member's age plus service equals 80. The pension formula prior to age 65 is equal to 2% of the best 5-year average earnings for each year of credited service. The pension formula after age 65 is equal to 1.5% of the 5-year average Canada Pension Plan earnings plus 2% of the best 5-year average non-Canada Pension Plan earnings for each year of credited service. Pensions are subject to the maximum benefit limits prescribed for registered pension plans under the Income Tax Act.

Retirement and survivor pensions, including deferred pensions, are increased annually to provide cost-of-living adjustments at the stated level in the Program text, which level is currently 80% of the percentage change in the Consumer Price Index for Canada.

d) Disability benefits

The Plan provides long term disability benefits for employees who were totally or partially disabled prior to December 31, 1991. All long term disability benefits for employees who became totally or partially disabled subsequent to December 31, 1991 are provided by The Winnipeg Civic Employees' Long Term Disability Plan. If an employee is totally disabled, the disability benefits payable from the Plan, together with the disability benefits from the Canada Pension Plan, will equal at least 66 2/3% of the current earnings rate for the position occupied by the employee prior to becoming disabled.

e) Survivor's benefits

The Plan provides survivor pensions or lump sum benefits on death prior to retirement. On death after retirement, eligible surviving spouses normally receive 66 2/3% of the member's pension.

f) Termination benefits

Upon application and subject to vesting and locking-in provisions, deferred pensions or equivalent lump sum benefits are payable when a member terminates employment.

g) Variation in benefits

The Pension Trust Agreement provides that Plan benefits may be increased using funds available in the Plan Members' Account - Unallocated Portion or may be reduced in the event of a funding deficiency.

h) Administration

The Plan was continued as a jointly trusteed plan effective January 1, 2003, and is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund). The Board of Trustees is comprised of seven employer appointed Trustees and seven member appointed Trustees, of whom one member Trustee is a retired member.

The Plan is registered under the Pension Benefits Act of Manitoba and the Income Tax Act.

2. Summary of Significant Accounting Policies

a) Basis of presentation

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the participating employers and Program members. They are prepared to assist Program members and others in reviewing the activities of the Plan for the fiscal period.

These consolidated financial statements include the financial statements of the Plan and its wholly-owned subsidiary, 5332657 Manitoba Ltd., which was incorporated on July 14, 2006. The purpose of the subsidiary corporation is to invest in and hold certain private equity investments on behalf of the Plan.

b) Investments

Investments are stated at fair value. Fair value represents the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act.

Publicly traded equity investments are valued using published market prices. For private equity investments, where quoted market prices are not available, various methods of valuation are used by the external managers to determine fair value including the use of: discounted cash flows, earnings multiples, prevailing market rates for instruments with similar characteristics or other pricing models as appropriate.

Fixed income investments are valued using published market quotations.

Cash and short-term investments are recorded at cost, which, together with accrued interest income, approximates fair value.

Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis.

The Plan's investment income, current period change in fair value of investments and investment management and custodial fees are allocated between the Accounts and Reserves based on the average balance of each Account and Reserve during the year.

c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the year end. Income and expenses, and the purchase and sale of investments, are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

d) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the year. Actual results could differ from those estimates.

3. Obligations for Pension Benefits

An actuarial valuation of The Winnipeg Civic Employees' Benefits Program was made as of December 31, 2005 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Board of Trustees for purposes of preparing this note to the financial statements. The economic assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term economic and investment market conditions. Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 6.25% per year, inflation of 2.25% per year and general increases in pay of 3.75% per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2005 disclosed an actuarial surplus of $47,975,000 which was allocated in 2006 in accordance with the Pension Trust Agreement.

The results of the December 31, 2005 actuarial valuation were extrapolated to December 31, 2006 to determine the actuarial present value of accrued benefits disclosed below. The actuarial present value of the Program's accrued benefits as at December 31, 2006, and the principal components of changes in actuarial present values during the year, were as follows:

	2006 (000's)	2005 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 2,882,152	$ 2,760,832
Experience gains and losses and other factors	(14,210)	(3,197)
Changes in actuarial assumptions	(2,942)	(255)
Interest accrued on benefits	177,347	170,895
Benefits accrued	95,335	97,681
Benefits paid	(147,105)	(140,533)
Administrative expenses paid	(3,135)	(3,271)
Actuarial present value of accrued benefits, end of year	$ 2,987,442	$ 2,882,152

The actuarial present value of accrued benefits disclosed above includes the obligations of The Winnipeg Civic Employees' Long Term Disability Plan and The Winnipeg Civic Employees' Early Retirement Benefits Arrangement in the amounts of $63,371,000 and $3,315,000 respectively. These obligations are included because the Pension Trust Agreement requires that all Program obligations be taken into account in determining the periodic actuarial surplus or funding deficiency.

The assets available to finance the Program's accrued benefits are those allocated to the Main Account - General Component. To be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets of the Main Account - General Component was determined from fair values. The actuarial value placed on the assets smoothes out fluctuations in fair values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years. The value of the assets of the Main Account – General Component on an actuarial basis were:

	2006 (000's)	2005 (000's)
Fair value of net assets available for benefits	$ 3,318,333	$ 3,040,876
Fair value changes not reflected in actuarial value of assets	(257,835)	(127,900)
Actuarial value of net assets available for benefits	$ 3,060,498	$ 2,912,976

A full actuarial valuation of the Program is being carried out as of December 31, 2006. Any actuarial surplus or funding deficiency disclosed in that valuation will be dealt with in accordance with the Pension Trust Agreement. It is not expected that this will result in changes to the contribution rates or benefit levels under the Program.

4. Interest Rate, Credit, Foreign Currency and Market Risk

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's asset values, future investment income and actuarial liabilities. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

The Plan's actuarial liabilities are exposed to the long term expectation of rates of return on investments as well as expectations of inflation and salary escalation. The Plan's primary exposure is to a decline in the long-term real rate of return which may result in higher contribution rates or lower benefit levels.

The Plan has approximately 37% of its assets invested in fixed income securities as at December 31, 2006. The returns on fixed income securities are particularly sensitive to changes in nominal interest rates.

The term to maturity and related fair values of investments in bonds and debentures held by the Plan at December 31, 2006 are as follows:

Term to Maturity	2006 Fair Value (000's)	2005 Fair Value (000's)
Less than one year	$ 164,056	$ 85,674
Two to five years	429,845	415,818
Greater than five years	715,828	716,045
	$ 1,309,729	$ 1,217,537

b) Credit risk

Credit risk arises from the potential for an investee to fail or to default on its contractual obligations to the Plan. At December 31, 2006, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $1,390,624,000. The Plan's concentration of credit risk as at December 31, 2006, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2006 Fair Value (000's)	2005 Fair Value (000's)
Government of Canada and Government of Canada guaranteed	$ 615,462	$ 710,704
Provincial and Provincial guaranteed	346,443	353,502
Canadian cities and municipalities	-	368
Corporations and other institutions	347,824	152,963
	$ 1,309,729	$ 1,217,537

The Plan's investments include short-term deposits with the City of Winnipeg which have a fair value of $67,695,000 at December 31, 2006.

The Plan limits credit risk by investing in bonds and debentures of investees that are considered to be high quality credits and by utilizing an internal Investment Policy Guideline monitoring process.

c) Foreign currency risk

Foreign currency exposure arises from the Plan's holdings of foreign equity investments. The Plan's investment managers may, from time to time, hedge some of this exposure using forward contracts. There were no open forward contracts outstanding at December 31, 2005 (2004 – $ nil).

As at December 31, 2005, the Plan's net foreign currency exposure was as follows:

	2006			2005
	Gross Exposure (000's)	Net Foreign Currency Hedge (000's)	Net Exposure (000's)	Net Exposure (000's)
United States	$ 488,444	$ -	$ 488,444	$ 420,587
Euro	162,143	820	161,323	114,591
United Kingdom	95,919	-	95,919	79,624
Japan	85,609	-	85,609	88,539
Switzerland	34,476	-	34,476	27,290
Hong Kong	25,835	-	25,835	13,500
Other	112,771	-	112,771	89,536
	$ 1,005,197	$ 820	$ 1,004,377	$ 833,667

d) Market risk

Market risk is the risk that the value of investments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to an individual asset or its issuer, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments.

5. Investment Income

	2006 (000's)	2005 (000's)
Bonds and debentures	$ 81,314	$ 80,147
Canadian equities	25,001	22,874
Foreign equities	19,106	15,670
Cash and short term-deposits	3,137	3,152
	$ 128,558	$ 121,843
Allocated to:		
Main Account – General Component	$ 111,807	$ 106,257
Main Account – Future Contribution Reserve	10,262	8,858
Plan Members' Account – Unallocated Portion	-	1
Plan Members' Account – Enhancement Cost Reserve	1,976	2,170
City Account	4,513	4,557
	$ 128,558	$ 121,843

6. Administrative Expenses

	2006 (000's)	2005 (000's)
Salaries and benefits	$ 2,011	$ 1,989
Actuarial fees	273	445
Other professional services	786	760
Office and administration	559	592
Capital expenditures	120	47
Less: recoveries from other plans	(1,609)	(1,522)
	$ 2,140	$ 2,311

Certain of the above administrative expenses, including salaries and benefits, represent the reimbursement by the Plan to the City of Winnipeg for the cost of supplying such services.

7. Commitments

The Plan's wholly-owned subsidiary, 5332657 Manitoba Ltd., has entered into an investment management agreement wherein it has authorized an investment manager to make private equity investment commitments on its behalf, with aggregate commitments not to exceed $80,000,000. Commitments will be funded over the next several years. As at December 31, 2006, $4,091,395 had been funded.

2006

The WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

THE WINNIPEG CIVIC EMPLOYEES'
LONG TERM DISABILITY PLAN

The Winnipeg Civic Employees' Long Term Disability Plan provides long term disability benefits for all City of Winnipeg employees (with the exception of police officers) and for employees of other Participating Employers.

All contributing members of The Winnipeg Civic Employees' Benefits Program are automatically members of the Long Term Disability Plan. Employee contributions to the Plan are not required. A portion of the Participating Employers' contributions to the Program are used to pay the benefits and expenses of the Long Term Disability Plan as they fall due.

If an employee is totally disabled, the benefits payable from the Long Term Disability Plan, together with benefits from the Canada Pension Plan, will equal at least 66 2/3% of an employee's average salary at the date of disability.

Case Management

The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund) promotes a systematic process that provides a consistent and equitable multi-disciplinary approach – referred to as Case Management - when dealing with disabled Plan Members. Integral to this process is the belief that the disabled employee must maintain control of his or her situation and, in so doing, become an active participant in all facets of the Case Management process.

Characteristic of the Program, is the on-site guidance of a physician, vocational rehabilitation consultant, disability case manager (nurse) and disability benefits manager (the Case Management Team). These professionals regularly liaise with the disabled employee's community treating practitioners and workplace, to facilitate rehabilitation and a work reintegration process.

The Case Management Team, along with the employee, the employing department, and, in most cases, the employee's union representative, ensures that a safe and goal-oriented rehabilitation plan is developed to meet the individual's unique needs. This process promotes open communication by all parties and allows for ongoing reassessment throughout the workplace reintegration trial.

External resources such as occupational therapists, physiotherapists and psychologists are utilized as required, in a timely and cost-effective manner. The roles of these external service providers are directly linked to a predetermined workplace reintegration plan.

Orthopaedic and psychological related illnesses continue to be the basis for the majority of claims being processed by the Plan. The complexities of the psychological illnesses in particular, provide ongoing challenges to the Plan, from both a case management and financial perspective.

The Board acknowledges the efforts of those participating employers who are taking a proactive approach to working with their employees early on in their illness, to minimize the effects on the employee, the workplace and the Long Term Disability Plan.

THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

Activity Summary

For the years ended December 31	2006	2005	2004	2003	2002
Employees Receiving Disability Benefits	498	470	441	435	435
Employees Returning to Pre-Disability Duties	37	23	25	28	28
Employees Working in Alternate Duties	105	104	95	93	104
Disability Benefits Paid	$ 9,009,000	$ 8,233,000	$ 7,163,000	$ 6,980,000	$ 6,717,000

THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

AUDITORS' REPORT

To the Chairperson and Members
The Board of Trustees of The Winnipeg Civic
Employees' Benefits Program (Disability Fund)

We have audited the statement of contributions and expenses of The Winnipeg Civic Employees' Long Term Disability Plan for the year ended December 31, 2006. The financial statement is the responsibility of the board's management. Our responsibility is to express an opinion on the financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, the financial statement presents fairly, in all material respects, the contributions and expenses of The Winnipeg Civic Employees' Long Term Disability Plan for the year ended December 31, 2006 in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Winnipeg, Manitoba
April 4, 2007

THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

STATEMENT OF CONTRIBUTIONS AND EXPENSES

For the years ended December 31	2006	2005
	(000's)	(000's)
Contributions		
City of Winnipeg and participating employers	$ 10,004	$ 9,193
Total Contributions	10,004	9,193
Expenses		
Administration	995	960
Disability payments	9,009	8,233
Total Expenses	10,004	9,193
	$ -	$ -

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS As at December 31, 2006

1. Description of Plan

a) General

The Winnipeg Civic Employees' Long Term Disability Plan is part of The Winnipeg Civic Employees' Benefits Program and provides long term disability benefits for all City of Winnipeg employees and employees of certain other employers who are contributing members of The Winnipeg Civic Employees' Pension Plan.

b) Contributions

The City of Winnipeg and participating employers contribute amounts equal to the benefits and expenses of the Plan. Employee contributions are not required or permitted. Accordingly, the Plan does not hold any net assets available for benefits.

c) Eligibility

A member who is totally disabled or partially disabled after December 31, 1991 may apply for disability benefits. If the application is approved by the Board of Trustees, it shall be effective on the date on which the member has been totally or partially disabled and under the personal care of a medical doctor for at least the last 26 weeks.

d) Disability benefits

The Plan provides long term disability benefits, following a six month waiting period, for employees who are totally or partially disabled. If an employee is totally disabled, the disability benefits payable from the Plan, together with the disability benefits from the Canada Pension Plan, will equal at least 66 2/3% of the current earnings rate for the position regularly occupied by the employee prior to becoming disabled.

If a member has more than two years of credited service in The Winnipeg Civic Employees' Pension Plan, then disability benefits are payable as long as the member is totally or partially disabled and under the personal care of a medical doctor to age 65. If a member has less than two years of credited service, then benefits are payable for a maximum of two years.

e) Administration

The Plan was continued as a jointly trusteed plan effective January 1, 2003, and is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund). The Board of Trustees is comprised of six employer appointed Trustees and six member appointed Trustees.

2. Obligations for Long Term Disability Benefits

An actuarial valuation of The Winnipeg Civic Employees' Benefits Program was made as of December 31, 2005 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Board of Trustees for purposes of preparing this note to the financial statements. The valuation disclosed obligations related to The Winnipeg Civic Employees' Long Term Disability Plan in the amount of $60,394,000. Upon extrapolation to December 31, 2006, this obligation is estimated at $63,371,000.

To determine the overall Program actuarial surplus or funding deficiency, the above obligations are included in the obligations disclosed by The Winnipeg Civic Employees' Pension Plan, as the pension plan holds all assets available for benefits.

In the event the Program is ever terminated, any shortfall of assets versus obligations for the Plan, as measured by the Program's Actuary, must be transferred from The Winnipeg Civic Employees' Pension Plan to the City of Winnipeg, who thereupon is required to immediately contribute such amount to the Plan.

2006

The CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

THE CITY OF WINNIPEG

EMPLOYEES' GROUP LIFE INSURANCE PLAN

The City of Winnipeg Employees' Group Life Insurance Plan is comprised of two Plans, the Civic Employees' Group Life Insurance Plan for employees of the City of Winnipeg other than police officers ("Civic employees") and the Police Employees' Group Life Insurance Plan for police employees ("Police employees").

Civic employees join the Group Life Insurance Plan at the same time they are enrolled in The Winnipeg Civic Employees' Benefits Program. Plan members are covered for basic life insurance coverage of one or two times annual earnings. Optional coverage can be purchased under the Plan to increase coverage to up to four times annual earnings. Plan members and the City share equally in the cost of basic life insurance for active members. Upon retirement, a portion of the basic life insurance can be continued at the employee's option. Coverage on the life of a disabled member continues at the same earnings multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

All Police employees are required to become members of the Police Plan commencing on their employment date. Police employees are covered for basic life insurance coverage of two times annual earnings. Optional coverage can be purchased under the Plan to increase coverage up to four times annual earnings. A portion of the basic life insurance coverage can be continued after retirement at the employee's option. Plan members and the City share equally in the cost of basic life insurance for active members. Coverage on the life of disabled members will continue at the same earnings multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

Contributions to the Plans finance the cost of pre-retirement basic and additional life insurance coverage in the year the coverage is provided and set aside funds which, together with investment income and the contributions made by pensioners, will finance the cost of post-retirement insurance coverage. Pensioners contribute at the same rate as employees, although these contributions cover only a fraction of the cost of this insurance. The balance of the cost of the post-retirement insurance is financed by a portion of the contributions made to the Plans while the member is an employee. This portion of the contributions which is set aside to fund post-retirement insurance coverage is invested from the time the contributions are made until after the member's retirement.

Total Plan membership for the Civic Employees has increased 3.2% over the past four years. The number of active members has increased marginally over this period, going from 8,086 at the end of 2002 to 8,124 at the end of 2006. The number of pensioners has grown 7.5% over this period, increasing from 4,044 at the end of 2002 to 4,348 at the end of 2006.

Total Plan membership for Police Employees has grown by 12.7% over the past four years. The number of active members has increased 6.7% over this period, going from 1,208 at the end of 2002 to 1,289 at the end of 2006. The number of police pensioners has grown substantially, going from 539 at the end of 2002 to 679 at the end of 2006, a 26.0% increase over the period.

The Civic Employees' Group Life Insurance Plan's actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $27,355,000 and a contingency reserve in the amount of $5,304,000. The surplus is being utilized to finance reductions to contribution rates of 54% for basic life insurance. On the advice of the Plan's Actuary, a revised table of contribution rates payable by the members for optional additional insurance was adopted effective January, 2006, in which contribution rates were reduced by an average of 33%. These revised rates continue to incorporate a 25% reduction on account of the actuarial surplus.

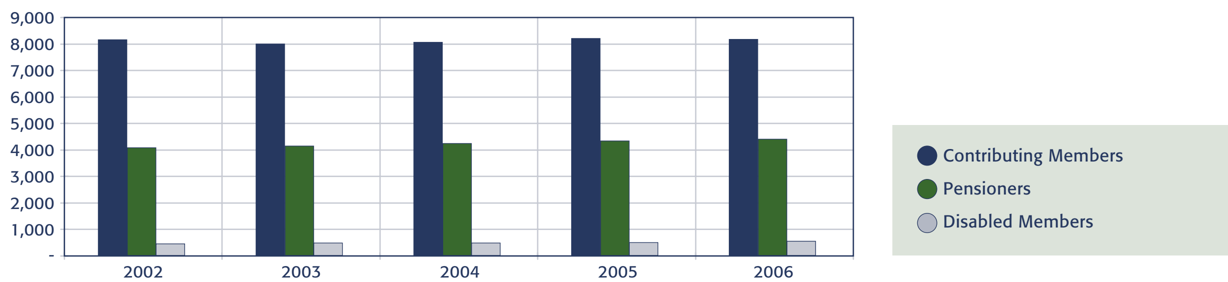
The Police Employees' Group Life Insurance Plan's actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $5,419,000 and a contingency reserve in the amount of $1,085,000. The surplus is being utilized to finance reductions to contribution rates of 51% for basic life insurance. On the advice of the Plan's Actuary, a revised table of contribution rates payable by the members for optional additional insurance was adopted effective January, 2006, in which contribution rates were reduced by an average of 33%. These revised rates continue to incorporate a 25% reduction on account of the actuarial surplus.

THE CITY OF WINNIPEG – CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

SUMMARY OF PLAN MEMBERSHIP

	2006	2005	2004	2003	2002
Members					
Active Members	8,124	8,155	8,023	7,919	8,086
Disabled Members	488	461	435	435	431
Pensioners	4,348	4,297	4,187	4,104	4,044
Total	12,960	12,913	12,645	12,458	12,561
Deaths					
Active	12	13	18	16	18
Pensioners	136	130	145	144	128
Life Insurance In Force	(000's)	(000's)	(000's)	(000's)	(000's)
Basic	$ 782,392	$ 781,590	$ 738,691	$ 702,260	$ 680,240
Optional	194,765	199,341	183,655	179,594	175,340
Pensioners	115,035	110,212	104,292	99,291	96,586

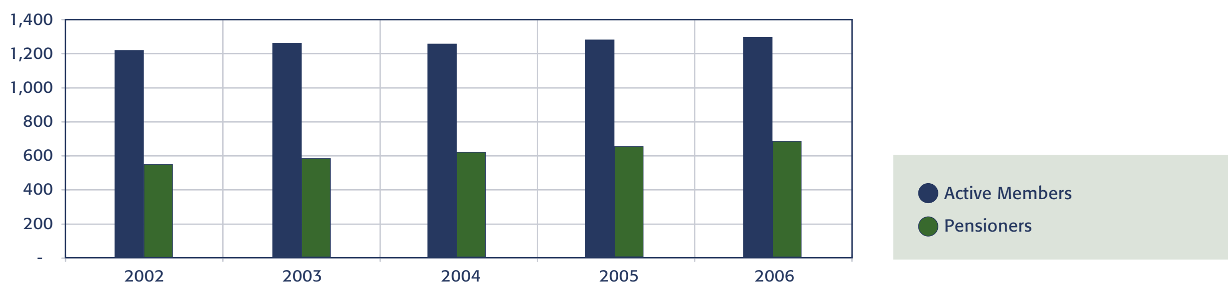
Membership Profile



SUMMARY OF PLAN MEMBERSHIP

	2006	2005	2004	2003	2002
Members					
Active Members	1,289	1,266	1,246	1,247	1,208
Pensioners	679	644	607	572	539
Total	1,968	1,910	1,853	1,819	1,747
Deaths					
Active	2	1	1	-	1
Pensioners	7	7	6	3	2
Life Insurance In Force	(000's)	(000's)	(000's)	(000's)	(000's)
Basic	$ 187,407	$ 174,971	$ 169,738	$ 157,181	$ 152,694
Optional	46,033	41,659	40,630	37,061	35,022
Pensioners	39,250	36,407	33,270	30,530	28,461

Membership Profile



THE CITY OF WINNIPEG – EMPLOYEES' GROUP LIFE INSURANCE PLAN

FIVE YEAR FINANCIAL SUMMARY

	2006 (000's)	2005 (000's)	2004 (000's)	2003 (000's)	2002 (000's)
Investments at Market:					
Bonds and Debentures	$ 47,831	$ 40,244	$ 37,652	$ 34,238	$ 32,160
Real Return Bonds	782	822	760	679	628
Canadian Equities	46,484	45,067	43,525	37,668	29,820
Foreign Equities	31,387	25,937	21,512	19,610	17,655
Short-term Deposits	2,875	4,338	2,017	4,175	5,544
Other Liabilities	(399)	(362)	(383)	(411)	(486)
	$ 128,960	$ 116,046	$ 105,083	$ 95,959	$ 85,321
Net Assets:					
Civic Employees	106,862	96,281	87,381	80,039	71,558
Police Employees	22,098	19,765	17,702	15,920	13,763
	$ 128,960	$ 116,046	$ 105,083	$ 95,959	$ 85,321

Increase in Civic Employees' Net Assets

	2006	2005	2004	2003	2002
Contributions					
City of Winnipeg*	$ 942	$ 947	$ 874	$ 838	$ 801
Employees	1,235	1,370	1,260	1,207	1,151
Pensioners	148	144	130	131	122
Investment Income (Loss)	11,962	10,647	8,984	10,230	(5,110)
	14,287	13,108	11,248	12,406	(3,036)
Decrease in Assets					
Actuarial Fees	34	65	-	54	60
Administration	100	99	101	90	83
Benefit Payments	3,221	3,718	3,489	3,500	3,282
Investment Management Fees	163	140	134	107	113
Risk Premium & Taxes	188	186	182	174	171
	3,706	4,208	3,906	3,925	3,709
Increase (Decrease) in Net Assets	$ 10,581	$ 8,900	$ 7,342	$ 8,481	$ (6,745)
Annual Rates of Return	12.6%	12.3%	11.4%	14.5%	-6.6%

Increase in Police Employees' Net Assets

	2006	2005	2004	2003	2002
Contributions					
City of Winnipeg	$ 193	$ 174	$ 174	$ 155	$ 154
Employees	230	221	220	189	193
Pensioners	32	30	28	26	24
Investment Income (Loss)	2,459	2,160	1,797	1,982	(948)
	2,914	2,585	2,219	2,352	(577)
Decrease in Assets					
Actuarial Fees	4	50	-	52	28
Administration	20	20	20	16	15
Benefit Payments	495	397	366	85	188
Investment Management Fees	34	29	27	21	21
Risk Premium & Taxes	28	26	24	21	22
	581	522	437	195	274
Increase (Decrease) in Net Assets	$ 2,333	$ 2,063	$ 1,782	$ 2,157	$ (851)
Annual Rates of Return	12.6%	12.3%	11.4%	14.5%	-6.6%

* Includes participating employers

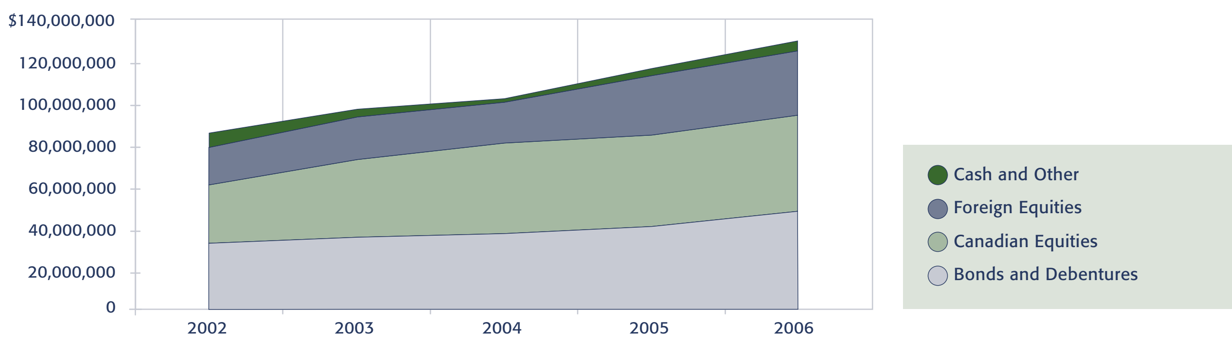
REPORT FROM THE DIRECTOR OF INVESTMENTS

The responsibility for determining the asset mix of the Employees' Group Life Insurance Plan, within the parameters of the Plan's Statement of Investment Policies and Procedures, rests with the Investment Committee of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program. So too does the responsibility for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers. The Plan utilizes external investment managers to manage the equity portfolios. The short-term investments and the bond portfolio, including real return bonds, are managed internally.

In 2006, the investment portfolio returned 12.6%. Stock markets globally rose in 2006 as consumer confidence and capital investment continued to improve. The years 1996 through 2000 experienced abnormally high real returns, followed by negative returns for 2001 and 2002. The Plan's four-year and ten-year annual rates of return of 12.7% and 8.9%, respectively, place the Plan at the 50th percentile and 60th percentile ranking, respectively, of Canadian pension fund returns as measured by Benchmark, an independent measurement service.

The marginally below median ten-year record (median return of 9.1%) can be attributed to the underperformance of our Canadian equity managers and the underperformance, until recently, of our passive investment in the S&P 500 Index relative to the performance of active managers. Our bond performance over this period ranks near the 1st quartile. More recent performance, however, has been adversely affected by having the Plan's Canadian equity portfolios underweighted in the energy and materials sectors which have experienced exceptional returns for the last four years. Generally, our investment managers have a more conservative position in these cyclical sectors which now dominate the Canadian market.

EMPLOYEES' GROUP LIFE INSURANCE PLAN
Investments



Asset Mix

As a result of appreciation in the equity markets, significant profits were realized in Canadian equities and the allocation to equities was reduced from 61% of the portfolio at the beginning of the year to 60% at year end with $5.8 million having been liquidated from Canadian equities and re-allocated to bonds.

Equity Investments

The Plan's Canadian equity managers outperformed the S&P/TSX Composite Index but marginally underperformed the median pension fund in 2006 with a rate of return of 17.4%. The S&P/TSX Composite Index had a return of 17.3% in 2006 compared to a return of 24.1% in 2005.

The Plan's Foreign equity managers, collectively, achieved a rate of return of 21.0% in Canadian dollar terms in 2006. This return was marginally below the median due to below-median performance in U.S. equities. The U.S. market achieved a return of 15.7% in Canadian dollars, in 2006. Over the last ten years, the U.S. stock market has underperformed the Canadian stock market in Canadian dollars. The Plan's Non-North American manager achieved a return of 28.9% in 2006. The Europe, Australia, Far East Index rose 26.3% which was reflective of improving foreign markets and strength in the Euro and British Pound.

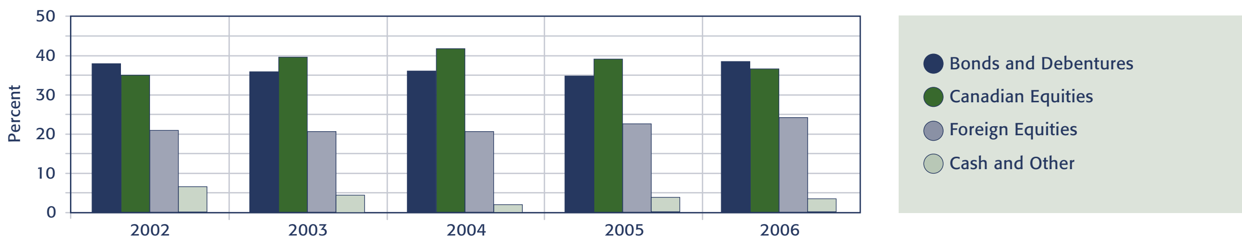
Fixed Income Investments

The Plan's bond portfolio achieved a rate of return of 3.6% in 2006. For the four- and ten-year periods ended December 31, 2006, the bond portfolio returned 6.7% and 7.8% annually, respectively, ranking near the first quartile for ten years.

Our strategy of maintaining a marginally long duration, high quality bond portfolio positively influenced our absolute and relative performance over the ten years.

EMPLOYEES' GROUP LIFE INSURANCE PLAN

Asset Mix



Asset Mix Strategy for 2007

The Investment Committee anticipates maintaining the equity weighting in the portfolio at approximately 60% of the total portfolio. It intends, however, to increase the weighting of the Non-North American portion by approximately 3%, thus improving the diversification of our fund and lessening risk. Correspondingly, the Canadian equity position will be reduced by 3%. By year-end 2007, it is anticipated that the portfolio will be weighted 61% equities, 38% fixed income, 1% short term investments.

Total Returns

	One Year	Four Years	Ten Years
Total Fund	12.6%	12.7%	8.9%
Bonds and Debentures	3.6%	6.7%	7.8%
Canadian Equities	17.4%	20.4%	11.5%
Foreign Equities	21.0%	11.2%	7.6%

Benchmarks

	One Year	Four Years	Ten Years
Scotia Capital Markets Universe Bond Index	4.1%	6.1%	6.9%
S&P / TSX Composite Index	17.3%	20.6%	10.0%
S&P 500	15.7%	6.3%	6.7%
Europe, Australia, Far East Stock Market Index	26.3%	15.2%	6.0%
Consumer Price Index	1.6%	2.0%	2.0%

Rick Abbott
Director of Investments

THE CITY OF WINNIPEG – CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Civic Employees' Group Life Insurance Plan as at December 31, 2004, relying on data and other information provided to us by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program. The results of the valuation are contained in our report dated November 3, 2005.

The principal results are as follows:

BASIC LIFE INSURANCE

The Civic Employees' Group Life Insurance Plan is fully funded and has an actuarial surplus of $27,355,000 after taking into account the actuarial liability associated with post-retirement basic life insurance benefits in respect of Plan membership up to December 31, 2004 and a contingency reserve of 10% of the liability.

On the basis of the actuarial surplus and the estimated annual cost of the basic life insurance benefits, we recommend that Plan member and employer contributions continue at the reduced rate of 0.125% of earnings for basic life insurance of one times annual earnings and that the corresponding reduced rate of contribution continue to be paid by pensioners. These rates represent a 54% reduction relative to the normal actuarial cost of the basic life insurance benefits provided by the Plan.

OPTIONAL ADDITIONAL LIFE INSURANCE

The cost of optional additional life insurance has reduced by an average of 33%.

We recommend that a revised table of contribution rates payable by the members for optional additional insurance be adopted, and that these rates continue to incorporate a 25% reduction on account of the actuarial surplus.

We hereby certify that, in our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Civic Employees' Group Life Insurance Plan as at December 31, 2004 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and our opinion given, in accordance with accepted actuarial practice.

Donald M. Smith
Fellow of the Canadian Institute of Actuaries

Natalie F. Thompson
Fellow of the Canadian Institute of Actuaries

THE CITY OF WINNIPEG – POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

ACTUARIAL OPINION

Western Compensation & Benefits Consultants has performed an actuarial valuation of the Police Employees' Group Life Insurance Plan as at December 31, 2004, relying on data and other information provided to us by the Plan administrator. The results of the valuation are contained in our report dated November 25, 2005.

The principal results are as follows:

BASIC LIFE INSURANCE

The Police Employees' Group Life Insurance Plan is fully funded and has an actuarial surplus of $5,419,000 after taking into account the actuarial liability associated with post-retirement basic life insurance benefits in respect of Plan membership up to December 31, 2004 and a contingency reserve of 10% of the liability.

On the basis of the actuarial surplus and the estimated annual cost of the basic life insurance benefits, we recommend that Plan member and City contributions continue at the reduced rate of 0.20% of earnings for basic life insurance coverage of two times annual earnings and that the corresponding reduced rate of contribution continue to be paid by pensioners. These rates represent a 51% reduction relative to the normal actuarial cost of the basic life insurance benefits provided by the Plan.

OPTIONAL ADDITIONAL LIFE INSURANCE

The cost of optional additional life insurance has reduced by an average of 33%.

We recommend that a revised table of contribution rates payable by the members for optional additional insurance be adopted, and that these rates continue to incorporate a 25% reduction on account of the actuarial surplus.

We hereby certify that, in our opinion, the actuarial valuation and our report thereon presents fairly the actuarial position of the Police Employees' Group Life Insurance Plan as at December 31, 2004 on the basis of the actuarial assumptions and valuation methods adopted. Our report has been prepared, and our opinion given, in accordance with accepted actuarial practice.

Donald M. Smith
Fellow of the Canadian Institute of Actuaries

Natalie F. Thompson
Fellow of the Canadian Institute of Actuaries

THE CITY OF WINNIPEG – CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

AUDITORS' REPORT

To the Chairpersons and Members
The Board of Trustees of The Winnipeg Civic
Employees' Benefits Program (Pension Fund) and
Winnipeg Police Pension Board
The City of Winnipeg

We have audited the statement of net assets of the City of Winnipeg Employees' Group Life Insurance Plan as at December 31, 2006 and the statements of changes in net assets of the Civic Employees' and Police Employees' Group Life Insurance Plans for the year then ended. These financial statements are the responsibility of the boards' 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 of the City of Winnipeg Employees' Group Life Insurance Plan as at December 31, 2006 and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Winnipeg, Manitoba
April 4, 2007

THE CITY OF WINNIPEG

CITY OF WINNIPEG EMPLOYEES' GROUP LIFE INSURANCE PLAN

Statement of Net Assets

As at December 31	2006	2005
	(000's)	(000's)
Assets		
Investments, at market		
Bonds and debentures	$ 48,209	$ 40,745
Canadian equities	46,484	45,067
Foreign equities	31,387	25,937
Short-term deposits	2,875	4,338
	128,955	116,087
Accrued interest	404	321
Accounts receivable	71	85
Due from The Winnipeg Civic Employees' Pension Plan	26	6
Total Assets	129,456	116,499
Liabilities		
Accounts payable	496	453
Due to The Winnipeg Civic Employees' Pension Plan	-	-
Total Liabilities	496	453
Net Assets	$ 128,960	$ 116,046
Net Assets Comprised of:		
Civic Employees' (Note 3)	$ 106,862	$ 96,281
Police Employees' (Note 3)	22,098	19,765
	$ 128,960	$ 116,046

See accompanying notes to the financial statements

THE CITY OF WINNIPEG

CIVIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

Statement of Changes in Net Assets

For the years ended December 31	2006 (000's)	2005 (000's)
Increase in Assets		
Contributions		
City of Winnipeg and participating employers	$ 942	$ 947
Employees – basic	944	949
Employees – optional	291	421
Pensioners	148	144
	2,325	2,461
Investment income	3,313	2,956
Current period change in market value of investments	8,649	7,691
Total increase in assets	14,287	13,108
Decrease in Assets		
Administration	100	99
Actuarial fees	34	65
Benefit payments	3,221	3,718
Investment management fees	163	140
Risk premium and taxes	188	186
Total decrease in assets	3,706	4,208
Increase in net assets	10,581	8,900
Net assets at beginning of year	96,281	87,381
Net assets at end of year	$ 106,862	$ 96,281

See accompanying notes to the financial statements

THE CITY OF WINNIPEG

POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

Statement of Changes in Net Assets

For the years ended December 31	2006 (000's)	2005 (000's)
Increase in Assets		
Contributions		
The City of Winnipeg	$ 193	$ 174
Employees – basic	193	174
Employees – optional	37	47
Pensioners	32	30
	455	425
Investment income	684	602
Current period change in market value of investments	1,775	1,558
Total increase in assets	2,914	2,585
Decrease in Assets		
Administration	20	20
Actuarial fees	4	50
Benefit payments	495	397
Investment management fees	34	29
Risk premium and taxes	28	26
Total decrease in assets	581	522
Increase in net assets	2,333	2,063
Net assets at beginning of year	19,765	17,702
Net assets at end of year	$ 22,098	$ 19,765

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS As at December 31, 2006

1. Description of Plan

The City of Winnipeg Employees' Group Life Insurance Plan is comprised of two plans, the Civic Employees' Group Life Insurance Plan for employees of the City of Winnipeg, other than police officers, and certain other employers which participate in the Plan and the Police Employees' Group Life Insurance Plan for police officers of the City.

a) Civic Employees' Group Life Insurance Plan

All employees are eligible to join the Plan commencing on their date of employment. All new members of The Winnipeg Civic Employees' Pension Plan must become members of the group life plan. Plan members are covered for basic life insurance of one or two times annual earnings. Optional coverage can be purchased under the Plan to increase coverage up to four times annual earnings. A portion of the basic life insurance coverage can be continued after retirement at the employee's option. Plan members and the City share equally in the cost of the basic life insurance coverage until retirement. Coverage on the life of a disabled member continues at the same earnings multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

The Plan is administered by The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund). The Great-West Life Assurance Company is responsible for claims adjudication and processing of payments.

b) Police Employees' Group Life Insurance Plan

All police officers are required to become members of the Plan commencing on their date of employment. Plan members are covered for basic life insurance coverage of two times annual earnings. Optional coverage can be purchased under the Plan to increase coverage up to four times annual earnings. A portion of the basic life insurance coverage can be continued after retirement at the employee's option. The employees and the City share equally in the cost of basic life insurance until retirement. Coverage on the life of disabled members continues at the same earnings multiple prior to disability. A waiver of contributions is provided for insurance coverage in effect at the time of disability.

The Winnipeg Police Pension Board is responsible for the administration of the Plan. The Great-West Life Assurance Company is responsible for claims adjudication and processing of payments.

2. Summary of Significant Accounting Policies

a) Basis of presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the sponsor and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plans for the fiscal period.

b) Investments

Investments are stated at market value. The fixed income investments are valued using published market quotations. Equity investments are valued using published closing market prices. Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis.

c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the year end. Income and expenses, and the purchase and sale of investments, are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

d) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the year. Actual results could differ from those estimates.

3. Net Assets

The Civic and Police Employees' Group Life Insurance Plans' net assets represent reserves to finance a portion of the cost of the post-retirement insurance expected to be provided in the future to the members of the Plans.

4. Obligation for Post-Retirement Basic Life Insurance Benefits – Civic Employees' Group Life Insurance Plan

An actuarial valuation of the Civic Employees' Group Life Insurance Plan was made as of December 31, 2004 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Board of Trustees for purposes of preparing this note to the financial statements. The economic assumptions used in determining the actuarial value of accrued post-retirement basic life insurance benefits were developed by reference to expected long term economic and investment market conditions. Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 5.5% per year and general increases in pay of 3.75% per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $27,355,000 and a contingency reserve in the amount of $5,304,000.

The results of the December 31, 2004 actuarial valuation were extrapolated to December 31, 2006 to determine the actuarial present value of accrued post-retirement basic life insurance benefits disclosed below. The actuarial present value of post-retirement insurance benefits for the Civic Employees' Group Life Insurance Plan as at December 31, 2006, and the principal components of changes in actuarial present values during the year, were as follows:

	2006 (000's)	2005 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 55,990	$ 53,092
Experience gains and losses and other factors	-	(1,166)
Changes in actuarial assumptions	-	1,111
Interest accrued on benefits	3,082	2,918
Benefits accrued	2,269	2,273
Benefits paid	(2,162)	(2,238)
Actuarial present value of accrued benefits, end of year	$ 59,179	$ 55,990

To be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets was determined from market values. The actuarial value placed on the assets smoothes out fluctuations in market values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years.

The value of the assets of the Civic Employees' Group Life Insurance Plan on an actuarial basis were:

	2006 (000's)	2005 (000's)
Market value of net assets available for benefits	$ 106,862	$ 96,281
Market value changes not reflected in actuarial value of assets	(9,835)	(5,934)
Actuarial value of net assets available for benefits	$ 97,027	$ 90,347

5. Obligation for Post-Retirement Basic Life Insurance Benefits – Police Employees' Group Life Insurance Plan

An actuarial valuation of the Police Employees' Group Life Insurance Plan was made as of December 31, 2004 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Winnipeg Police Pension Board for purposes of preparing this note to the financial statements. The economic assumptions used in determining the actuarial value of accrued post-retirement basic life insurance benefits were developed by reference to expected long term economic and investment market conditions.

Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 5.5% per year and general increases in pay of 3.75% per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2004 disclosed an actuarial surplus of $5,419,000 and a contingency reserve in the amount of $1,085,000.

The results of the December 31, 2004 actuarial valuation were extrapolated to December 31, 2006 to determine the actuarial present value of accrued post-retirement basic life insurance benefits disclosed below. The actuarial present value of post-retirement insurance benefits for the Police Employees' Group Life Insurance Plan as at December 31, 2006, and the principal components of changes in actuarial present values during the year, were as follows:

	2006 (000's)	2005 (000's)
Actuarial present value of accrued benefits, beginning of year	$ 11,658	$ 10,847
Experience gains and losses and other factors	-	(165)
Changes in actuarial assumptions	-	165
Interest accrued on benefits	649	602
Benefits accrued	515	466
Benefits paid	(222)	(257)
Actuarial present value of accrued benefits, end of year	$ 12,600	$ 11,658

To be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets was determined from market values. The actuarial value placed on the assets smoothes out fluctuations in market values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years.

The value of the assets of the Police Employees' Group Life Insurance Plan on an actuarial basis were:

	2006 (000's)	2005 (000's)
Market value of net assets available for benefits	$ 22,098	$ 19,765
Market value changes not reflected in actuarial value of assets	(2,009)	(1,206)
Actuarial value of net assets available for benefits	$ 20,089	$ 18,559

6. Interest Rate, Credit, Foreign Currency and Market Risk

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's asset values, future investment income, and actuarial liabilities. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

The Plan's actuarial liabilities are exposed to the long term expectation of rates of return on investments as well as expectations of salary escalation. The Plan's primary exposure is to a decline in the long-term rate of return which may result in higher contribution rates required to meet the Plan's obligations.

The Plan has approximately 39% of its assets invested in fixed income securities as at December 31, 2006. The returns on fixed income securities are particularly sensitive to changes in nominal interest rates.

The term to maturity and related market values of investments in bonds and debentures held by the Plan at December 31, 2006 are as follows:

Term to Maturity	2006 Market Value (000's)	2005 Market Value (000's)
Less than one year	$ 1,007	$ 504
Two to five years	27,183	16,457
Greater than five years	20,019	23,784
	$ 48,209	$ 40,745

b) Credit risk

Credit risk arises from the potential for an investee to fail or to default on its contractual obligations to the Plan. At December 31, 2006, the Plan's credit risk exposure related to bonds and debentures, accrued interest and short-term deposits totaled $50,549,267. The Plan's concentration of credit risk as at December 31, 2006, related to bonds and debentures, is categorized amongst the following types of issuers:

Type of Issuer	2006 Market Value (000's)	2005 Market Value (000's)
Government of Canada and Government of Canada guaranteed	$ 30,049	$ 31,410
Provincial and Provincial guaranteed	3,179	3,544
Canadian cities and municipalities	3,392	820
Corporations and other institutions	11,589	4,971
	$ 48,209	$ 40,745

The Plan's investments include short-term deposits with the City of Winnipeg which have a market value of $1,933,818 at December 31, 2006.

The Plan limits credit risk by investing in bonds and debentures of investees that are considered to be high quality credits and by utilizing an internal Investment Policy Guideline monitoring process.

c) Foreign currency risk

Foreign currency exposure arises from the Plan's holdings of foreign equity investments. The Plan's investment managers may, from time to time, hedge some of this exposure. There were no open forward contracts outstanding at December 31, 2006 (2005 - $ nil).

As at December 31, 2006, the Plan's net foreign currency exposure was as follows:

	2006 Net Exposure (000's)	2005 Net Exposure (000's)
United States	$ 14,676	$ 12,967
Euro	5,497	3,651
United Kingdom	3,450	2,852
Japan	1,572	1,782
Hong Kong	1,123	604
Switzerland	890	649
Korea	827	894
Other	3,352	2,538
	$ 31,387	$ 25,937

d) Market risk

Market risk is the risk that the value of investments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to an individual asset or its issuer, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments.

2006

APPENDICES

INVESTMENT MANAGERS

As at December 31, 2006

Fixed Income

Mr. K. Merlevede, Manager of Fixed Income Investments

Canadian Equities

Burgundy Asset Management Ltd.
Foyston, Gordon and Payne Inc.
Guardian Capital L.P.
Phillips, Hager & North Investment Management Ltd.
TD Asset Management Inc.

US Equities

AllianceBernstein Institutional Investment Management
J.P. Morgan Investment Management Inc.
Provident Investment Counsel, Inc.
State Street Global Advisors, Ltd.

Non-North American Equities

Capital Guardian Trust Company
Franklin Templeton Investments Corp.

Private Equities

Hamilton Lane Advisors LLC
Richardson Capital Limited

FIXED INCOME INVESTMENTS SUMMARY
As at December 31, 2006

Description	Maturity Date	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Government of Canada bonds	2007 - 2023	$ 615,462	$ 30,049
Provincial bonds	2009 - 2024	346,443	3,179
Municipal bonds (excluding Winnipeg bonds)	2008 - 2015	-	3,392
Corporate and other institutions bonds	2007 - 2021	347,824	11,589
Accrued interest		5,404	404
Total bonds and debentures		$ 1,315,133	$ 48,613
Call funds – City of Winnipeg		$ 67,709	$ 1,936
Short term investment fund		7,742	-
Funds on deposit – Great-West Life		-	939
Cash		40	-
Total short-term investments		$ 75,491	$ 2,875

TOP 50 CORPORATE SHARE HOLDINGS*

As at December 31, 2006

	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Manulife Financial Corporation	$ 81,474	3,171
Bank of Nova Scotia	78,434	2,416
Toronto - Dominion Bank	64,482	2,367
Royal Bank of Canada	54,340	3,018
Bank of Montreal	50,266	1,474
Canadian Imperial Bank of Commerce	46,131	1,574
EnCana Corporation	44,370	2,126
Rogers Communications Inc., Class B	44,108	1,473
Suncor Energy, Inc.	44,074	2,271
TELUS Corporation	30,644	1,203
Alcan Inc.	27,381	1,185
BCE Inc.	24,808	1,004
Research in Motion Limited	23,758	898
Canadian National Railway Company	23,020	1,558
The Thompson Corporation	21,731	1,035
Potash Corporation of Saskatchewan Inc.	21,148	863
Talisman Energy Inc.	21,025	731
Tim Hortons Inc.	19,082	282
Canadian Natural Resources Limited	18,904	164
Magna International Inc., Class A, SV	18,699	798
Loblaw Companies Limited	18,390	659
Nortel Networks Corporation	17,947	224
Finning International Inc.	17,717	169
Sun Life Financial Services of Canada Inc.	17,692	139
Power Corporation of Canada, SV	16,723	694

	Pension Plan Market Value (000's)	Group Life Market Value (000's)
Nexen Inc.	$ 15,442	279
Celestica Inc., SV	15,098	539
Goldcorp Inc.	14,589	283
Great-West Lifeco Inc.	14,416	1,033
General Electric Company	14,085	404
Exxon Mobil Corporation	13,912	338
Petro-Canada	13,869	476
Cameco Corp.	12,861	239
ShawCor Limited, Class A, SV	12,322	8
Shoppers Drug Mart Corporation	11,747	192
Canadian Pacific Railway Limited	11,623	202
Biovail Corporation	11,001	660
Citigroup Inc.	10,884	303
Husky Energy Inc.	10,855	48
AGF Management Ltd., Class B, NV	10,040	159
Yellow Pages Income Fund	9,765	309
IGM Financial Inc.	9,710	27
Microsoft Corporation	9,633	264
Gildan Activewear Inc.	9,541	153
Alimentation Couche-Tard Inc., Class B, SV	8,541	140
Bank of America Corporation	8,540	222
Royal Bank of Scotland Group PLC	8,493	205
The Procter and Gamble Company	8,398	280
Niko Resources Ltd.	8,355	135
CHC Helicopter Corporation, Class A	8,021	125

*Includes effective holdings through participation in pooled funds, including index funds.

NOTES

NOTES

2006 DIRECTORY

THE BOARD OF TRUSTEES OF THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

Member Trustees

John Moehring (Chair)
United Fire Fighters of Winnipeg

Nick Diakiw
Pensioners and Deferred Members
(Pension Fund Board only)

John Irvine
CUPE, Local 500

Bob Ripley
CUPE, Local 500

Keith Scott
Amalgamated Transit Union

Bryan Verity
Winnipeg Association of
Public Service Officers

Bob Romphf
Other unionized and non-unionized
employees

Employer Trustees

(appointed by City of Winnipeg)

Barry MacBride (Vice-Chair)
Director, Water and Waste

Jo-Anne Ferrier
City Treasurer

Bob Gannon
Former Chief Financial Officer

Cliff Jeffers
Chief Information Officer and Acting
Chief of Corporate Services

Bill Larkin
Director, Public Works
(Pension Fund Board only)

Sudhir Sandhu
Acting Manager, Labour Relations
(appointed November 2006)

Dave Wardrop
Director, Transit
(appointed April 2006)

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Nick Diakiw
Jon Holeman

Appointed by Employer Trustees

John McCallum (Vice-Chair)
Jo-Anne Ferrier
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Audit Committee

(Pension Fund)

Bob Gannon (Chair)
Bryan Verity (Vice-Chair)
Jo-Anne Ferrier
Bob Ripley

Audit Committee

(Disability Fund)

Bryan Verity (Chair)
Bob Gannon (Vice-Chair)
Jo-Anne Ferrier
Bob Ripley

Benefits Committee

(Disability Fund)

John Moehring (Chair)
Barry MacBride (Vice-Chair)
Bob Ripley
Dave Wardrop
Cliff Jeffers (ex-officio)
Keith Scott (ex-officio)

Governance Committee

Bryan Verity (Chair)
Barry MacBride (Vice-Chair)
John Irvine
Cliff Jeffers
John Moehring
Bill Larkin

Management

Glenda Willis
Executive Director

Rick Abbott
Director of Investments

Kirk Merlevede
Manager, Fixed Income Investments

Bill Battershill
Manager, Information Systems

Dave Kawchuk
Acting Manager, Disability Benefits

Cathy Masek
Manager, Pension and Group
Insurance Benefits

Rob Sutherland
Manager, Finance and Administration

Advisors

Actuary

Western Compensation & Benefits
Consultants

Auditor

Deloitte & Touche, LLP

Legal Counsel

Koskie Minsky

Taylor McCaffrey

Medical Consultant

Dr. Lori Koz

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As at December 31, 2006.