

and Nova Scotia holdings, while holdings in Ontario and Alberta have declined. It is, however, difficult to generalize from these findings as there is a large "unspecified" component in the statistics.

## **BOND PORTFOLIO MATURITIES**

This year the number of institutions responding to our questions regarding their bond portfolio maturities declined somewhat, making analysis of the results more difficult<sup>8</sup>. Nonetheless, focusing on federal government bond holdings, 37.9% were of maturities of 5 years or less, 51.6% between 5-10 years and 10.5% of maturities greater than 10 years. Comparing these results with last year's figures, it would appear that maturities of Government of Canada bond holdings continue to move towards the shorter end.

The same phenomenon appears to be taking place in the case of provincial government bond holdings. Instead of 63.6% having maturities of 5 years or less, this year, the proportion is 72.0%. Maturities of holdings of provincial enterprise bonds also appear to have shifted dramatically to the shorter end, with 78.2% having maturities of 5 years or less in this year's Survey as compared to 27.0% in last year's.

## **CANADIAN EXPOSURE**

Only some 57 institutions provided information on the share of their Canadian portfolio as a proportion of their overall foreign holdings<sup>9</sup>. Although it is difficult to determine how representative this sampling of responses is, the available figures show a marked drop in the portfolio share for Canadian investments held by the reporting institutions. According to this year's Survey responses, the Canadian portfolio share for this group is 3.1% as compared to 5.0% in our 1995 Survey report.

A decline in Canada's portfolio share matches anecdotal reports last year indicating some reductions in Canadian investments. Hopefully, this trend has stopped as more recent anecdotal information would suggest that interest in Canadian investments is recovering somewhat. Indeed, while in the past, Japanese investors may have been somewhat overweight in Canadian investments, more recently, the tendency of a number of large Japanese investors appears to have been to be underweight in Canada. With greater emphasis on achieving higher yields and

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<sup>8</sup> See Table 8 in Annex II. Some 66 responses dealing with portfolio maturities were received this year as opposed to 71 responses to our 1995 Survey.

<sup>9</sup> Refer to the last column on Table 8 in Annex II.