

## Hedge fund giant opens Halifax office



From left to right: Brent Patterson, Managing Director of Citco Canada Inc.; The Honourable Rodney MacDonald, Premier of Nova Scotia; William Keunen, Global Director of Citco Fund Services; Stephen Lund, President and CEO of Nova Scotia Business Inc. cutting the ribbon at the official opening of Citco Fund Service's Halifax office.

Citco's operations in Canada. Citco's Halifax expansion will include the development of a new training centre of excellence. The centre will be used to train employees from all over North America.

"We see Halifax as a strategic centre to develop our Canadian operations," said William Keunen, global director of Citco Fund Services. "With Nova Scotia's education infrastructure and competitive advantages, we know it is the right place for our new office and training centre."

NSBI supported this expansion with a payroll rebate of up to \$7 million over the next seven years.

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**O**n November 20, 2006, Citco Fund Services, the leading global provider of administrative services to the hedge fund industry, and the province of Nova Scotia through Nova Scotia Business Inc. (NSBI) announced the opening of a Citco office in Halifax that will employ up to 350 people.

"Citco is a world leader in the hedge fund industry," said Premier Rodney MacDonald. "We're elated

to have this global company build on the province's reputation as a strategic financial services centre and a source of educated talent. We look forward to working with Citco as we continue to build the financial services industry in our province."

Citco has been established in Canada since 1992 with an office in Toronto. The opening of the Halifax office will accelerate the expansion of the firm's Canadian employment, reflecting on the strategic nature of

## Global services companies prosper in Nova Scotia, Canada

**N**ova Scotia, Canada's talent pool and the province's proximity to the United States (U.S.) and Europe are key selling features for financial services firms seeking advantageous and strategic locations to fulfill their commitment to clients around the globe.

"We continue to see international companies choose Nova Scotia as a strategic location for all or part of their business," says Stephen Lund, president and CEO, Nova Scotia Business Inc, the province's investment attraction agency. "Firms like Citco Fund Services, Butterfield Fund Services and Marsh have all

recognized the advantages and are here for a reason."

Located on Canada's east coast, Nova Scotia is a friendly neighbor and strong trading partner with the U.S. The province is approximately a one and a half hour flight from Boston and two hours from New York, and has a time zone conducive to doing business with Europe and the west coast of North America on the same work day. According to the 2006 KPMG study Competitive Alternatives, Canada's overall workforce costs are the lowest in the G7, with Nova Scotia costs among the lowest in North America.

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## High concentration of education facilities creates ideal conditions for employers

**N**ova Scotia's 11 universities and 13 community college campuses are a selling point for companies interested in locating in Nova Scotia. The province has the highest ratio of educational facilities to population in North America, and the highest percentage of employees with a degree, diploma or certificate in the country.

Through well-respected co-operative education programs, employers have the opportunity to groom

students for positions within their companies, and students have the opportunity to learn more about the careers that exist for them in the province.

Year after year Nova Scotia's universities are awarded top honours by MacLean's Guide to Canadian Universities. Two universities – St. Francis Xavier and Acadia – ranked 1st and 3rd respectively as the top undergraduate universities in Canada in 2007.

### Government, industry and academia aligned

An important aspect of Nova Scotia's business value proposition is the alignment between government, industry and academia.

"We've made it a priority to keep our educational institutions informed about the types of companies we're bringing to the province and the resulting career opportunities for Nova Scotia's graduates," says Bob Daigle, vice president, Investment Attraction, Nova Scotia Business Inc.

Through roundtable discussions and one-on-one meetings, companies have access to representatives from the province's universities and community colleges to generate awareness for employment opportunities or to discuss such things as the development of specialized training programs.

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## Great jobs attract great talent

**I**n 2006, Marsh announced a five-year expansion with Nova Scotia Business Inc. (NSBI) that is expected to create up to 150 jobs. If ever there was a year of exciting business growth in Nova Scotia, 2006 was memorable, particularly for the financial services industry. World-renowned companies discovered Nova Scotia and were expanding in the province and job opportunities weren't hard to come by. It's no surprise that Martin Murray took advantage of the opportunities in front of him. So what's kept him working and living here now?

"The lifestyle, my family, and the cost of living are the three main reasons," he asserts, and then proceeds to paint the picture: "When I worked in Toronto I was living

*"I've traveled everywhere and there's nowhere that really compares to the way we do things here."*

in Cambridge, which is about a 100-kilometre commute and that's normal. It was three hours a day in the car wasted – every day. Now I walk to work. I've traveled everywhere and there's nowhere that really compares to the way we do things here."

Now working as a senior account manager for Marsh, Murray is in a job he describes as one "that you just can't buy." In light of the job losses that have swept the global financial services industry, his story of success may seem uncommon, but demand for Marsh's services has continued during the downturn. Underlying the firm's growth here are two factors: cost and credibility.

From Murray's point of view, many native Nova Scotians who moved away for work are coming back, and it's because of companies like Marsh that they're coming home. It's also because of job opportunities offered by other international financial services companies, such as Flagstone.

So what's next for Murray? It's simple: "I'm not going anywhere."





## Global Services

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The KPMG study states that labor, office and utilities costs for a 145-person back office facility in Halifax, Nova Scotia are 36 per cent lower than Boston and 41 per cent lower than New York. Nova Scotia also offers financial incentives to encourage foreign direct investment and business growth.

In addition to competitive costs, Nova Scotia has the highest-educated working population per capita in North America. Staff turnover rates are among the lowest in Canada, and people have a genuine desire to live and work in the province.

“As a recruiter with 10+ years experience, I can tell you that Halifax

is easier to recruit for than almost all other Canadian cities,” says Kevin Stoddart, vice president, Robertson Surrrette, Halifax. “This city is seen as a nice place to live where standard of living does not have to take a back seat to career. It is often described as being the right size, not too big and not too small – with all the amenities.”

The province’s 11 universities and 13 community colleges are closely linked with industry, injecting thousands of new graduates into the labor pool each year. Nova Scotia’s cultural and business similarities with the U.S., and geo-political stability also make the province an attractive option.



Nova Scotia is approximately a 1.5 hour flight from Boston and 2 hours from New York, and has a time zone conducive to doing business with Europe and the west coast of North America on the same work day.

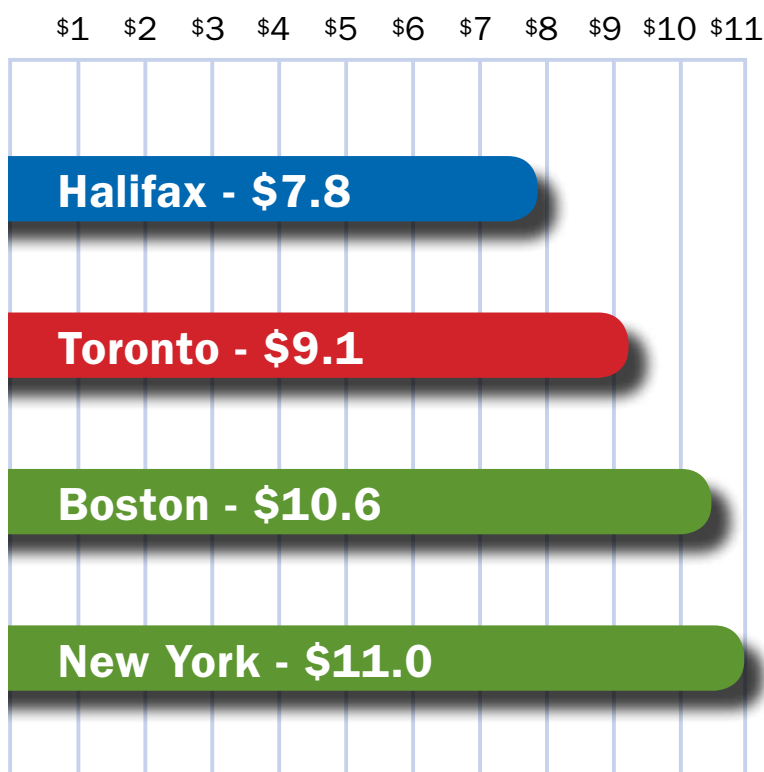
## Back office operating costs attractive in Halifax

When compared to 10 locations known for their status as financial centres, Halifax offers: the lowest cost area for salary and wages,

statutory and other fringe benefits; the lowest cost area for facility lease costs; and among the lowest cost areas for utilities costs.

### Total Operating Costs (\$Millions USD)

Sample Back Office Operation\*



\* Source: KPMG Competitive Alternatives Report (2006)  
Based on a 145-person, 22,496 sq. ft. facility in each location

## Halifax, Nova Scotia North America’s top outsourcing centre

October 2007 – Trade publication Global Services ranked Halifax the top North American city in an assessment of the top 50 emerging cities in the world for information technology and business process outsourcing. The list is compiled

based on a number of key criteria including the caliber and loyalty of the talented workforce and the maturity of its IT services market.

“It is significant that we are the top North American city on this list. We have companies here like

RIM, Citco Fund Services, and Keane and word is circulating about what we have to offer,” says Stephen Lund, President and CEO, Nova Scotia Business Inc.

### Point of View

“Bermuda-based Flagstone Reinsurance is a growing global company, and our decision to locate Flagstone Management Services in Nova Scotia supports and enables that growth. We’re impressed by the team we’ve hired in Halifax and the talent pool we have to draw from. It has been a pleasure working with Nova Scotia Business Inc. to establish our operations.”

**Patrick Boisvert,**  
CFO Flagstone Reinsurance,  
Bermuda

“We can easily double the size of our workforce without having a challenge finding the type of resources that we need. Turnover is not an issue, compared to a lot of large metropolitan U.S. locations.”

**Jason Powell, Managing Director,**  
Keane Canada Inc.

“Nova Scotia has many strategic assets that make it the ideal location to grow our operations. With its skilled workforce, unrivaled infrastructure, competitive costs, and advantageous geographical location, Nova Scotia is uniquely suited to provide all the required conditions for a highly effective operation.”

**Anthony Caputo, President,**  
L-3 Communications Canada

“The particular attraction of the area is the very high skilled workforce. First and foremost is the quality of the people, the training and the education infrastructure. That is really what we’re looking for, ... RIM believes Nova Scotia’s post-secondary research environment and talented IT labour pool will be instrumental in fueling our progress.”

**Jim Balsillie, Co-CEO,**  
Research In Motion

“The presence of a supply of accounting graduates from renowned universities, combined with a pool of experienced fund accountants looking to return home, further confirmed our choice.”

**Richard Ferrett,**  
Executive Vice-President & Chief  
Financial Officer, Butterfield Bank

“We chose Halifax and have not looked back. We’re impressed by Halifax’s world-class infrastructure, large talent pool and vibrant community and quality of life...”

**William Keunen, Global Director,**  
Citco Fund Services

## Companies

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### Flagstone Management Services (Halifax) Limited

Flagstone has been growing in Halifax since the company established its Nova Scotia operation in 2005. Nova Scotia Business Inc. has worked closely with the company, supporting its success.

The province, through NSBI, will support Flagstone's growth with a new three-year payroll rebate to a maximum of \$1,310,400.

"Halifax was Flagstone's first global move out of Bermuda in 2005," said David Brown, CEO of Flagstone. "From talent and technology, to competitive business costs, there is no question that Nova Scotia will continue to be key to our long-term success."

Since 2005, Flagstone has expanded its global footprint in the insurance and reinsurance areas of the financial services industry.

### Butterfield Fulcrum

On November 15, 2006, Butterfield Fund Services, headquartered in Bermuda, expanded its operations in Halifax with the assistance of a payroll rebate from Nova Scotia Business Inc. (NSBI).

"Bermuda and Halifax have always had strong connections and it is this history and commonality that placed Halifax at the top of our list from the start of our expansion process," said Richard Ferrett, executive vice president & chief financial officer. "The presence of a supply of accounting graduates from renowned universities, combined with a pool of experienced fund accountants looking to return home, further confirmed our choice."

### Marsh

Marsh, the world's leading risk and insurance services firm, announced on November 30, 2006 that it was establishing a technical centre of excellence in Halifax

to provide high-level financial administrative support for its captive solutions business.

"We've identified Nova Scotia as a key location to improve our customer experiences and enhance our high quality of service," said Chris Varin, managing director. "We know Nova Scotians are working in this sector all over the world and we are eager to provide an opportunity to bring that local talent back to its roots."

### Meridian Fund Services

Meridian Fund Services opened its Halifax, Nova Scotia based affiliate, Meridian Fund Services (Canada) Limited in February 2007.

### Research In Motion

Canadian technology company and Blackberry maker Research In Motion (RIM) began construction of its technical support operations centre in Nova Scotia on October 26, 2006. The facility will be home to the 1,200 employees the company plans to hire over the next five years.

### Keane

Keane (Canada), a leading business process and information technology services firm was named one of the top 100 employers in Canada in 2007. Located in Halifax, Keane offers secure application development services to financial services companies.

### General Dynamics

On October 1, 2007, the province, through Nova Scotia Business Inc. (NSBI), authorized a five-year payroll rebate set at a maximum of \$2.9 million to assist the growth of General Dynamics Canada. The company is a leading developer of electronic systems for military command and control and will create up to 165 new jobs. A new four-storey facility is being built to house systems integration and software support for its various programs.

## Financial services professionals enjoy Halifax's social scene

A financial services social club was launched in Halifax in September. The social club invites financial services professionals and partners to celebrate the success of the growing financial services sector in Nova Scotia. Members meet on

the last Wednesday of every month at the contemporary Mosaic Social Dining Lounge to network and relax with friends and colleagues. Approximately 70 people turned out for the first gathering and word is spreading.

## Partnering for industry growth

In early 2007, Nova Scotia Business Inc. formed the Financial Services Industry Growth Partnership which is a group of leaders from universities, recruiting agencies, CA, CGA and CMA organizations, property development and city planning organizations, the Nova Scotia Office

of Immigration, law and tax firms, committed to the growth of Halifax's financial services industry. This group meets regularly to identify opportunities to grow the financial services sector and provide added value to financial services companies operating in Nova Scotia.

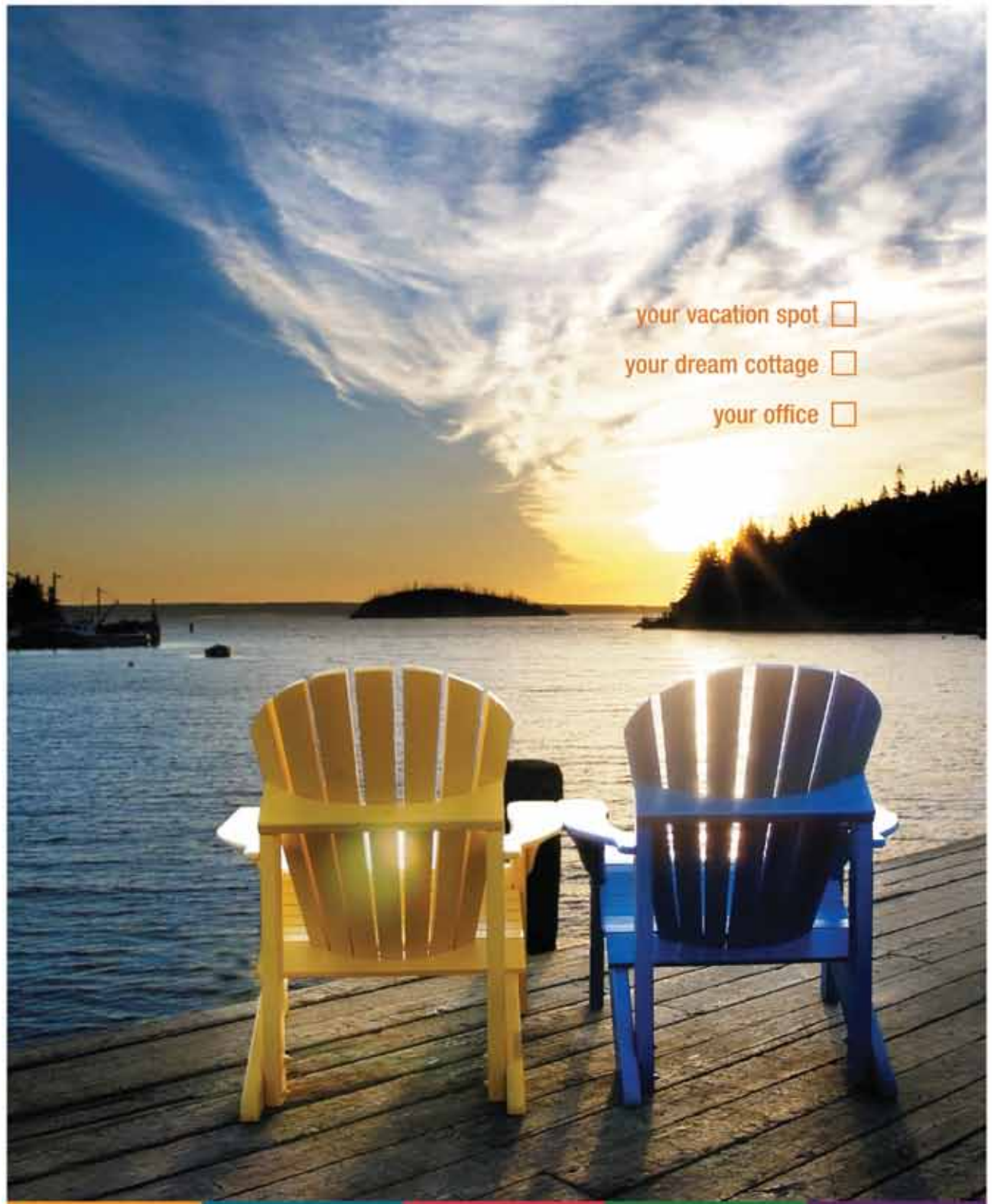
## Education

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"My clients are impressed that we've proactively aligned ourselves within the province to address the labor needs of companies," says Jean-Paul Robicheau, investment attraction executive, Nova Scotia Business Inc. "Talent is a global issue and this is one of the ways we're working to ensure our companies have access

to the right people with the right skills."

In November, Nova Scotia Business Inc, Saint Mary's University and Dalhousie University will host an event to educate commerce students about the exciting new career options that exist with some of the provinces newest financial services companies.



your vacation spot   
 your dream cottage   
 your office

Imagine working in an office where 10 minutes from downtown, in any direction, you can be in the midst of tranquility. Imagine a lifestyle that is rapidly disappearing from much of the world. That's Nova Scotia. And it's welcoming entrepreneurs with a global vision – people like Jeremy Wellard who runs HB Studios, a software development company, in Lunenburg. His customers include EA Sports, Play Station, Xbox and Nintendo. "Why live in the middle of a concrete canyon when you can have all this," says Jeremy. Imagine, achieving worldwide success and enjoying a lifestyle that's second to none. It's the kind of possibility that comes to life in Nova Scotia.

  
 NOVA SCOTIA  
 Come to life  
 novascotialife.com



# That's entertainment!

Sports fan or arts enthusiast, you'll find plenty to do in Halifax.

Take for example the 2008 IIHF World Men's Hockey Championship in May, which Halifax will co-host with Quebec City – the first time the championship has come to Canada.

"We're very proud of the fact that we're able to get this for Canada and bring it to Halifax and Quebec City, and it will be a great celebration..." says Fred MacGillivray, President & CEO of Trade Centre Limited and Chair of the 2008 championship. "This is kind of the top of the hill when it comes to single sporting events in the world."

As MacGillivray points out, it's one in a long list of events hosted over the years, including everything from the World Theatre Festival to IIHF World Women's Hockey

Championship to the Tall Ships.

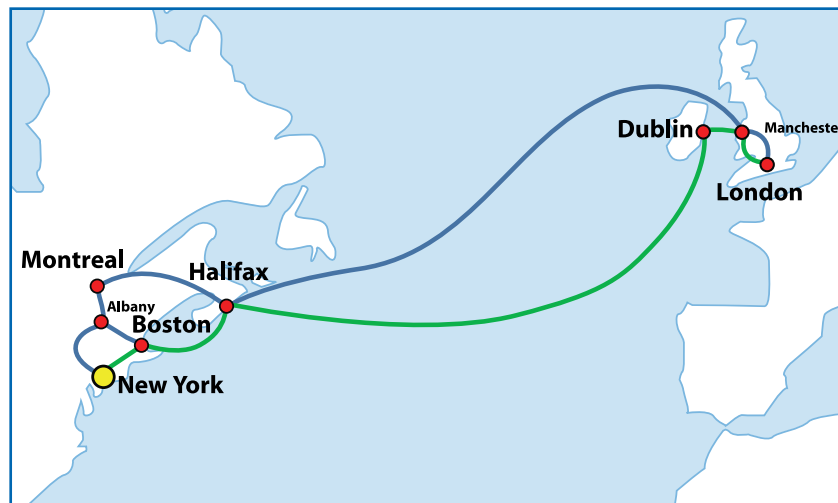
CTV Atlantic entertainment reporter Liz Rigney has a first-hand appreciation of the arts scene both as a journalist and a performer.

"I'm overwhelmed by the diversity and the level of talent that we are able to access in this part of the world," she says. "It's almost unbelievable: not only do we draw these incredible talents from away but we're also nurturing them ourselves in our own region."

So what might you do in a given weekend in Halifax? Ideas from MacGillivray and Rigney include taking in a concert by Symphony Nova Scotia, attending a Halifax Mooseheads hockey game, watching a performance by a contemporary dance troupe, supporting a charity fundraiser – the list goes on. Too many choices? Perhaps. Great entertainment? No question.



# Nova Scotia boasts world-class telecommunications infrastructure



Hibernia Atlantic is a TransAtlantic submarine cable which provides "security through diversity" to North American and European customers. [www.hiberniaatlantic.com](http://www.hiberniaatlantic.com)

Nova Scotia has all of the infrastructure elements in place to support and contribute to the success of the financial services industry, including fully modern telecommunications systems second to none in North America.

Hibernia Atlantic is a major interconnecting hub for Canadian telecommunication service providers linking Canada, the United States, Ireland and the UK Telecom market Exchanges. Situated just outside Halifax, this telecom connectivity serves to dramatically increase the strategic significance of operations located within the Nova Scotia region. With this advanced cost-effective communications capability, organizations can share and distribute information-based work-



loads from across the Atlantic or from major cities across North America.

The network is configured as a self-healing ring on diverse paths, with cable landing stations in Dublin; Boston (USA); Halifax, (Nova Scotia); and Liverpool (UK). The Hibernia Atlantic system also includes a fully protected terrestrial ring that links the Boston and Halifax stations via New York City in North America.

Visit <http://www.hiberniaatlantic.com> for more details.

## Your Horoscope

### Aries March 21 – April 19

The start of a new year provides the perfect opportunity to look to Nova Scotia as a strategic location for your business operations.

### Taurus April 20 – May 20

The skilled labor shortage you're currently facing will be alleviated when you open your Nova Scotia operations and are able to draw upon the highest-educated working population per capita in North America.

### Gemini May 21 – June 21

Your business trip to Nova Scotia will be the first of many as you begin the process of opening your Halifax operations.

### Cancer June 22 – July 22

There may be a payroll rebate in your future.

### Leo July 23 – August 22

You will join some of the world's leading hedge fund administrators who call Halifax home.

### Virgo August 23 – September 22

The opening of your new Nova Scotia based operations will lead to increased efficiencies and productivity.

### Libra September 23 – October 22

You're pleasantly surprised with the vibrant culture and friendly hospitality you receive when you make your first business trip to Nova Scotia. Luckily, you'll be back soon!

### Scorpio October 23 – November 21

This year brings prosperity as you experience first-hand the competitive costs of doing business in Nova Scotia.

### Sagittarius November 22 – December 21

You have your first taste of Alexander Keith's beer, brewed in Nova Scotia, and you like it a lot.

### Capricorn December 22 – January 19

After repeat business trips to Nova Scotia, you want to share the experience and book a week-long vacation to Nova Scotia with your family.

### Aquarius January 20 – February 18

You attend your first Financial Services Social Club at Mosaic in Halifax and enjoy the city's vibrant nightlife.

### Pisces February 19 – March 20

After one year of doing business in Nova Scotia, you continue to be thrilled with the quality of your workforce and the loyalty of your staff. You are confident that your expansion into Nova Scotia was the right choice for your company.

# Halifax real-estate costs

Data sourced from MLS search, October 17, 2007

There are many reasons why residents of Halifax enjoy an unparalleled quality of life. Halifax retains all the advantages of a fortunate city – reasonable housing costs, safe streets, pleasant neighborhoods, short commuting times, clean air, beautiful surroundings and an abundance of recreational activities.

The illustration to the right demonstrates the real-estate buying power of \$300,000 when comparing homes in New York, Toronto and Halifax.

<p><b>LOCATION:</b> New York</p> <p><b>DESCRIPTION:</b> 440 Interior Sq. Feet, 1 Bath</p>	<p><b>LOCATION:</b> Toronto</p> <p><b>DESCRIPTION:</b> 680 Interior Sq. Feet, 1 Bed, 1 Bath</p>	<p><b>LOCATION:</b> Halifax</p> <p><b>DESCRIPTION:</b> 2016 Interior Sq. Feet, 4 Bed, 2 Bath</p>
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## Contact Us

To learn more about the advantages of doing business in Nova Scotia, Canada, please visit [www.novascotiabusiness.com/financesector](http://www.novascotiabusiness.com/financesector) or contact:

**Erik Nobbe**  
Investment Attraction,  
Nova Scotia Business Inc.  
1.902.424.0139  
enobbe@nsbi.ca



**JP Robicheau**  
Investment Attraction,  
Nova Scotia Business Inc.  
1.902.424.7926  
jprobicheau@nsbi.ca



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The Atlantic Canada Opportunities Agency (ACOA) is the federal government department responsible for helping to build economic capacity in the Atlantic Provinces by working with the people of the region – in their communities, through their institutions and with their local and provincial governments and businesses – to create jobs and enhance earned incomes.