

2017
POOLED
INVESTMENT
FUNDS



MFA BC

Municipal Finance Authority of BC

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Money Market, Intermediate, and Bond Pooled Investment Funds

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Statements of Net Assets

DECEMBER 31, 2017 AND 2016

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets								
Cash	\$ 31	-	17	6	2	6	50	12
Unitholder receivable	-	-	8,138	13,479	19,930	7,290	28,068	20,769
Investments (Schedules 1, 2 & 3)	1,200,334	1,245,831	340,500	351,559	775,628	843,701	2,316,462	2,441,091
	1,200,365	1,245,831	348,655	365,044	795,560	850,997	2,344,580	2,461,872
Liabilities								
Bank overdraft	-	18	-	-	-	-	-	18
Accrued management fees	161	167	61	65	139	151	361	383
Unitholder payable	10	6,562	-	10,995	-	-	10	17,557
	171	6,747	61	11,060	139	151	371	17,958
Net Assets and Unitholders' Equity	\$ 1,200,194	1,239,084	348,594	353,984	795,421	850,846	2,344,209	2,443,914

See Accompanying Notes to Financial Statements

Statements of Operations and Unitholders' Equity

YEARS ENDING DECEMBER 31, 2017 AND 2016

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Investment Income								
Interest income	\$ 12,650	10,476	9,415	8,748	17,806	19,534	39,871	38,758
Less management fees	1,729	1,710	718	735	1,658	1,670	4,105	4,115
	10,921	8,766	8,697	8,013	16,148	17,864	35,766	34,643
Gain (Loss) on Investments								
Net realized gain (loss)	-	-	(4,521)	(4,195)	(5,004)	(1,928)	(9,525)	(6,123)
Net unrealized gain (loss)	-	-	4,659	2,474	5,230	1,851	9,889	4,325
Net gain (loss) on investments	-	-	138	(1,721)	226	(77)	364	(1,798)
Net Earnings Distributed	\$ 10,921	8,766	8,835	6,292	16,374	17,787	36,130	32,845
Unitholders' Equity								
Units outstanding, beginning of the year	\$1,239,084	1,109,590	353,984	373,668	850,846	763,474	2,443,914	2,246,732
Units subscribed	1,108,676	1,374,689	211,097	190,449	46,598	145,251	1,366,371	1,710,389
Distributions reinvested	10,921	8,766	8,835	6,292	16,374	17,787	36,130	32,845
Units redeemed	(1,158,487)	(1,253,961)	(225,322)	(216,425)	(118,397)	(75,666)	(1,502,206)	(1,546,052)
Units Outstanding, end of the year	\$ 1,200,194	1,239,084	348,594	353,984	795,421	850,846	2,344,209	2,443,914

See Accompanying Notes to Financial Statements

Statements of Changes in Net Assets

YEARS ENDING DECEMBER 31, 2017 AND 2016

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets, beginning of the year	\$1,239,084	1,109,590	353,984	373,668	850,846	763,474	2,443,914	2,246,732
Changes during the year due to:								
Operations:								
Net investment income	10,921	8,766	8,697	8,013	16,148	17,864	35,766	34,643
Net loss on investments	-	-	138	(1,721)	226	(77)	364	(1,798)
	10,921	8,766	8,835	6,292	16,374	17,787	36,130	32,845
Unit transaction:								
Subscriptions	1,108,676	1,374,689	211,097	190,449	46,598	145,251	1,366,371	1,710,389
Redemptions	(1,158,487)	(1,253,961)	(225,322)	(216,425)	(118,397)	(75,666)	(1,502,206)	(1,546,052)
	(49,811)	120,728	(14,225)	(25,976)	(71,799)	69,585	(135,835)	164,337
Distributions to unitholders:								
Investment income	(10,921)	(8,766)	(8,697)	(8,013)	(16,148)	(17,864)	(35,766)	(34,643)
Loss on investments	-	-	(138)	1,721	(226)	77	(364)	1,798
Distributions reinvested	10,921	8,766	8,835	6,292	16,374	17,787	36,130	32,845
Net Assets, end of the year	\$1,200,194	1,239,084	348,594	353,984	795,421	850,846	2,344,209	2,443,914

See Accompanying Notes to Financial Statements

Notes to Financial Statements

YEARS ENDING DECEMBER 31, 2017 AND 2016

1. Significant accounting policies

Basis of presentation

The Pooled Investment Funds are established by and operate under Section 16 of the *Municipal Finance Authority Act*.

Three funds are maintained:

- (a) Money Market Fund which commenced operations on May 1, 1989;
- (b) Intermediate Fund which commenced operations on March 25, 1994;
- (c) Bond Fund which commenced operations on May 10, 1989.

These funds are authorized to issue an unlimited number of units, each of which represents an equal undivided interest in the net assets of the respective funds *pro rata* with all other units from time to time issued and outstanding. Units are issued or redeemed at market value.

Under Section 149 (1) (c) of the *Income Tax Act* the funds are exempt from income taxes.

MONEY MARKET FUND

- (a) Investments are carried at market value.
- (b) Interest income is recognized as earned.
- (c) Management fees are accrued daily at the rate of 0.15 percent per annum of the net assets of the fund and are paid monthly.
- (d) Net earnings from operations are distributed to unitholders daily as additional units of the fund.

INTERMEDIATE FUND & BOND FUND

- (a) Investments are carried at market value.
- (b) Investment transactions are accounted for on the trade date and gains/losses from such transactions are calculated on an average cost basis.
- (c) Interest income is recognized as earned.
- (d) Management fees are accrued daily at the rate of 0.20 percent per annum of the net assets of the fund and are paid monthly.
- (e) Net earnings from operations are distributed to unitholders daily as additional units of the fund.
- (f) Accretion of discounts and premiums are amortized on a straightline basis over the term of the investment.

2. Financial instruments

All unitholder receivables, receivables for investments sold, accrued management fees, and unitholder payables have been classified as loans and receivables or other liabilities and are recorded at amortized cost using the effective-yield basis.

Transaction costs are expensed and included in the Statements of Operations and Unitholders' Equity in the period incurred.

Investments are designated as held for trading and recorded at market value measured at mid-market prices which approximate bid values.

Notes to Financial Statements continued

YEARS ENDING DECEMBER 31, 2017 AND 2016

3. Financial instruments risk

a. Risk management

Risk management is achieved through segregation of duties whereby the investment management decisions are undertaken by a professional fund manager (Phillips, Hager & North Investment Management Ltd.), custody of the assets and accounting functions undertaken by a professional custodian (CIBC Mellon Trust Company), and overall governance of the funds monitored by the Investment Advisory Committee comprised of Trustees of the Municipal Finance Authority of BC. The Investment Advisory Committee establishes the investing guidelines, reviews the fund manager's compliance, and assesses performance in comparison to the FTSE TMX 30-Day Treasury Bill Index, the FTSE TMX 365-Day Treasury Bill Index, and the FTSE TMX Short Term Index.

b. Liquidity risk

Liquidity risk is the risk that a portfolio may not be able to settle or meet its obligation on time or at a reasonable price.

Each portfolio is exposed to daily cash redemptions of units at the current Net Assets Value per unit at the option of the unitholder. The funds invest the majority of their assets in securities that are traded in an active market and can be readily disposed of. In addition each Fund retains sufficient cash and cash-equivalent positions to maintain liquidity.

As of December 31, 2017 the duration of each of the funds was as follows: 63 days for Money Market Fund, 0.8 years for the Intermediate Fund, and 2.9 years for the Bond Fund.

c. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

The funds invest primarily in interest-bearing securities and are therefore susceptible to market rate fluctuations. The short duration of the investments lessens the effect of changes in interest rates.

d. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligation or commitment.

The fund manager moderates risk through a conservative selection of securities and diversification within the parameters of the investment policy. The investment portfolio is carried at fair value and represents the maximum credit risk exposure as at December 31, 2017.

e. Currency risk

The funds are not subject to currency risk. The functional currency is the Canadian dollar and all transactions are denominated in Canadian dollars.

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Bankers Acceptance				
Bank of Nova Scotia	February 28, 2018	6,300,000	6,286,534	
HSBC Bank Canada	January 15, 2018	25,719,000	25,705,518	
HSBC Bank Canada	January 18, 2018	5,000,000	4,996,912	
HSBC Bank Canada	February 5, 2018	11,000,000	10,986,448	
HSBC Bank Canada	February 16, 2018	7,050,000	7,038,318	
HSBC Bank Canada	February 20, 2018	7,000,000	6,987,400	
National Bank of Canada	April 4, 2018	5,825,000	5,802,609	
Toronto-Dominion Bank	February 20, 2018	7,500,000	7,486,125	
		<u>75,394,000</u>	<u>75,289,864</u>	6.27%
Discount Commercial Paper				
AltaLink L.P.	January 2, 2018	11,000,000	10,999,609	
Bank of Nova Scotia Bearer	February 16, 2018	27,300,000	27,254,682	
Banner Trust	February 21, 2018	31,000,000	30,935,311	
Banner Trust	February 22, 2018	2,000,000	1,995,693	
Banner Trust	March 1, 2018	11,200,000	11,172,632	
Banner Trust	April 2, 2018	7,500,000	7,470,311	
Banner Trust	June 4, 2018	3,800,000	3,774,555	
Bay Street Funding Trust	February 13, 2018	4,000,000	3,993,422	
Bay Street Funding Trust	March 16, 2018	2,000,000	11,974,915	
Bay Street Funding Trust	February 20, 2018	16,000,000	1,994,255	
Bay Street Funding Trust	February 23, 2018	12,000,000	15,968,444	
Bay Street Funding Trust	April 19, 2018	5,000,000	9,939,471	
Bay Street Funding Trust	May 22, 2018	10,000,000	7,345,487	
Bay Street Funding Trust	April 3, 2018	7,375,000	4,977,500	
Canadian Master Trust	January 25, 2018	5,075,000	5,070,558	
Canadian Master Trust Series 'A'	January 3, 2018	3,300,000	3,299,747	
Canadian Master Trust Series 'A'	April 30, 2018	10,000,000	10,652,542	
Canadian Master Trust Series 'A'	March 19, 2018	11,950,000	9,948,896	
Canadian Master Trust Series 'A'	April 13, 2018	10,700,000	11,909,991	
Caterpillar Financial Services Ltd.	January 9, 2018	5,000,000	4,998,579	
Central 1 Credit Union	February 9, 2018	28,250,000	3,369,519	
Central 1 Credit Union	February 15, 2018	3,375,000	2,994,587	
Central 1 Credit Union	February 20, 2018	3,000,000	11,001,981	
Central 1 Credit Union	February 6, 2018	8,725,000	28,210,569	
Central 1 Credit Union	February 27, 2018	11,025,000	2,994,653	
Central 1 Credit Union	February 16, 2018	3,000,000	8,713,530	
Clarity Trust Series 'A'	April 20, 2018	8,225,000	8,185,984	
Enbridge Pipelines Inc.	January 8, 2018	11,000,000	10,996,996	
Enbridge Pipelines Inc.	January 26, 2018	12,000,000	11,988,207	
Enbridge Pipelines Inc.	March 15, 2018	10,000,000	9,969,129	
Federation des Caisses Desjardins du Quebec	February 20, 2018	9,200,000	7,641,568	
Federation des Caisses Desjardins du Quebec	February 1, 2018	7,650,000	9,183,800	
Fusion Trust Series 'A'	February 14, 2018	10,250,000	10,987,138	
Fusion Trust Series 'A'	February 1, 2018	11,000,000	10,233,587	
Fusion Trust Series 'A'	April 5, 2018	5,000,000	4,981,161	
Fusion Trust Series 'A'	May 22, 2018	16,625,000	4,481,405	
Fusion Trust Series 'A'	April 6, 2018	4,500,000	16,524,294	
Fusion Trust Series 'A'	June 6, 2018	7,000,000	6,952,519	
Fusion Trust Series 'A'	June 27, 2018	2,500,000	2,479,674	
Greater Toronto Airports Authority	January 10, 2018	11,075,000	11,071,511	

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Greater Toronto Airports Authority	February 16, 2018	14,475,000	14,450,634	
Greater Toronto Airports Authority	March 14, 2018	7,675,000	7,654,203	
Honda Canada Finance Inc.	March 6, 2018	5,000,000	4,988,207	
Honda Canada Finance Inc.	May 3, 2018	4,000,000	3,979,568	
Honda Canada Finance Inc.	May 7, 2018	575,000	571,966	
Honda Canada Finance Inc.	May 29, 2018	11,000,000	10,930,473	
Husky Energy Inc.	March 9, 2018	1,600,000	1,595,811	
Hydro One inc.	January 23, 2018	7,225,000	7,219,172	
Hydro One inc.	February 22, 2018	2,250,000	2,245,693	
Hydro One inc.	March 1, 2018	10,175,000	10,152,372	
Hydro One inc.	March 15, 2018	3,450,000	3,440,369	
Inter Pipeline Inc.	February 9, 2018	2,500,000	8,840,048	
Inter Pipeline Inc.	February 13, 2018	3,000,000	4,194,783	
Inter Pipeline Inc.	January 24, 2018	7,000,000	2,496,271	
Inter Pipeline Inc.	January 31, 2018	2,625,000	6,993,795	
Inter Pipeline Inc.	January 30, 2018	8,850,000	2,995,069	
Inter Pipeline Inc.	February 2, 2018	4,200,000	2,621,969	
Inter Pipeline Inc.	March 9, 2018	5,000,000	4,986,718	
King Street Funding Trust	February 20, 2018	18,800,000	5,998,371	
King Street Funding Trust	January 8, 2018	6,000,000	18,763,862	
King Street Funding Trust	March 15, 2018	10,500,000	10,469,276	
King Street Funding Trust	April 16, 2018	13,000,000	6,274,515	
King Street Funding Trust	March 19, 2018	5,000,000	12,942,761	
King Street Funding Trust	April 4, 2018	6,300,000	4,983,260	
Lakeshore Trust	January 3, 2018	8,000,000	7,999,358	
Lakeshore Trust	March 19, 2018	10,000,000	9,966,279	
Lakeshore Trust	March 23, 2018	5,000,000	4,982,281	
Lakeshore Trust	March 26, 2018	14,550,000	14,496,495	
Merit Trust Senior	January 3, 2018	8,050,000	8,049,384	
Merit Trust Senior	March 22, 2018	16,000,000	15,947,627	
Merit Trust Senior	April 3, 2018	9,000,000	8,963,758	
Nissan Canada Financial Services Inc.	January 3, 2018	3,700,000	3,699,740	
Nissan Canada Financial Services Inc.	January 17, 2018	1,950,000	1,948,852	
Nissan Canada Financial Services Inc.	January 24, 2018	5,950,000	5,944,888	
Nissan Canada Financial Services Inc.	February 7, 2018	10,975,000	10,959,468	
Nova Scotia Power Corp.	January 5, 2018	2,275,000	2,274,677	
Nova Scotia Power Corp.	January 11, 2018	2,525,000	2,524,104	
Nova Scotia Power Corp.	January 29, 2018	4,575,000	4,570,076	
Nova Scotia Power Corp.	January 31, 2018	7,200,000	7,191,687	
Prime Trust Senior	January 19, 2018	11,000,000	10,992,783	
Prime Trust Senior	April 10, 2018	6,000,000	4,980,091	
Prime Trust Senior	March 19, 2018	6,000,000	5,976,339	
Prime Trust Senior	April 2, 2018	5,000,000	5,980,160	
Ridge Trust	February 16, 2018	5,000,000	4,991,110	
Ridge Trust	April 4, 2018	4,175,000	4,159,210	
Ridge Trust	May 4, 2018	7,200,000	4,846,932	
Ridge Trust	May 15, 2018	4,875,000	3,980,521	
Ridge Trust	April 23, 2018	4,000,000	7,161,954	
Ridge Trust	June 5, 2018	3,150,000	3,128,636	
Ridge Trust Series 'A'	January 15, 2018	5,650,000	13,348,978	
Ridge Trust Series 'A'	January 3, 2018	13,350,000	5,647,175	
Safe Trust	January 18, 2018	14,825,000	14,816,124	

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Safe Trust	February 23, 2018	20,000,000	19,959,196	
Safe Trust	May 3, 2018	4,500,000	4,476,120	
Sound Trust 98-1	January 5, 2018	23,150,000	23,146,457	
Sound Trust 98-1	April 2, 2018	3,500,000	3,486,145	
Sound Trust 98-1	June 8, 2018	6,215,000	6,172,265	
Sound Trust 98-1	June 18, 2018	5,000,000	4,962,340	
Storm King Funding	January 11, 2018	10,000,000	9,995,858	
Suncor Energy Inc.	February 1, 2018	10,350,000	9,104,344	
Suncor Energy Inc.	March 2, 2018	9,125,000	1,994,680	
Suncor Energy Inc.	March 12, 2018	2,000,000	11,999,082	
Suncor Energy Inc.	January 3, 2018	12,000,000	10,337,898	
SURE Trust	February 8, 2018	17,100,000	17,075,138	
SURE Trust	February 14, 2018	11,000,000	10,981,491	
SURE Trust	May 2, 2018	4,205,000	4,182,867	
SURE Trust	June 8, 2018	8,000,000	7,944,991	
SURE Trust	June 19, 2018	6,810,000	6,757,792	
TMX Group Ltd.	January 12, 2018	13,000,000	12,994,843	
TMX Group Ltd.	January 29, 2018	7,250,000	7,242,686	
TMX Group Ltd.	February 2, 2018	4,000,000	3,995,307	
TMX Group Ltd.	February 9, 2018	9,000,000	8,987,170	
Toronto-Dominion Bank (The Bearer)	April 5, 2018	10,125,000	10,090,392	
Toronto-Dominion Bank (The Bearer)	May 18, 2018	23,000,000	22,869,735	
Union Gas Ltd.	January 17, 2018	13,100,000	13,092,378	
Union Gas Ltd.	January 18, 2018	15,000,000	14,990,705	
Zeus Receivables Trust Senior	April 10, 2018	5,500,000	5,983,848	
Zeus Receivables Trust Senior	April 6, 2018	10,000,000	4,989,025	
Zeus Receivables Trust Senior	February 22, 2018	8,050,000	5,478,311	
Zeus Receivables Trust Senior	February 23, 2018	5,000,000	9,961,921	
Zeus Receivables Trust Senior	March 7, 2018	6,000,000	8,032,663	
Zeus Receivables Trust Senior	April 17, 2018	7,500,000	7,465,402	
		1,029,255,000	1,026,707,315	85.54%
Total Short-term Investments		1,104,649,000	1,101,997,179	91.81%

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Canadian Bonds				
Corporate Bonds				
AltaLink L.P. Series '2008-1'	May 29, 2018	6,693,000	6,819,467	
Bank of Nova Scotia	May 1, 2018	10,000,000	10,009,809	
Bank of Nova Scotia	September 5, 2018	7,000,000	7,007,664	
Bank of Nova Scotia	June 27, 2018	6,000,000	6,001,289	
Canadian Imperial Bank of Commerce	March 7, 2018	13,500,000	13,620,952	
Canadian Imperial Bank of Commerce	February 8, 2018	2,840,000	2,850,245	
Canadian Imperial Bank of Commerce	May 8, 2018	5,500,000	5,505,461	
Epcor Utilities Inc.	January 31, 2018	11,800,000	12,128,540	
National Bank of Canada	August 9, 2018	14,000,000	14,260,212	
National Bank of Canada	June 14, 2018	5,000,000	5,015,883	
Royal Bank of Canada	August 1, 2018	10,000,000	10,012,485	
Union Gas Ltd. Series '6'	April 27, 2018	5,000,000	5,104,759	
		97,333,000	98,336,766	8.19%
Total Investment Portfolio		\$ 1,201,982,000	1,200,333,945	100.00%

[Schedule 2]

Intermediate - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Canadian Bonds				
Provincial Bonds				
Canada Housing Trust No.1, Series '56'	December 15, 2018	12,275,000	12,382,585	
Province of Alberta	June 15, 2018	2,330,000	2,334,988	
Province of British Columbia	December 18, 2018	18,113,000	18,678,088	
Province of Ontario	September 8, 2018	49,480,000	50,015,400	
Province of Quebec, Series 'B088'	December 1, 2018	18,500,000	19,056,843	
		100,698,000	102,467,904	30.09%
Corporate Bonds				
Bank of Montreal	September 13, 2018	15,460,000	15,764,012	
Bank of Nova Scotia	August 13, 2018	29,177,000	29,668,083	
bclMC Realty Corp.	August 2, 2018	2,425,000	2,469,297	
bclMC Realty Corp., Series '8'	March 7, 2019	21,066,000	21,513,687	
Caisse centrale Desjardins du Québec	November 19, 2018	15,970,000	16,161,254	
Canadian Imperial Bank of Commerce	October 9, 2018	15,740,000	15,794,247	
HSBC Bank Canada	November 26, 2018	15,525,000	15,589,727	
Hydro One Inc.	October 9, 2018	15,529,000	15,753,826	
Master Credit Card Trust II, Series '13-4'	November 21, 2018	13,600,000	13,747,464	
National Bank of Canada	August 9, 2018	15,510,000	15,781,820	
Royal Bank of Canada	July 12, 2018	27,385,000	27,913,177	
Toronto-Dominion Bank	April 2, 2019	28,700,000	29,049,298	
Wells Fargo Financial Canada Corp.	November 15, 2018	15,948,000	16,138,476	
Westcoast Energy Inc., Series 'O'	September 4, 2018	2,515,000	2,688,114	
		234,550,000	238,032,482	69.91%
Total Investment Portfolio		\$ 335,248,000	340,500,386	100.00%

[Schedule 3]

Bond - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Pooled Funds				
Phillips, Hager & North STIF Pooled Fund		10,440,065	10,440,065	
Total Short-term Investments		10,440,065	10,440,065	1.35%
Canadian Bonds				
Federal Bonds				
Canada Housing Trust No. 1	June 15, 2019	37,721,000	37,893,958	
Canada Housing Trust No. 1	December 15, 2019	32,967,000	33,140,407	
Canada Housing Trust No. 1	March 15, 2020	8,011,000	8,434,588	
Canada Housing Trust No. 1	December 15, 2020	33,688,000	33,073,773	
Canada Housing Trust No. 1	June 15, 2021	457,000	485,243	
Canada Housing Trust No. 1	December 15, 2021	5,514,000	5,330,374	
Canada Housing Trust No. 1	December 15, 2021	7,463,000	7,314,135	
Canada Housing Trust No. 1	June 15, 2022	2,368,000	2,334,999	
Canada Housing Trust No. 1	December 15, 2022	12,075,000	12,229,706	
Canada Housing Trust No. 1	December 15, 2022	18,257,000	18,497,709	
Canada Housing Trust No. 1 Series '66'	June 15, 2020	27,755,000	27,515,699	
Canada Housing Trust No. 1 Series '71'	June 15, 2021	30,406,000	29,680,219	
Government of Canada	September 1, 2018	4,015,000	4,028,891	
Government of Canada	November 1, 2019	10,316,000	10,256,933	
Government of Canada	February 1, 2020	43,993,000	43,660,246	
Government of Canada	June 1, 2020	2,203,000	2,301,486	
Government of Canada	September 1, 2020	660,000	644,956	
Government of Canada	March 1, 2021	5,244,000	5,093,357	
Government of Canada	September 1, 2021	7,358,000	7,107,003	
Government of Canada	March 1, 2022	18,306,000	17,367,667	
Government of Canada	June 1, 2022	1,230,000	1,280,618	
Government of Canada	September 1, 2022	26,292,000	25,371,355	
Government of Canada	March 1, 2023	25,494,000	25,420,164	
Government of Canada	June 1, 2023	8,869,000	8,701,056	
		370,662,000	367,164,542	47.34%
Provincial Bonds				
Greater Toronto Airports Authority	February 16, 2021	820,000	809,068	
Greater Toronto Airports Authority	September 21, 2022	2,690,000	2,796,269	
Greater Toronto Airports Authority	November 20, 2019	1,620,000	1,742,593	
Province of Alberta	June 1, 2020	18,487,000	18,218,916	
Province of Manitoba	November 15, 2018	1,540,000	1,602,843	
Province of Manitoba	September 5, 2021	6,650,000	6,557,528	
Province of Ontario	June 2, 2019	20,687,000	21,528,766	
Province of Ontario	June 2, 2020	32,366,000	34,213,508	
Province of Ontario	June 2, 2022	7,918,000	8,257,721	
		92,778,000	95,727,212	12.34%
Corporate Bonds				
AltaLink Investments L.P., Series '12-1'	June 5, 2019	3,581,000	3,653,290	
AltaLink Investments L.P., Series '13-1'	June 5, 2020	695,000	710,219	
AltaLink Investments L.P., Series '15-1'	March 7, 2022	2,866,000	2,849,157	
AltaLink L.P.	November 6, 2023	1,735,000	1,852,171	
AltaLink L.P., Series '2008-1'	May 29, 2018	1,155,000	1,177,294	
Anheuser-Busch InBev Finance Inc.	January 25, 2023	2,745,000	2,862,437	

[Schedule 3]

Bond - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Anheuser-Busch InBev Finance Inc.	May 15, 2024	2,920,000	2,867,036	
AltaLink L.P.	November 28, 2022	590,000	607,132	
AT&T Inc.	November 25, 2020	1,485,000	1,542,425	
Bank of America Corp.	March 15, 2023	3,110,000	3,112,626	
Bell Canada	February 26, 2019	2,196,000	2,324,539	
Bell Canada	September 10, 2018	1,890,000	1,931,995	
Blackbird Infrastructure 407 General Partnership	October 8, 2021	1,026,000	1,018,670	
Brookfield Asset Management Inc.	March 1, 2021	845,000	925,947	
Brookfield Asset Management Inc.	March 31, 2023	1,021,000	1,103,828	
Brookfield Infrastructure Finance ULC	October 30, 2020	875,000	901,921	
Brookfield Infrastructure Finance ULC	March 11, 2022	455,000	467,585	
Brookfield Infrastructure Finance ULC	February 22, 2024	3,840,000	3,870,808	
BRP Finance ULC	October 13, 2020	3,720,000	4,021,005	
Bruce Power L.P.	June 23, 2021	6,305,000	6,355,578	
Cameco Corp.	November 14, 2022	980,000	972,686	
Canadian Utilities Ltd.	November 30, 2020	1,280,000	1,620,014	
Choice Properties L.P., Series '8'	April 20, 2020	3,265,000	3,363,913	
Cominar REIT	December 4, 2019	305,000	310,126	
Cominar REIT, Series '4'	July 27, 2020	1,613,000	1,694,179	
Cominar REIT, Series '8'	December 8, 2021	565,000	568,590	
Cominar REIT, Series '9'	June 1, 2022	1,190,000	1,187,791	
Cominar REIT	October 31, 2018	930,000	946,158	
Eagle Credit Card Trust	October 17, 2018	2,740,000	2,777,696	
Eagle Credit Card Trust, Series '151A'	September 17, 2020	755,000	755,660	
Ellisdon Infrastructure JBH Inc.	November 28, 2019	4,972,000	5,004,720	
Emera Inc.	June 16, 2023	1,010,000	1,009,465	
Enbridge Gas Distribution Inc.	November 23, 2020	3,324,000	3,506,940	
Enbridge Gas Distribution Inc.	December 17, 2021	1,410,000	1,541,746	
Enbridge Inc.	February 1, 2021	415,000	441,342	
Enbridge Inc.	September 2, 2019	3,016,000	3,182,138	
Enbridge Inc.	March 11, 2021	3,862,000	3,949,935	
Enbridge Income Fund	February 22, 2019	379,000	392,297	
Enbridge Pipelines Inc.	November 17, 2023	845,000	997,948	
Enbridge Pipelines Inc.	November 19, 2018	2,085,000	2,186,636	
Enbridge Pipelines Inc.	November 12, 2019	4,360,000	4,584,188	
Enbridge Pipelines Inc.	April 6, 2020	4,065,000	4,302,589	
Enbridge Pipelines Inc.	August 17, 2023	2,105,000	2,247,410	
Enmax Corp.	June 19, 2018	1,600,000	1,633,443	
Fortis Inc.	December 12, 2023	1,670,000	1,671,204	
Fortis Alberta Inc.	September 30, 2024	1,565,000	1,638,319	
Gaz Métro Inc, Series '37'	June 18, 2019	1,860,000	1,939,824	
H&R REIT	June 20, 2018	535,000	539,144	
Hydro One Inc.	June 1, 2020	1,710,000	1,806,570	
Hydro One Inc.	February 24, 2021	2,590,000	2,574,282	
Hydro One Inc.	January 13, 2022	1,525,000	1,596,506	
Hydro One Inc, Series '37'	November 18, 2019	6,424,000	6,369,193	
Industrial Alliance Insurance and Financial Services Inc.	May 16, 2024	1,380,000	1,389,346	
Inter Pipeline Ltd.	May 30, 2022	1,775,000	1,849,208	
Loblaw Cos. Ltd.	March 12, 2019	945,000	974,420	
Lower Mattagami Energy L.P.	June 20, 2024	360,000	376,835	
Manitoba Telecom Services Inc.	October 1, 2018	789,000	813,548	
Merrill Lynch & Co. Inc.	May 30, 2022	1,270,000	1,256,666	

[Schedule 3]

Bond - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Molson Coors International L.P., Series '1'	September 18, 2018	2,590,000	2,612,208	
Molson Coors International L.P., Series '2'	September 18, 2020	1,550,000	1,569,409	
National Grid Electricity Transmission PLC	November 26, 2019	3,885,000	3,946,980	
NHA MBS Concentra Financial Services	June 1, 2021	2,442,131	2,407,972	
NHA MBS Home Trust Co.	September 1, 2021	1,151,337	1,125,425	
NHA MBS Merrill Lynch Canada Inc.	August 1, 2021	4,696,185	4,596,863	
NHA MBS Merrill Lynch Canada Inc.	June 1, 2022	1,939,159	1,892,080	
NHA MBS TD Securities Inc.	July 1, 2021	3,403,267	3,330,811	
North West Redwater Partnership / NWR Financing Co. Ltd.	February 23, 2022	2,480,000	2,449,848	
Nova Scotia Power Inc.	August 2, 2019	225,000	258,436	
OMERS Realty Corp., Series '1'	June 5, 2018	1,649,000	1,658,181	
OMERS Realty Corp., Series '5'	November 12, 2019	915,000	923,783	
Pembina Pipeline Corp.	March 29, 2021	1,607,000	1,734,277	
Penmor Loan #12863-0J	September 5, 2024	634,238	627,126	
Penmor Loan #3881-1V	January 1, 2019	839,225	846,372	
Rogers Communications Inc.	March 13, 2019	2,255,000	2,294,105	
Royal Bank of Canada	July 12, 2018	1,675,000	1,707,306	
Royal Bank of Canada	April 26, 2019	12,640,000	12,592,492	
Royal Bank of Canada	July 17, 2020	5,350,000	5,352,222	
Royal Bank of Canada	March 4, 2021	1,530,000	1,567,223	
Royal Bank of Canada	March 15, 2021	10,570,000	10,521,295	
Royal Bank of Canada	July 15, 2021	5,008,000	4,920,436	
Sun Life Financial Inc., Series '14-1'	May 13, 2024	430,000	433,658	
Thomson Reuters Corp.	May 23, 2019	3,855,000	3,931,458	
TMX Group Ltd.	October 3, 2018	4,605,000	4,691,617	
Toronto-Dominion Bank	April 2, 2018	150,000	151,068	
Toronto-Dominion Bank	June 24, 2020	1,980,000	1,997,066	
Toronto-Dominion Bank, Series 'CBL14'	June 8, 2021	26,565,000	26,057,152	
TransCanada PipeLines Ltd.	November 15, 2021	385,000	405,035	
TransCanada PipeLines Ltd., Series 'W'	March 20, 2018	1,620,000	1,689,154	
Union Gas Ltd.	July 10, 2023	1,370,000	1,478,377	
Union Gas Ltd., Series '11'	June 2, 2021	705,000	717,032	
Union Gas Ltd., Series '6'	April 27, 2018	1,175,000	1,199,755	
Union Gas Ltd., Series '6'	April 25, 2022	4,437,000	4,913,889	
Unitel Parcel Service Inc.	May 21, 2024	2,705,000	2,626,961	
Wells Fargo & Co.	March 15, 2021	1,890,000	1,885,387	
Wells Fargo & Co.	October 27, 2023	5,390,000	5,286,734	
Westcoast Energy Inc.	January 16, 2019	3,963,000	4,204,624	
Westcoast Energy Inc.	July 2, 2020	1,901,000	2,043,554	
Westcoast Energy Inc., Series '0'	September 4, 2018	1,310,000	1,400,171	
		247,994,542	252,175,880	32.51%
Total Canadian Bonds		711,434,542	715,067,634	92.19%
Mortgages				
NHA Insured Mortgages				
Genesis Trust II, Series '15-2'	September 17, 2018	14,440,000	14,502,981	
Home Trust Co.	December 1, 2019	870,890	870,322	
NHA MBS Home Trust Co.	September 1, 2019	1,705,580	1,710,350	
NHA MBS Equitable Bank	November 1, 2019	1,275,781	1,276,976	
NHA MBS First National Financial Group Corp.	March 1, 2018	2,036,071	2,039,134	
NHA MBS First National Financial Group Corp.	August 1, 2019	2,323,081	2,322,833	

[Schedule 3]

Bond - Schedule of Investments

DECEMBER 31, 2017

	MATURITY DATE	PAR	MARKET	% OF TOTAL
NHA MBS MCAP Service Corp., Pool #97504749	February 1, 2020	1,053,638	1,041,021	
NHA MBS Merrill Lynch Canada Inc.	May 1, 2021	5,551,902	5,459,160	
NHA MBS Merrill Lynch Canada Inc.	November 1, 2021	8,125,740	7,953,198	
NHA MBS Merrill Lynch Canada Inc.	September 1, 2022	3,077,847	3,047,076	
NHA MBS TD Securities Inc.	December 1, 2021	5,195,463	5,088,845	
NHA MBS Toronto Dominion Bank	May 1, 2018	884,734	886,355	
NHA MBS Toronto Dominion Bank	April 1, 2018	2,376,105	2,380,159	
NHA MBS Toronto Dominion Bank	March 1, 2019	1,541,294	1,541,600	
Total Mortgage Investments		50,458,126	50,102,010	6.46%
Total Investment Portfolio		\$ 772,332,733	775,627,709	100.00%

Participants

MUNICIPALITIES

100 Mile House	Hazelton	Oliver	Summerland
Abbotsford	Highlands	Peachland	Sun Peaks
Anmore	Hope	Pemberton	Surrey
Armstrong	Houston	Penticton	Tahsis
Ashcroft	Kamloops	Pitt Meadows	Taylor
Barriere	Kaslo	Port Alberni	Telkwa
Belcarra	Kelowna	Port Alice	Terrace
Bowen Island	Keremeos	Port Clements	Tofino
Burnaby	Kimberley	Port Coquitlam	Trail
Burns Lake	Kitimat	Port Edward	Tumbler Ridge
Cache Creek	Ladysmith	Port Hardy	Valemount
Campbell River	Lake Country	Port McNeill	Vernon
Canal Flats	Lake Cowichan	Pouce Coupe	Victoria
Castlegar	Lantzville	Powell River	View Royal
Central Saanich	Lillooet	Prince George	Warfield
Chase	Logan Lake	Princeton	West Vancouver
Chetwynd	Lytton	Qualicum Beach	Whistler
Chilliwack	Mackenzie	Queen Charlotte	White Rock
Clearwater	Maple Ridge	Quesnel	Zeballos
Clinton	Masset	Radium Hot Springs	
Coldstream	McBride	Revelstoke	
Colwood	Merritt	Richmond	
Comox	Metchosin	Rosland	
Courtenay	Midway	Saanich	
Creston	Mission	Salmo	
Cumberland	Montrose	Salmon Arm	
Dawson Creek	Nakusp	Sayward	
Duncan	Nanaimo	Sechelt	
Enderby	Nelson	Silverton	
Esquimalt	New Denver	Slocan	
Fernie	New Hazelton	Smithers	
Fraser Lake	New Westminster	Sooke	
Gibsons	North Cowichan	Spallumcheen	
Gold River	North Vancouver District	Sparwood	
Golden	Northern Rockies	Squamish	
Granisle	Oak Bay	Stewart	

REGIONAL DISTRICTS

Capital	Cowichan Valley	Nanaimo	Squamish-Lillooet
Cariboo	East Kootenay	North Coast	Strathcona
Central Coast	Fraser-Fort George	North Okanagan	Sunshine Coast
Central Kootenay	Kitimat-Stikine	Okanagan-Similkameen	Thompson-Nicola
Columbia Shuswap	Kootenay Boundary	Peace River	
Comox Valley	Mount Waddington	Powell River	

Participants continued

REGIONAL HOSPITAL DISTRICTS

Alberni-Clayoquot	Cowichan Valley	Nanaimo	Sunshine Coast
Capital	Fraser-Fort George	Okanagan-Similkameen	Thompson
Cariboo-Chilcotin	Kootenay East	Peace River	West Kootenay-Boundary
Central Coast	Mount Waddington	Sea to Sky	

FIRST NATIONS

Adams Lake	Kitselas	Seabird Island	Tobacco Plains
Aqam	Kwaw-kwaw-Apilt	Shxw̓ha:y	Tsawwassen
Bonaparte	Lower Kootenay	Songhees	Tzeachten
Chawathil	Matsqui	Stó:lō	Waabnoong Bemjiwang
Cowichan	Millbrook	Stz'uminus	
First Nations Finance Authority	Namgis	T'it'q'et	
Kamloops	Old Masset Village Council	Tla'amin	

OTHER ORGANIZATIONS

Association of Kootenay & Boundary Local Governments	Lower Mainland Government Association
Association of Vancouver Island and Coastal Communities	Mission School District
Association of Yukon Communities	Mount Parke Estates Improvement District
Board of Cemetery Trustees of Greater Victoria	North Island-Coast Development Initiative Trust
Canadian Association of Government Finance Officers	Okanagan-Kootenay Sterile Insect Release Board
Capital Region Housing Corporation	Port Alberni Harbour Commission
Carmacks, Yukon	Prince George Public Library
CivicInfo BC	Queen Charlotte School District
College of the Rockies	Razor Point Improvement District
Comox Fire Protection District	Seven Generations Environmental Services
Cultus Lake Park	Shawnigan Improvement District
Faro, Yukon	South East Kelowna Irrigation District
Fraser Basin Council	Southern Interior Local Government Association
Fraser Valley Library	Union of BC Municipalities
Government Finance Officers Association of BC	University of Northern BC
Integrated Cadastral Information Society	Vancouver Island Library
Islands Trust	Vancouver Island Local Government Management Association
Kelowna General Hospital Foundation	Victoria Public Library
Local Government Management Association of BC	

High Interest Savings Account Pooled Investment Funds

Financial Statements

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Statements of Net Assets

DECEMBER 31, 2017

THOUSANDS OF DOLLARS	
	2017
Assets	
Cash	\$ 193,228
Interest receivable	239
	<u>193,467</u>
Liabilities	
Accrued management fees	4
Net Assets and Deposits due to clients	\$ 193,463

See Accompanying Notes to Financial Statements

Statements of Operations and Clients' Equity

PERIOD ENDING DECEMBER 31, 2017

THOUSANDS OF DOLLARS	
	2017
Investment Income	
Interest income	\$ 471
Less management fees	8
Net Earnings Distributed	463
Clients' Equity	
Deposits outstanding, beginning of the year	-
Contributions	238,000
Net earnings distributed	463
Withdrawals	(45,000)
Deposits Outstanding, end of the year	\$ 193,463

See Accompanying Notes to Financial Statements

Statements of Changes in Net Assets

PERIOD ENDING DECEMBER 31, 2017

THOUSANDS OF DOLLARS

	2017
Net Assets, beginning of period	\$ -
Changes during the period	
Operations:	
Net Interest income	463
Equity transactions:	
Contributions	238,000
Withdrawals	(45,000)
	193,000
Distributions to Clients	
Interest income	(463)
Net earnings distributed	463
Net Assets, end of period	\$ 193,463

See Accompanying Notes to Financial Statements

Notes to Financial Statements

PERIOD ENDING DECEMBER 31, 2017

1. Significant accounting policies

Basis of presentation

The High Interest Savings Account Pooled Investment Funds are established by and operate under Section 16 of the *Municipal Finance Authority Act*.

The funds are maintained at the Canadian Imperial Bank of Commerce (CIBC) and commenced operations October 1, 2017.

Deposits are carried at cost which approximates market value with a minimum balance of \$10,000 required per client. Interest income is paid in arrears based on the average monthly balance and is calculated at prime rate minus 1.49%. Management fees are calculated at 0.03% and paid in arrears.

Under Section 149 (1) (c) of the *Income Tax Act* the funds are exempt from income taxes.

2. Financial instruments

a. Risk management

Risk management is achieved through segregation of individual bank accounts within the fund whereby investment decisions are undertaken solely by the client.

b. Liquidity risk

Liquidity risk is the risk that the fund may not be able to settle or meet its obligation on time or at a reasonable value.

Funds are deposited in highly liquid savings accounts with daily access. Clients may redeem funds up to \$100 million on same day notice and on two days notice for amounts exceeding \$100 million.

c. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of deposits.

The funds are exclusively interest bearing and are not susceptible to market fluctuations.

d. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligation or commitment.

Client balances are covered up to \$100,000 under the Canadian Deposit Insurance Corporation (CDIC). The deposits are carried at fair value and represents the maximum credit risk exposure as at December 31, 2017.

e. Currency risk

The funds are not subject to currency risk. The functional currency is the Canadian dollar and all transactions are denominated in Canadian dollars.

Participants

MUNICIPALITIES

Coquitlam
Nelson
Surrey
Victoria
WestVancouver

REGIONAL HOSPITAL DISTRICTS

Capital





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