

2018
POOLED
INVESTMENT
FUNDS



MFABC
Municipal Finance Authority of BC





Statements of Net Assets

DECEMBER 31, 2018 AND 2017

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Assets								
Cash	\$ 6	31	12	17	963	2	981	50
Unitholder receivable	-	-	8,887	8,138	21,615	19,930	30,502	28,068
Investments (Schedules 1, 2 & 3)	1,106,444	1,200,334	265,079	340,500	543,424	775,628	1,914,947	2,316,462
	1,106,450	1,200,365	273,978	348,655	566,002	795,560	1,946,430	2,344,580
Liabilities								
Bank overdraft	-	-	-	-	-	-	-	-
Accrued management fees	150	161	48	61	93	139	291	361
Unitholder payable	1,000	10	-	-	3,435	-	4,435	10
	1,150	171	48	61	3,528	139	4,726	371
Net Assets and Unitholders' Equity	\$ 1,105,300	1,200,194	273,930	348,594	562,474	795,421	1,941,704	2,344,209

See Accompanying Notes to Financial Statements

Statements of Operations and Unitholders' Equity

YEARS ENDING DECEMBER 31, 2018 AND 2017

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Investment Income								
Interest income	\$ 19,867	12,650	8,897	9,415	15,768	17,806	44,532	39,871
Less management fees	1,713	1,729	616	718	1,293	1,658	3,622	4,105
	18,154	10,921	8,281	8,697	14,475	16,148	40,910	35,766
Gain (Loss) on Investments								
Net realized gain (loss)	-	-	(5,606)	(4,521)	(14,343)	(5,004)	(19,949)	(9,525)
Net unrealized gain (loss)	-	-	5,862	4,659	15,272	5,230	21,134	9,889
Net loss on investments	-	-	256	138	929	226	1,185	364
Net Earnings Distributed	\$ 18,154	10,921	8,537	8,835	15,404	16,374	42,095	36,130
Unitholders' Equity								
Units outstanding, beginning of the year	\$ 1,200,194	1,239,084	348,594	353,984	795,421	850,846	2,344,209	2,443,914
Units subscribed	584,176	1,108,676	48,572	211,097	17,931	46,598	650,679	1,366,371
Distributions reinvested	18,154	10,921	8,537	8,835	15,404	16,374	42,095	36,130
Units redeemed	(697,224)	(1,158,487)	(131,773)	(225,322)	(266,282)	(118,397)	(1,095,279)	(1,502,206)
Units Outstanding, end of the year	\$ 1,105,300	1,200,194	273,930	348,594	562,474	795,421	1,941,704	2,344,209

See Accompanying Notes to Financial Statements

Statements of Changes in Net Assets

YEARS ENDING DECEMBER 31, 2018 AND 2017

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets, beginning of the year	\$ 1,200,194	1,239,084	348,594	353,984	795,421	850,846	2,344,209	2,443,914
Changes during the year due to:								
Operations:								
Net investment income	18,154	10,921	8,281	8,697	14,475	16,148	40,910	35,766
Net loss on investments	-	-	256	138	929	226	1,185	364
	18,154	10,921	8,537	8,835	15,404	16,374	42,095	36,130
Unit transaction:								
Subscriptions	584,176	1,108,676	48,572	211,097	17,931	46,598	650,679	1,366,371
Redemptions	(697,224)	(1,158,487)	(131,773)	(225,322)	(266,282)	(118,397)	(1,095,279)	(1,502,206)
	(113,048)	(49,811)	(83,201)	(14,225)	(248,351)	(71,799)	(444,600)	(135,835)
Distributions to unitholders:								
Investment income	(18,154)	(10,921)	(8,281)	(8,697)	(14,475)	(16,148)	(40,910)	(35,766)
Loss on investments	-	-	(256)	(138)	(929)	(226)	(1,185)	(364)
Distributions reinvested	18,154	10,921	8,537	8,835	15,404	16,374	42,095	36,130
Net Assets, end of the year	\$ 1,105,300	1,200,194	273,930	348,594	562,474	795,421	1,941,704	2,344,209

See Accompanying Notes to Financial Statements

Notes to Financial Statements

YEARS ENDING DECEMBER 31, 2018 AND 2017

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, 2018 AND 2017

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, 2018 the duration of each of the funds was as follows: 47 days for Money Market Fund, 1.1 years for the Intermediate Fund, and 2.8 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, 2018.

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, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Bankers Acceptance				
Bank of Nova Scotia	January 28, 2019	38,235,000	38,172,060	
Canadian Imperial Bank of Commerce	March 11, 2019	6,050,000	6,026,803	
Canadian Imperial Bank of Commerce	March 21, 2019	27,500,000	27,378,033	
HSBC Bank Canada	January 17, 2019	13,175,000	13,162,352	
National Bank of Canada	January 16, 2019	2,000,000	1,998,241	
		86,960,000	86,737,489	7.84%
Discount Commercial Paper				
Alectra Inc.	January 4, 2019	8,450,000	8,448,443	
Alectra Inc.	January 9, 2019	5,000,000	4,997,537	
AltaLink L.P.	January 2, 2019	10,300,000	10,299,407	
AltaLink L.P.	January 29, 2019	18,325,000	18,294,650	
AltaLink L.P.	March 1, 2019	4,000,000	3,985,590	
Banner Trust	January 4, 2019	3,450,000	3,449,401	
Banner Trust	January 11, 2019	8,000,000	7,995,498	
Banner Trust	January 21, 2019	10,775,000	10,763,268	
Banner Trust	March 20, 2019	12,000,000	11,943,424	
Bay Street Funding Trust	January 15, 2019	3,825,000	3,822,080	
Bay Street Funding Trust	January 16, 2019	18,800,000	18,783,999	
Bay Street Funding Trust	January 30, 2019	6,500,000	6,489,519	
Bay Street Funding Trust	March 7, 2019	1,700,000	1,693,706	
Bay Street Funding Trust	March 8, 2019	2,000,000	1,992,153	
Bay Street Funding Trust	April 22, 2019	1,000,000	993,112	
Canadian Master Trust Series 'A'	February 4, 2019	12,550,000	12,526,532	
Canadian Master Trust Series 'A'	February 21, 2019	6,000,000	5,982,729	
Canadian Master Trust Series 'A'	February 22, 2019	1,550,000	1,545,198	
Canadian Master Trust Series 'A'	April 3, 2019	13,250,000	13,178,274	
Canadian Master Trust Series 'A'	May 10, 2019	4,000,000	3,968,336	
Canadian Master Trust Series 'A'	May 30, 2019	14,500,000	14,364,197	
Canadian Master Trust Series 'A'	June 21, 2019	950,000	939,703	
Canadian Utilities Ltd.	January 15, 2019	5,000,000	4,995,722	
Canadian Utilities Ltd.	January 16, 2019	7,225,000	7,218,377	
Caterpillar Financial Services Ltd.	January 3, 2019	3,000,000	2,999,658	
Caterpillar Financial Services Ltd.	January 11, 2019	4,650,000	4,647,300	
Caterpillar Financial Services Ltd.	February 20, 2019	23,800,000	23,728,792	
Central 1 Credit Union	January 17, 2019	4,150,000	4,146,211	
Central 1 Credit Union	January 28, 2019	9,225,000	9,211,030	
Central 1 Credit Union	February 15, 2019	9,000,000	8,976,160	
Central 1 Credit Union	February 20, 2019	24,000,000	23,929,043	
Central 1 Credit Union	March 1, 2019	6,000,000	5,978,955	
Clarity Trust Series 'A'	January 9, 2019	17,075,000	17,075,647	
Clarity Trust Series 'A'	January 30, 2019	10,000,000	9,983,317	
Clarity Trust Series 'A'	May 6, 2019	5,000,000	4,961,050	
Enbridge Gas Distribution Inc.	January 15, 2019	14,060,000	14,047,660	
Enbridge Gas Distribution Inc.	January 17, 2019	10,000,000	9,989,785	
Enbridge Pipelines Inc.	January 9, 2019	2,375,000	2,373,825	
Enbridge Pipelines Inc.	January 22, 2019	17,300,000	17,277,240	
Enbridge Pipelines Inc.	January 25, 2019	9,775,000	9,759,468	
Federation des Caisses Desjardins du Quebec	January 28, 2019	1,725,000	1,722,160	
FortisBC Energy Inc.	February 27, 2019	1,225,000	1,220,696	

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Fusion Trust Series 'A'	January 9, 2019	22,600,000	22,590,304	
Fusion Trust Series 'A'	January 16, 2019	6,925,000	6,919,219	
Fusion Trust Series 'A'	February 28, 2019	5,000,000	4,983,561	
Fusion Trust Series 'A'	May 13, 2019	12,500,000	12,397,608	
Greater Toronto Airports Authority	January 8, 2019	4,500,000	4,498,266	
Greater Toronto Airports Authority	January 14, 2019	16,500,000	16,487,197	
Greater Toronto Airports Authority	February 7, 2019	2,500,000	2,494,582	
Honda Canada Finance Inc.	February 7, 2019	5,500,000	5,488,730	
Honda Canada Finance Inc.	May 21, 2019	21,400,000	21,213,552	
Honda Canada Finance Inc.	May 23, 2019	8,150,000	8,077,866	
Hydro One Inc.	January 8, 2019	2,575,000	2,574,018	
Hydro One Inc.	January 22, 2019	1,500,000	1,498,128	
Hydro One Inc.	February 5, 2019	8,200,000	8,183,190	
Hydro One Inc.	February 26, 2019	18,500,000	18,436,450	
Hydro One Inc.	February 28, 2019	1,500,000	1,494,666	
Inter Pipeline (Corridor) Inc.	January 9, 2019	10,000,000	9,995,138	
Inter Pipeline (Corridor) Inc.	January 11, 2019	1,000,000	999,397	
Inter Pipeline (Corridor) Inc.	January 22, 2019	6,750,000	6,741,729	
Inter Pipeline (Corridor) Inc.	January 23, 2019	1,000,000	998,721	
Inter Pipeline (Corridor) Inc.	January 31, 2019	5,000,000	4,991,082	
Inter Pipeline (Corridor) Inc.	February 14, 2019	4,550,000	4,537,988	
Inter Pipeline (Corridor) Inc.	February 15, 2019	2,500,000	2,493,286	
King Street Funding Trust	January 2, 2019	15,000,000	14,999,222	
King Street Funding Trust	January 9, 2019	3,300,000	3,298,577	
King Street Funding Trust	January 10, 2019	5,000,000	4,997,574	
King Street Funding Trust	March 4, 2019	1,500,000	1,494,703	
King Street Funding Trust	March 7, 2019	1,500,000	1,494,204	
King Street Funding Trust	March 8, 2019	7,200,000	7,171,749	
King Street Funding Trust	March 19, 2019	5,000,000	4,976,814	
King Street Funding Trust	May 21, 2019	9,050,000	8,971,072	
Lakeshore Trust	January 2, 2019	7,000,000	6,999,630	
Lakeshore Trust	January 7, 2019	10,200,000	10,196,728	
Lakeshore Trust	April 15, 2019	7,250,000	7,203,838	
Merit Trust Senior	January 7, 2019	1,690,000	1,689,416	
Merit Trust Senior	January 10, 2019	6,000,000	5,996,847	
Merit Trust Senior	January 23, 2019	4,350,000	4,344,779	
Merit Trust Senior	March 20, 2019	5,700,000	5,673,126	
Merit Trust Senior	March 27, 2019	3,450,000	3,431,949	
Nova Scotia Power Corp.	January 3, 2019	5,000,000	4,999,424	
Nova Scotia Power Corp.	January 8, 2019	1,500,000	1,499,386	
Nova Scotia Power Corp.	January 10, 2019	700,000	699,629	
Nova Scotia Power Corp.	January 15, 2019	12,325,000	12,314,693	
Nova Scotia Power Corp.	January 22, 2019	2,600,000	2,596,639	
Nova Scotia Power Corp.	January 23, 2019	5,000,000	4,993,274	
Nova Scotia Power Corp.	January 24, 2019	1,000,000	998,594	
Nova Scotia Power Corp.	January 31, 2019	2,300,000	2,295,682	
Plaza Trust	May 7, 2019	6,300,000	6,249,900	
Prime Trust Senior	January 8, 2019	500,000	499,816	
Ridge Trust	January 16, 2019	3,500,000	3,497,184	
Ridge Trust	March 25, 2019	9,000,000	8,957,058	
Ridge Trust	March 29, 2019	7,500,000	7,462,308	
Ridge Trust Series 'A'	May 31, 2019	1,500,000	1,485,857	

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Ridge Trust Series 'A'	June 21, 2019	6,000,000	5,934,964	
Safe Trust 96S1	January 3, 2019	4,000,000	3,999,553	
Safe Trust 96S1	January 15, 2019	24,000,000	23,981,228	
Safe Trust 96S1	March 12, 2019	9,025,000	8,987,044	
Safe Trust 96S1	March 21, 2019	5,000,000	4,975,905	
Safe Trust 96S1	May 13, 2019	12,000,000	11,900,004	
SOUND Trust 98-1	January 7, 2019	12,500,000	12,496,011	
SOUND Trust 98-1	January 14, 2019	1,725,000	1,723,764	
SOUND Trust 98-1	January 15, 2019	1,000,000	999,218	
SOUND Trust 98-1	May 2, 2019	6,300,000	6,252,503	
SOUND Trust 98-1	May 13, 2019	20,000,000	19,833,341	
STABLE Trust	January 17, 2019	1,600,000	1,598,611	
STABLE Trust	February 6, 2019	11,875,000	11,850,989	
STABLE Trust	March 21, 2019	4,000,000	3,980,724	
STABLE Trust	May 7, 2019	4,750,000	4,712,404	
STABLE Trust	May 15, 2019	17,925,000	17,773,402	
Storm King Funding	February 8, 2019	11,500,000	11,475,261	
Storm King Funding	April 12, 2019	10,575,000	10,511,031	
Suncor Energy Inc.	January 3, 2019	3,000,000	2,999,654	
Suncor Energy Inc.	January 15, 2019	10,000,000	9,991,400	
Suncor Energy Inc.	January 21, 2019	4,200,000	4,194,743	
Suncor Energy Inc.	January 24, 2019	4,500,000	4,493,959	
Suncor Energy Inc.	February 8, 2019	7,000,000	6,984,124	
Suncor Energy Inc.	March 8, 2019	2,000,000	1,991,938	
SURE Trust	January 3, 2019	17,000,000	16,998,157	
SURE Trust	January 7, 2019	8,070,000	8,067,414	
SURE Trust	May 2, 2019	1,175,000	1,166,141	
TMX Group Ltd.	January 7, 2019	5,000,000	4,998,266	
TMX Group Ltd.	January 21, 2019	9,600,000	9,588,420	
TMX Group Ltd.	January 30, 2019	3,800,000	3,793,516	
TransCanada PipeLines Ltd.	January 10, 2019	18,475,000	18,465,261	
TransCanada PipeLines Ltd.	March 4, 2019	13,000,000	12,950,542	
Union Gas Ltd.	January 14, 2019	5,550,000	5,545,619	
Union Gas Ltd.	January 18, 2019	5,000,000	4,994,445	
Zeus Receivables Trust Senior	January 7, 2019	15,110,000	15,105,187	
Zeus Receivables Trust Senior	January 21, 2019	6,000,000	5,993,487	
Zeus Receivables Trust Senior	March 20, 2019	12,000,000	11,943,424	
Zeus Receivables Trust Senior	May 10, 2019	7,000,000	6,944,435	
		993,330,000	990,471,291	89.52%
Total Short-term Investments		1,080,290,000	1,077,208,780	97.36%
Canadian Bonds				
Corporate Bonds				
Bank of Nova Scotia	June 14, 2019	14,000,000	14,013,549	
Canadian Imperial Bank of Commerce	May 8, 2019	7,200,000	7,209,992	
HSBC Bank Canada	July 10, 2019	8,000,000	8,011,536	
		29,200,000	29,235,077	2.64%
Total Investment Portfolio		\$ 1,109,490,000	1,106,443,857	100.00%

(Schedule 2)

Intermediate - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Discount Commercial Paper				
Province of British Columbia	March 25, 2019	175,000	174,248	
Total Short-term Investments		175,000	174,248	0.07%
Canadian Bonds				
Provincial Bonds				
Province of New Brunswick	June 3, 2019	13,825,000	14,016,711	
Province of Ontario	September 8, 2019	23,003,000	23,180,854	
Province of Ontario	June 2, 2020	14,850,000	15,345,688	
Province of Quebec	December 1, 2019	26,515,000	27,225,097	
		78,193,000	79,768,350	30.09%
Corporate Bonds				
Bank of Montreal	October 6, 2020	22,000,000	21,918,753	
Bank of Nova Scotia	October 28, 2019	11,133,000	11,184,340	
Bank of Nova Scotia	January 13, 2020	15,000,000	15,134,881	
Bell Canada	June 17, 2020	2,085,000	2,101,694	
Brookfield Asset Management Inc.	April 9, 2019	10,505,000	10,642,047	
Caisse centrale Desjardins du Québec	March 2, 2020	13,053,000	13,015,991	
Canadian Imperial Bank of Commerce	July 14, 2020	24,335,000	24,278,146	
Enbridge Pipelines Inc.	November 12, 2019	2,400,000	2,459,325	
HSBC Bank Canada	May 13, 2019	6,283,000	6,308,162	
National Bank of Canada	March 3, 2020	14,000,000	13,958,386	
OMERS Realty Corp., Series '5'	November 12, 2019	13,746,000	13,802,888	
Royal Bank of Canada	December 9, 2019	6,325,000	6,331,130	
Royal Bank of Canada	July 17, 2020	20,000,000	19,985,954	
Toronto-Dominion Bank (The)	June 24, 2020	11,000,000	11,010,958	
Wells Fargo Financial Canada Corp.	July 25, 2019	12,800,000	13,004,072	
		184,665,000	185,136,727	69.84%
Total Canadian Bonds		262,858,000	264,905,077	99.93%
Total Investment Portfolio		\$ 263,033,000	265,079,325	100.00%

[Schedule 3]

Bond - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Pooled Funds				
Phillips, Hager & North STIF Pooled Fund		911,272	9,142,261	
Total Short-term Investments		911,272	9,142,261	1.68%
Canadian Bonds				
Federal Bonds				
Canada Housing Trust No. 1	December 15, 2020	24,410,000	24,086,467	
Canada Housing Trust No. 1	June 15, 2021	3,022,000	3,153,283	
Canada Housing Trust No. 1	December 15, 2021	3,735,000	3,673,272	
Canada Housing Trust No. 1	June 15, 2022	1,668,000	1,645,492	
Canada Housing Trust No. 1	December 15, 2022	20,596,000	20,750,788	
Canada Housing Trust No. 1	June 15, 2023	30,915,000	31,048,321	
Canada Housing Trust No. 1, Series '66'	June 15, 2020	16,716,000	16,615,971	
Canada Housing Trust No. 1, Series 'SEPT'	December 15, 2023	17,206,000	17,418,028	
Government of Canada	September 1, 2019	730,000	734,084	
Government of Canada	November 1, 2020	11,343,000	11,415,293	
Government of Canada	February 1, 2021	40,433,000	40,877,887	
Government of Canada	March 1, 2021	1,470,000	1,439,165	
Government of Canada	June 1, 2021	3,492,000	3,614,735	
Government of Canada	September 1, 2021	5,030,000	4,897,706	
Government of Canada	March 1, 2022	1,515,000	1,453,937	
Government of Canada	June 1, 2022	760,000	783,638	
Government of Canada	September 1, 2022	910,000	884,509	
Government of Canada	March 1, 2023	690,000	690,246	
Government of Canada	June 1, 2023	1,710,000	1,685,529	
Government of Canada	September 1, 2023	3,452,000	3,492,751	
Government of Canada	June 1, 2025	450,000	459,928	
Government of Canada, Real Return	December 1, 2021	6,936,000	12,371,225	
		197,189,000	203,192,255	37.39%
Provincial Bonds				
Province of Manitoba	September 5, 2021	4,650,000	4,594,126	
Province of Ontario	June 2, 2022	19,331,000	19,895,122	
Province of Ontario	June 2, 2023	13,955,000	14,215,659	
Province of Ontario	September 8, 2023	15,780,000	15,998,309	
		53,716,000	54,703,216	10.07%
Municipal Bonds				
City of Montreal	December 1, 2021	1,020,000	1,085,247	
Greater Toronto Airports Authority	February 16, 2021	820,000	807,555	
Municipal Finance Authority of British Columbia	December 1, 2022	2,265,000	2,243,827	
		4,105,000	4,136,629	0.76%
Corporate Bonds				
Alectra Inc., Series 'A'	April 29, 2021	2,830,000	2,973,529	
Alliance Pipeline L.P., Callable	December 16, 2019	1,850,000	1,888,926	
AltaLink Investments L.P., Series '12-1', Callable	June 5, 2019	3,581,000	3,598,179	
AltaLink Investments L.P., Series '13-1', Callable	June 5, 2020	2,067,000	2,088,581	
AltaLink Investments L.P., Series '15-1', Callable	March 7, 2022	4,301,000	4,254,895	
Anheuser-Busch InBev Finance Inc., Callable	January 25, 2023	2,745,000	2,781,939	
Anheuser-Busch InBev Finance Inc., Callable	May 15, 2024	2,200,000	2,097,296	

(Schedule 3)

Bond - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
AT&T Inc., Callable	November 25, 2025	5,300,000	5,306,073	
Bank of Montreal	March 31, 2021	1,905,000	1,880,969	
Bank of Montreal	October 28, 2021	3,090,000	3,003,895	
Bank of Montreal	June 20, 2023	4,120,000	4,121,324	
Bank of Montreal, Callable	October 6, 2020	2,700,000	2,690,029	
Bank of Montreal, Callable	April 23, 2021	2,245,000	2,294,513	
Bell Canada, Callable	February 27, 2024	510,000	497,222	
Bell Canada, Series 'M-24', Callable	May 19, 2021	2,895,000	3,041,027	
Blackbird Infrastructure 407 G.P., Series 'B'	October 8, 2021	1,026,000	1,025,370	
Brookfield Asset Management Inc., Callable	March 1, 2021	845,000	896,259	
Brookfield Infrastructure Finance ULC	October 30, 2020	3,385,000	3,440,172	
Brookfield Renewable Partners ULC	June 2, 2025	385,000	382,069	
BRP Finance ULC, Series '7', Callable	October 13, 2020	5,960,000	6,234,775	
Bruce Power L.P.	June 23, 2021	6,305,000	6,286,158	
Cameco Corp., Series 'E'	November 14, 2022	1,310,000	1,308,939	
Canadian Imperial Bank of Commerce	January 20, 2020	2,640,000	2,638,958	
Canadian Imperial Bank of Commerce	April 26, 2021	1,285,000	1,266,201	
Canadian Imperial Bank of Commerce	September 14, 2021	2,405,000	2,433,670	
Canadian Utilities Ltd.	November 30, 2020	1,280,000	1,505,866	
Choice Properties L.P., Series '8', Callable	April 20, 2020	3,265,000	3,314,093	
Cominar REIT	December 4, 2019	305,000	307,781	
Cominar REIT, Series '4', Callable	July 27, 2020	1,613,000	1,673,040	
Cominar REIT, Series '8'	December 8, 2021	565,000	563,787	
Cominar REIT, Series '9'	June 1, 2022	1,190,000	1,180,789	
Enbridge Gas Distribution Inc., Callable	November 23, 2020	9,859,000	10,151,126	
Enbridge Gas Distribution Inc., Callable	December 17, 2021	3,255,000	3,446,208	
Enbridge Inc.	February 1, 2021	415,000	432,518	
Enbridge Inc., Callable	September 2, 2019	3,016,000	3,106,614	
Enbridge Income Fund (The), Callable	February 22, 2019	379,000	385,494	
Enbridge Pipelines Inc.	November 17, 2023	845,000	964,100	
Enbridge Pipelines Inc., Callable	November 12, 2019	4,360,000	4,467,774	
Enbridge Pipelines Inc., Callable	April 6, 2020	6,130,000	6,324,773	
Enbridge Pipelines Inc., Callable	August 17, 2023	2,105,000	2,194,296	
Fortis Inc., Callable	December 12, 2023	1,280,000	1,263,001	
Heathrow Funding Ltd.	June 17, 2023	4,159,000	4,167,312	
Hydro One Inc.	April 30, 2020	900,000	891,773	
Hydro One Inc.	June 25, 2021	2,105,000	2,099,142	
Hydro One Inc., Callable	June 1, 2020	1,710,000	1,759,186	
Hydro One Inc., Callable	February 24, 2021	3,510,000	3,472,294	
Hydro One Inc., Callable	June 26, 2025	1,295,000	1,284,272	
Hydro One Inc., Series '37', Callable	November 18, 2019	6,619,000	6,580,702	
Inter Pipeline (Corridor) Inc., Callable	February 3, 2020	655,000	682,255	
John Deere Canada Funding Inc.	October 12, 2021	1,550,000	1,555,147	
Loblaw Cos. Ltd., Callable	September 12, 2023	365,000	390,907	
Loblaw Cos. Ltd., Restricted, Callable	June 10, 2024	1,565,000	1,597,108	
Lower Mattagami Energy L.P., Series '2011-3', Callable	May 18, 2021	1,015,000	1,058,834	
Merrill Lynch & Co. Inc., Variable Rate, Callable	May 30, 2022	1,270,000	1,272,258	
Molson Coors International L.P., Series '2', Callable	September 18, 2020	1,550,000	1,555,690	
National Grid Electricity Transmission PLC	November 26, 2019	4,405,000	4,437,326	
NHA MBS Concentra Financial Services	June 1, 2021	2,155,404	2,128,181	
NHA MBS Home Trust Co.	September 1, 2019	1,370,056	1,371,483	
NHA MBS Home Trust Co.	September 1, 2021	1,015,711	995,602	

[Schedule 3]

Bond - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
NHA MBS TD Securities Inc.	July 1, 2021	2,900,509	2,847,997	
North West Redwater Partnership / NWR Financing Co. Ltd.	February 23, 2022	4,745,000	4,648,891	
North West Redwater Partnership / NWR Financing Co. Ltd.	July 22, 2024	2,020,000	2,043,081	
Nova Scotia Power Inc., Series '3', Callable	August 2, 2019	225,000	243,016	
OMERS Realty Corp., Series '5'	November 12, 2019	915,000	918,787	
Penmor Loan #12863-0J	September 5, 2024	623,999	619,513	
Rogers Communications Inc.	March 13, 2019	2,255,000	2,276,011	
Rogers Communications Inc., Callable	November 4, 2019	2,225,000	2,293,668	
Rogers Communications Inc., Callable	September 29, 2020	1,030,000	1,073,823	
Royal Bank of Canada	March 4, 2021	7,615,000	7,714,042	
Royal Bank of Canada	March 15, 2021	5,850,000	5,804,046	
Royal Bank of Canada	July 15, 2021	7,248,000	7,112,161	
Royal Bank of Canada	September 13, 2021	2,005,000	1,954,191	
Royal Bank of Canada	December 5, 2022	1,080,000	1,061,867	
Royal Bank of Canada	May 1, 2023	2,765,000	2,784,576	
Sun Life Financial Inc., Series '14-1', Variable Rate, Callable	May 13, 2024	430,000	432,091	
TELUS Corp., Callable	March 28, 2022	1,270,000	1,247,506	
TELUS Corp., Series 'CH', Callable	July 23, 2020	1,435,000	1,516,224	
Toronto-Dominion Bank (The)	June 24, 2020	4,210,000	4,214,194	
Toronto-Dominion Bank (The)	March 8, 2021	4,110,000	4,083,948	
Toronto-Dominion Bank (The)	June 8, 2021	11,000,000	10,787,625	
Toronto-Dominion Bank (The)	March 23, 2022	815,000	799,993	
TransCanada PipeLines Ltd., Callable	November 15, 2021	385,000	394,722	
TransCanada PipeLines Ltd., Callable	July 19, 2023	5,315,000	5,516,242	
Union Gas Ltd., Callable	June 2, 2021	705,000	707,306	
Union Gas Ltd., Series '6', Callable	April 25, 2022	3,297,000	3,536,978	
United Parcel Service Inc., Callable	May 21, 2024	2,590,000	2,476,322	
Walt Disney Co. (The)	October 7, 2024	1,600,000	1,585,284	
Wells Fargo & Co.	March 15, 2021	1,890,000	1,871,504	
Wells Fargo Financial Canada Corp.	July 25, 2019	1,280,000	1,300,407	
Westcoast Energy Inc.	January 16, 2019	5,833,000	5,988,887	
Westcoast Energy Inc.	December 5, 2022	3,170,000	3,182,497	
Westcoast Energy Inc., Callable	July 2, 2020	1,901,000	1,992,440	
Westcoast Energy Inc., Series 'S'	January 10, 2020	788,000	880,367	
		240,487,679	242,921,907	44.70%
Total Canadian Bonds		495,497,679	504,954,007	92.92%

(Schedule 3)

Bond - Schedule of Investments

DECEMBER 31, 2018

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Mortgages				
NHA Insured Mortgages				
Home Trust Co. (The)	December 1, 2019	756,661	755,939	
NHA MBS Equitable Bank	November 1, 2019	1,097,949	1,097,816	
NHA MBS First National Financial Group Corp.	August 1, 2019	1,945,122	1,944,857	
NHA MBS First National Financial Group Corp.	May 1, 2023	4,103,587	4,111,402	
NHA MBS MCAP Service Corp., Pool # 97504749	February 1, 2020	906,927	900,260	
NHA MBS Merrill Lynch Canada Inc.	May 1, 2021	4,869,576	4,799,053	
NHA MBS Merrill Lynch Canada Inc.	August 1, 2021	4,189,708	4,110,470	
NHA MBS Merrill Lynch Canada Inc.	November 1, 2021	3,552,313	3,483,288	
NHA MBS Merrill Lynch Canada Inc.	June 1, 2022	1,791,093	1,748,478	
NHA MBS Merrill Lynch Canada Inc.	September 1, 2022	4,557,820	4,503,470	
NHA MBS TD Securities Inc.	December 1, 2021	1,387,528	1,361,592	
NHA MBS Toronto-Dominion Bank (The)	March 1, 2019	511,254	511,471	
Total Mortgage Investments		29,669,538	29,328,096	5.40%
Total Investment Portfolio		\$ 526,078,489	543,424,364	100.00%

Participants

MUNICIPALITIES

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

REGIONAL DISTRICTS

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

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	Lower Kootenay	Songhees	Tsawwassen
Aqam	Matsqui	Stó:lō	Tzeachten
Bonaparte	Millbrook	Stz'uminus	Waabnoong Bemjiwang
Chawathil	Namgis	T'it'q'et	
Cowichan	Seabird Island	Tk'emlups te Secwepemc	
Kitselas	Seven Generations Environmental	Tla'amin	
Kwaw-kwaw-Apilt	Shxw̓ha:y	Tobacco Plains Indian Band	

OTHER ORGANIZATIONS

Association of Vancouver Island and Coastal Communities	Lower Mainland Government Association
Barriere Improvement District	Mission School District
Board of Cemetery Trustees of Greater Victoria	Mount Parke Estates Improvement District
CAGFO (formerly GFOA Western Canada)	North Island-Coast Development Initiative Trust
Capital Region Housing	Okanagan-Kootenay Sterile Insect Release Board
Carmacks	Old Massett Village Council
CivicInfo BC	Port Alberni Harbour
College of the Rockies	Prince George Library
Comox Fire Protection District	Queen Charlotte School District
Cultus Lake Park	Razor Point Improvement District
Faro	Shawnigan Improvement District
First Nations Finance Authority	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 Regional Library
Islands Trust Fund	Vancouver Island Local Government Management Association
Kelowna General Hospital Foundation	Victoria Public Library
Kootenay & Boundary LGA	Yukon Communities
Local Government Management Association	

High Interest Savings Account Pooled Investment Funds

Financial Statements

Statements of Net Assets	20
Statements of Operations and Clients' Equity	21
Statements of Changes in Net Assets	22
Notes to Financial Statements	23
Schedule:	
Participants	24

Statements of Net Assets

DECEMBER 31, 2018 AND 2017

THOUSANDS OF DOLLARS							
	CIBC		National		Total		
	2018	2017	2018	2017	2018	2017	
Assets							
Cash	\$ 542,107	193,228	290,664	-	832,771	193,228	
Interest receivable	1,230	239	638	-	1,868	239	
	543,337	193,467	291,302	-	834,639	193,467	
Liabilities							
Accrued management fees	15	4	7	-	22	4	
Net Assets and Deposits due to clients	\$ 543,322	193,463	291,295	-	834,617	193,463	

See Accompanying Notes to Financial Statements

Statements of Operations and Clients' Equity

YEARS ENDING DECEMBER 31, 2018 AND 2017

THOUSANDS OF DOLLARS						
	CIBC		National		Total	
	2018	2017	2018	2017	2018	2017
Investment Income						
Interest income	\$ 9,748	471	2,140	-	11,888	471
Less management fees	131	8	23	-	154	8
Net Earnings Distributed	9,617	463	2,117	-	11,734	463
Clients' Equity						
Deposits outstanding, beginning of the year	193,463	-	-	-	193,463	-
Contributions	1,508,017	238,000	315,729	-	1,823,746	238,000
Net earnings distributed	9,617	463	2,117	-	11,734	463
Withdrawals	(1,167,775)	(45,000)	(26,551)	-	(1,194,326)	(45,000)
Deposits Outstanding, end of the year	\$ 543,322	193,463	291,295	-	834,617	193,463

See Accompanying Notes to Financial Statements

Statements of Changes in Net Assets

YEARS ENDING DECEMBER 31, 2018 AND 2017

THOUSANDS OF DOLLARS						
	CIBC		National		Total	
	2018	2017	2018	2017	2018	2017
Net Assets, beginning of period	\$ 193,463	-	-	-	193,463	-
Changes during the period						
Operations:						
Net Interest income	9,617	463	2,117	-	11,734	463
Equity transactions:						
Contributions	1,508,017	238,000	315,729	-	1,823,746	238,000
Withdrawals	(1,167,775)	(45,000)	(26,551)	-	(1,194,326)	(45,000)
	340,242	193,000	289,178	-	629,420	193,000
Distributions to Clients						
Interest income	(9,617)	(463)	(2,117)	-	(11,734)	(463)
Net earnings distributed	9,617	463	2,117	-	11,734	463
Net Assets, end of period	\$ 543,322	193,463	291,295	-	834,617	193,463

See Accompanying Notes to Financial Statements

Notes to Financial Statements

YEARS ENDING DECEMBER 31, 2018 AND 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*.

Three funds are maintained:

- (a) Canadian Imperial Bank of Commerce (CIBC) commenced operations on October 1, 2017
- (b) National Bank (National) commenced operations on July 25, 2018;

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, 2018.

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

Burnaby
Cache Creek
Central Saanich
Colwood
Comox
Coquitlam
Gibsons
Gold River
Kelowna

Mackenzie
Maple Ridge
Metchosin
Nelson
New Westminster
North Cowichan
North Vancouver (District)
Port Hardy
Prince George

Prince Rupert
Richmond
Saanich
Slocan
Surrey
Ucluelet
Victoria
West Vancouver

REGIONAL DISTRICTS

Capital
Fraser-Fort George
Kootenay Boundary
Metro Vancouver
North Okanagan
Sunshine Coast
Thompson-Nicola

REGIONAL HOSPITAL DISTRICTS

Capital
Fraser-Fort George
Thompson

OTHER ORGANIZATIONS

Capital Regional Housing Corporation
CivicInfo BC
Union of BC Municipalities



217-3680 Uptown Boulevard
Victoria, BC V8Z 0B9
T 250.383.1181
www.mfa.bc.ca



MFA BC
Municipal Finance Authority of BC