

Pooled Investment Funds | 2019



Municipal Finance
Authority of BC



Contents

MONEY MARKET, INTERMEDIATE, AND BOND POOLED INVESTMENT FUNDS

Reports and Notes	3
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SCHEDULES

Investment Portfolio	9
----------------------	---

Participants	17
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HIGH INTEREST SAVINGS ACCOUNT POOLED INVESTMENT FUNDS

Reports and Notes	19
-------------------	----

SCHEDULE

Participants	24
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Money Market, Intermediate, and Bond Pooled Investment Funds

REPORTS

Net Assets	4
Operations and Unitholders' Equity	5
Changes in Net Assets	6
Notes	7

SCHEDULES OF INVESTMENTS

Money Market	9
Intermediate	12
Bond	13
Participants	17

Net Assets

YEARS ENDING DECEMBER 31, 2019 AND 2018

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets								
Cash	\$ 19	6	8	12	5	962	32	980
Unitholder receivable	-	-	-	-	-	3,556	-	3,556
Investments (Schedules 1, 2 & 3)	1,260,171	1,106,444	250,956	265,079	544,317	543,424	2,055,444	1,914,947
	1,260,171	1,106,450	250,964	265,091	544,322	547,942	2,055,476	1,919,483
Liabilities								
Bank overdraft	-	-	-	-	-	-	-	-
Accrued management fees	171	150	45	48	97	93	313	291
Unitholder payable	-	1,000	-	-	7,665	3,434	7,665	4,434
	1,150	1,150	45	48	7,762	3,527	7,978	4,725
Net Assets and Unitholders' Equity	\$ 1,260,019	1,105,300	250,919	265,043	536,560	544,415	2,047,498	1,914,758

Operations and Unitholders' Equity

YEARS ENDING DECEMBER 31, 2019 AND 2018

THOUSANDS OF DOLLARS								
	Money Market		Intermediate		Bond		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Investment Income								
Interest income	\$ 24,468	19,867	6,051	8,897	14,180	15,768	44,699	44,532
Less management fees	1,907	1,713	492	616	1,116	1,293	3,515	3,622
	22,561	18,154	5,559	8,281	13,064	14,475	41,184	40,910
Gain (Loss) on Investments								
Net realized gain (loss)	-	-	(321)	(5,606)	1,045	(14,343)	724	(19,949)
Net unrealized gain (loss)	-	-	71	2,761	2,548	9,558	2,619	12,319
Net loss on investments	-	-	(250)	(2,845)	3,593	(4,785)	3,343	(7,630)
Net Earnings Distributed	\$ 22,561	18,154	5,309	5,436	16,657	9,690	44,527	33,280

THOUSANDS OF UNITS								
Unitholders' Equity								
Units outstanding, beginning of the year	110,530	120,019	27,393	34,859	56,247	79,542	194,170	234,420
Units subscribed	81,949	58,418	5,913	4,857	3,546	1,793	91,408	65,068
Distributions reinvested	2,256	1,815	574	854	1,390	1,540	4,220	4,209
Units redeemed	(68,733)	(69,722)	(7,927)	(13,177)	(6,062)	(26,628)	(82,722)	(109,527)
Units Outstanding, end of the year	126,002	110,530	25,953	27,393	55,121	56,247	207,076	194,170

Changes in Net Assets

YEARS ENDING DECEMBER 31, 2019 AND 2018

THOUSANDS OF DOLLARS								
	Market		Intermediate		Bond		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets, beginning of the year	\$ 1,105,300	1,200,194	265,043	340,456	544,415	775,491	1,914,758	2,316,141
Changes during the year due to:								
Operations:								
Net investment income	22,561	18,154	5,559	8,281	13,064	14,475	41,184	40,910
Net loss on investments	-	-	(250)	(2,845)	3,593	(4,785)	3,343	(7,630)
	22,561	18,154	5,309	5,436	16,657	9,690	44,527	33,280
Transactions:								
Subscriptions	819,492	584,176	57,385	47,174	34,700	17,404	911,577	648,754
Redemptions	(687,334)	(697,224)	(76,818)	(128,023)	(59,212)	(258,170)	(823,364)	(1,083,417)
	132,158	(113,048)	(19,433)	(80,849)	(24,512)	(240,766)	88,213	(434,663)
Distributions to unitholders:								
Investment income	(22,561)	(18,154)	(5,559)	(8,281)	(13,064)	(14,475)	(41,184)	(40,910)
Loss on investments	-	-	250	2,845	(3,593)	4,785	(3,343)	7,630
Distributions reinvested	22,561	18,154	5,309	5,436	16,657	9,690	44,527	33,280
Net Assets, end of the year	\$ 1,260,019	1,105,300	250,919	265,043	536,560	544,415	2,047,498	1,941,758

Notes

YEARS ENDING DECEMBER 31, 2019 AND 2018

1. Pooled Investment Funds

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 Operations and Unitholders' Equity Report 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 continued

YEARS ENDING DECEMBER 31, 2019 AND 2018

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, 2019 the duration of each of the funds was as follows: 39 days for Money Market Fund, 1.0 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, 2019.

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, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Bankers Acceptance				
Firstbank	January 7, 2020	11,300,000	11,296,540	
Firstbank	January 30, 2020	10,000,000	9,984,243	
HSBC Bank Canada	January 13, 2020	10,000,000	9,993,632	
HSBC Bank Canada	January 15, 2020	11,700,000	11,691,264	
		43,000,000	42,965,679	3.41%
Discount Commercial Paper				
Alectra Inc.	January 6, 2020	8,550,000	8,547,767	
Alectra Inc.	January 7, 2020	8,975,000	8,972,231	
AltaLink L.P.	January 29, 2020	24,525,000	24,486,759	
Bank of Nova Scotia	January 8, 2020	30,000,000	29,989,454	
Banner Trust	January 16, 2020	9,000,000	8,993,147	
Banner Trust	March 10, 2020	1,675,000	1,668,974	
Bay Street Funding Trust	January 6, 2020	5,250,000	5,248,646	
Bay Street Funding Trust	January 21, 2020	8,000,000	7,991,878	
Bay Street Funding Trust	February 26, 2020	9,500,000	9,472,995	
Bay Street Funding Trust	February 27, 2020	11,200,000	11,167,238	
Bay Street Funding Trust	March 9, 2020	5,600,000	5,580,368	
Bay Street Funding Trust	June 23, 2020	3,100,000	3,070,731	
bcIMC Realty Corp.	January 2, 2020	1,475,000	1,474,925	
bcIMC Realty Corp.	January 7, 2020	5,000,000	4,998,487	
Canadian Imperial Bank of Commerce	February 4, 2020	24,425,000	24,382,412	
Canadian Imperial Bank of Commerce	March 11, 2020	10,000,000	9,964,087	
Canadian Imperial Bank of Commerce	April 8, 2020	20,000,000	19,902,107	
Canadian Master Trust	February 5, 2020	11,000,000	10,980,256	
Canadian Master Trust	May 19, 2020	1,000,000	992,830	
Canadian Master Trust Series 'A'	January 9, 2020	6,025,000	6,022,513	
Canadian Master Trust Series 'A'	February 19, 2020	15,000,000	14,962,678	
Canadian Master Trust Series 'A'	March 27, 2020	17,000,000	16,924,341	
Canadian Master Trust Series 'A'	March 30, 2020	2,000,000	1,990,774	
Canadian Master Trust Series 'A'	April 9, 2020	1,200,000	1,193,826	
Caterpillar Financial Services Ltd.	January 3, 2020	2,000,000	1,999,794	
Caterpillar Financial Services Ltd.	January 6, 2020	9,000,000	8,997,680	
Caterpillar Financial Services Ltd.	January 20, 2020	7,375,000	7,367,844	
Caterpillar Financial Services Ltd.	January 21, 2020	4,175,000	4,170,729	
Caterpillar Financial Services Ltd.	February 11, 2020	14,000,000	13,969,865	
Central 1 Credit Union	January 6, 2020	15,000,000	14,996,173	
Central 1 Credit Union	February 3, 2020	3,500,000	3,494,107	
Central 1 Credit Union	March 10, 2020	1,000,000	996,385	
Central 1 Credit Union	March 19, 2020	11,000,000	10,953,191	
Central 1 Credit Union	March 20, 2020	24,000,000	23,898,614	
Central 1 Credit Union	March 27, 2020	7,000,000	6,966,658	
Clarity Trust Series 'A'	January 6, 2020	7,000,000	6,998,209	
Clarity Trust Series 'A'	January 15, 2020	7,500,000	7,494,668	
Clarity Trust Series 'A'	February 18, 2020	2,000,000	1,995,125	
Clarity Trust Series 'A'	February 21, 2020	7,600,000	7,580,425	
Enbridge Gas Inc.	January 17, 2020	10,525,000	10,515,435	
Enbridge Gas Inc.	January 22, 2020	16,000,000	15,980,960	
Enbridge Gas Inc.	January 27, 2020	9,500,000	9,486,003	
Enbridge Pipelines Inc.	January 15, 2020	3,000,000	2,997,696	

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Enbridge Pipelines Inc.	January 20, 2020	18,000,000	17,980,583	
Enbridge Pipelines Inc.	March 19, 2020	13,600,000	13,541,007	
Energir Inc.	January 8, 2020	10,000,000	9,996,483	
Energir Inc.	January 10, 2020	7,000,000	6,996,821	
Energir Inc.	January 23, 2020	1,600,000	1,598,220	
Energir Inc.	February 4, 2020	4,000,000	3,993,162	
FortisBC Energy Inc.	January 3, 2020	4,125,000	4,124,582	
FortisBC Inc.	January 8, 2020	5,000,000	4,998,210	
Fusion Trust Series 'A'	January 6, 2020	15,200,000	15,196,099	
Fusion Trust Series 'A'	January 7, 2020	15,000,000	14,995,430	
Fusion Trust Series 'A'	January 20, 2020	9,000,000	8,991,325	
Fusion Trust Series 'A'	January 24, 2020	6,250,000	6,242,704	
Honda Canada Finance Inc.	January 6, 2020	5,000,000	4,998,741	
Honda Canada Finance Inc.	January 10, 2020	10,850,000	10,845,085	
Husky Energy Inc.	January 14, 2020	12,750,000	12,741,002	
Husky Energy Inc.	February 11, 2020	2,025,000	2,020,544	
Husky Energy Inc.	March 3, 2020	5,500,000	5,481,686	
Husky Energy Inc.	March 5, 2020	9,000,000	8,968,883	
Husky Energy Inc.	March 10, 2020	7,500,000	7,472,090	
Hydro One Inc.	January 15, 2020	8,425,000	8,418,992	
Hydro One Inc.	January 22, 2020	19,775,000	19,753,973	
Hydro One Inc.	January 30, 2020	350,000	349,469	
Hydro One Inc.	February 27, 2020	1,000,000	997,093	
Hydro One Inc.	March 12, 2020	7,000,000	6,974,242	
Inter Pipeline (Corridor) Inc.	January 6, 2020	2,000,000	1,999,468	
Inter Pipeline (Corridor) Inc.	January 23, 2020	3,500,000	3,495,915	
Inter Pipeline (Corridor) Inc.	January 30, 2020	2,275,000	2,271,489	
Inter Pipeline (Corridor) Inc.	February 4, 2020	9,000,000	8,983,714	
Inter Pipeline (Corridor) Inc.	February 5, 2020	7,000,000	6,986,961	
Inter Pipeline (Corridor) Inc.	February 7, 2020	6,700,000	6,686,807	
Inter Pipeline (Corridor) Inc.	February 12, 2020	4,000,000	3,991,071	
Inter Pipeline (Corridor) Inc.	March 16, 2020	1,000,000	995,953	
King Street Funding Trust	January 6, 2020	5,000,000	4,998,710	
King Street Funding Trust	January 21, 2020	18,000,000	17,981,726	
King Street Funding Trust	January 23, 2020	10,000,000	9,988,830	
King Street Funding Trust	March 2, 2020	4,000,000	3,987,502	
King Street Funding Trust	March 9, 2020	4,000,000	3,985,977	
King Street Funding Trust	April 22, 2020	8,000,000	7,951,948	
King Street Funding Trust	May 25, 2020	7,000,000	6,948,179	
Merit Trust	January 20, 2020	24,100,000	24,076,757	
Merit Trust	January 23, 2020	10,000,000	9,988,834	
Merit Trust	February 3, 2020	19,225,000	19,192,791	
Nova Scotia Power Inc.	January 2, 2020	3,000,000	2,999,846	
Nova Scotia Power Inc.	January 8, 2020	8,700,000	8,696,861	
Nova Scotia Power Inc.	January 13, 2020	8,700,000	8,694,615	
Nova Scotia Power Inc.	January 30, 2020	5,000,000	4,992,122	
Plaza Trust	February 3, 2020	4,600,000	4,592,134	
Plaza Trust	March 3, 2020	33,000,000	32,895,031	
Plaza Trust	May 21, 2020	10,000,000	9,927,253	
Prime Trust	January 23, 2020	8,000,000	7,991,068	
Prime Trust	February 3, 2020	5,600,000	5,590,618	
Reliant Trust	February 19, 2020	5,500,000	5,486,315	

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Reliant Trust	March 10, 2020	6,500,000	6,476,614	
Ridge Trust	January 3, 2020	3,500,000	3,499,639	
Ridge Trust	January 9, 2020	2,500,000	2,498,958	
Ridge Trust	January 10, 2020	5,000,000	4,997,678	
Ridge Trust	February 5, 2020	5,225,000	5,215,715	
Ridge Trust	February 18, 2020	4,225,000	4,214,710	
Ridge Trust	February 25, 2020	3,500,000	3,490,283	
Ridge Trust	March 5, 2020	7,000,000	6,977,502	
Ridge Trust	March 11, 2020	5,400,000	5,380,402	
Ridge Trust	March 20, 2020	5,400,000	5,377,884	
Ridge Trust	March 24, 2020	10,000,000	9,957,177	
Ridge Trust	May 21, 2020	6,025,000	5,981,170	
Ridge Trust	June 18, 2020	2,500,000	2,477,413	
Safe Trust 96S1	January 10, 2020	8,925,000	8,920,922	
Safe Trust 96S1	January 20, 2020	6,150,000	6,144,068	
Safe Trust 96S1	January 24, 2020	6,875,000	6,866,976	
Safe Trust 96S1	February 7, 2020	10,250,000	10,230,749	
Safe Trust 96S1	February 18, 2020	13,425,000	13,392,290	
SOUND Trust 98-1	January 10, 2020	11,500,000	11,494,745	
SOUND Trust 98-1	January 14, 2020	10,000,000	9,993,399	
SOUND Trust 98-1	January 24, 2020	9,050,000	9,039,437	
SOUND Trust 98-1	February 18, 2020	12,000,000	11,970,762	
SOUND Trust 98-1	February 26, 2020	12,500,000	12,464,456	
SOUND Trust 98-1	March 9, 2020	2,500,000	2,491,288	
STABLE Trust	February 21, 2020	14,350,000	14,312,832	
STABLE Trust	February 25, 2020	8,000,000	7,977,665	
STABLE Trust	March 2, 2020	10,000,000	9,968,754	
STABLE Trust	March 18, 2020	11,000,000	10,954,700	
Storm King Funding	February 6, 2020	15,000,000	14,971,855	
Suncor Energy Inc.	January 21, 2020	7,000,000	6,992,705	
Suncor Energy Inc.	February 3, 2020	5,450,000	5,440,624	
Suncor Energy Inc.	February 4, 2020	8,500,000	8,484,591	
Suncor Energy Inc.	February 24, 2020	7,500,000	7,478,673	
Suncor Energy Inc.	March 10, 2020	1,500,000	1,494,549	
Suncor Energy Inc.	March 19, 2020	4,000,000	3,983,403	
SURE Trust	January 3, 2020	4,000,000	3,999,594	
SURE Trust	January 14, 2020	31,100,000	31,079,471	
SURE Trust	January 20, 2020	10,100,000	10,090,267	
SURE Trust	February 10, 2020	3,700,000	3,692,485	
SURE Trust	February 24, 2020	1,000,000	997,258	
TMX Group Ltd.	January 15, 2020	3,500,000	3,497,510	
TMX Group Ltd.	January 24, 2020	4,575,000	4,569,655	
TMX Group Ltd.	February 5, 2020	1,000,000	998,185	
Toronto Hydro Corp.	January 3, 2020	12,175,000	12,173,748	
TransCanada PipeLines Ltd.	January 6, 2020	13,000,000	12,996,595	
TransCanada PipeLines Ltd.	January 15, 2020	2,500,000	2,498,157	
TransCanada PipeLines Ltd.	February 27, 2020	16,800,000	16,749,594	
TransCanada PipeLines Ltd.	March 2, 2020	5,000,000	4,983,946	
Zeus Receivables Trust	February 6, 2020	800,000	798,538	
		1,207,025,000	1,204,633,497	95.59%
Total Short-term Investments		1,250,025,000	1,247,599,176	99.00%

(Schedule 1)

Money Market - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Canadian Bonds				
Corporate Bonds				
Bank of Montreal	June 4, 2020	12,500,000	12,571,444	1.00%
Total Investment Portfolio		1,262,525,000	1,260,170,620	100.00%

(Schedule 2)

Intermediate - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Discount Commercial Paper				
Province of Alberta	February 4, 2020	875,000	873,564	
Province of Alberta	March 3, 2020	75,000	74,776	
Province of British Columbia	January 22, 2020	150,000	149,848	
Total Short-term Investments		1,100,000	1,098,188	0.44%
Canadian Bonds				
Federal Bonds				
Canada Housing Trust No. 1	June 15, 2020	22,560,000	22,514,852	8.97%
Provincial Bonds				
Province of Ontario	June 2, 2020	25,720,000	26,061,613	
Province of Quebec	December 1, 2020	25,000,000	25,702,316	
		50,720,000	51,763,929	20.63%
Corporate Bonds				
Bank of Montreal	October 6, 2020	23,100,000	23,235,249	
Bank of Nova Scotia	September 9, 2020	19,400,000	19,540,980	
bclMC Realty Corp., Series '12'	June 3, 2021	7,041,000	7,057,948	
Canadian Imperial Bank of Commerce	July 14, 2020	15,825,000	15,953,319	
HSBC Bank Canada	January 29, 2021	11,200,000	11,358,537	
John Deere Canada Funding Inc.	March 24, 2021	11,200,000	11,217,218	
National Bank of Canada	July 26, 2021	5,590,000	5,611,828	
OMERS Realty Corp., Series '4'	April 5, 2021	21,500,000	21,894,614	
Royal Bank of Canada	September 13, 2021	25,000,000	24,913,473	
Toronto-Dominion Bank (The)	March 8, 2021	23,300,000	23,451,810	
Wells Fargo Financial Canada Corp.	January 29, 2021	11,090,000	11,343,985	
		174,246,000	175,578,961	69.96%
Total Canadian Bonds		247,526,000	249,857,742	99.56%
Total Investment Portfolio		\$ 248,626,000	250,955,930	100.00%

(Schedule 3)

Bond - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Short-term Investments				
Pooled Funds				
Phillips, Hager & North STIF Pooled Fund		3,271,102	32,767,622	
Total Short-term Investments		3,271,102	32,767,622	6.02%
Canadian Bonds				
Federal Bonds				
Canada Housing Trust No. 1	June 15, 2022	922,000	921,075	
Canada Housing Trust No. 1	December 15, 2022	16,391,000	16,662,365	
Canada Housing Trust No. 1	June 15, 2023	25,606,000	26,010,216	
Canada Housing Trust No. 1	June 15, 2024	8,590,000	8,942,830	
Canada Housing Trust No. 1	December 15, 2024	47,796,000	47,440,954	
Canada Housing Trust No. 1, Series 'SEPT'	December 15, 2023	9,420,000	9,646,995	
First Nations Finance Authority, Series '14-1'	June 26, 2024	190,000	200,175	
Government of Canada	September 1, 2020	3,145,000	3,131,987	
Government of Canada	June 1, 2021	777,000	795,473	
Government of Canada	February 1, 2022	14,457,000	14,435,025	
Government of Canada	March 1, 2022	10,373,000	10,129,136	
Government of Canada	September 1, 2022	345,000	340,018	
Government of Canada	June 1, 2023	14,003,000	13,939,923	
Government of Canada	September 1, 2024	8,348,000	8,321,753	
		160,363,000	160,917,925	29.56%
Provincial Bonds				
Province of Alberta	June 1, 2025	3,191,000	3,232,352	
Province of Manitoba	September 5, 2021	694,000	694,350	
Province of Ontario	June 2, 2023	11,744,000	12,124,601	
Province of Ontario	September 8, 2023	2,252,000	2,320,305	
Province of Ontario	June 2, 2024	316,000	336,514	
Province of Quebec	December 1, 2021	1,021,000	1,070,862	
Province of Quebec	December 1, 2022	8,974,000	9,409,342	
Province of Quebec	September 1, 2025	614,000	641,441	
Province of Saskatchewan	June 2, 2026	2,404,000	2,459,588	
		31,210,000	32,289,355	5.93%
Municipal Bonds				
City of Montreal	September 1, 2024	4,075,000	4,365,306	
City of Montreal	September 1, 2025	1,966,000	2,065,575	
City of Toronto	February 6, 2025	1,606,000	1,640,625	
City of Vancouver	October 16, 2024	259,000	271,411	
City of Vancouver	November 20, 2025	460,000	479,147	
Winnipeg Airports Authority Inc., Series 'E'	April 14, 2023	320,000	329,567	
		8,686,000	9,151,631	1.68%
Corporate Bonds				
407 International Inc., Callable	May 26, 2021	2,635,000	2,713,581	
407 International Inc., Callable	May 16, 2024	1,965,000	2,059,863	
AIMCo Realty Investors L.P., Series '1', Callable	June 26, 2024	1,655,000	1,648,144	
Alectra Inc., Series 'A'	April 29, 2021	2,830,000	2,942,604	
AltaGas Canada Inc., Callable	April 6, 2026	235,000	241,331	
AltaLink Investments L.P., Series '13-1', Callable	June 5, 2020	2,067,000	2,075,837	

(Schedule 3)

Bond - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
AltaLink Investments L.P., Series '15-1', Callable	March 7, 2022	4,301,000	4,343,091	
AltaLink L.P.	November 28, 2022	3,295,000	3,385,427	
Anheuser-Busch InBev Finance Inc., Callable	January 25, 2023	4,265,000	4,446,362	
AT&T Inc., Callable	November 25, 2025	2,555,000	2,702,793	
Bank of Montreal	October 28, 2021	6,845,000	6,806,897	
Bank of Montreal	March 16, 2022	1,925,000	1,936,718	
Bank of Montreal	July 11, 2022	2,300,000	2,331,735	
Bank of Montreal	June 20, 2023	1,340,000	1,371,529	
Bank of Montreal, Callable	April 23, 2021	9,595,000	9,823,544	
bclMC Realty Corp.	June 29, 2022	250,000	258,561	
bclMC Realty Corp., Series 'A', Callable	August 11, 2022	1,585,000	1,599,877	
Bell Canada, Callable	September 29, 2021	2,420,000	2,477,015	
Bell Canada, Callable	October 3, 2022	4,315,000	4,423,459	
Bell Canada, Series 'M-24', Callable	May 19, 2021	2,895,000	3,018,872	
Brookfield Asset Management Inc., Callable	March 1, 2021	845,000	889,010	
Bruce Power L.P.	June 23, 2021	4,305,000	4,344,265	
Bruce Power L.P., Callable	June 23, 2026	1,005,000	1,063,522	
Bruce Power L.P., Series '2017-1', Callable	June 21, 2024	2,010,000	2,041,916	
Cameco Corp., Series 'E'	November 14, 2022	1,310,000	1,344,839	
Canadian Utilities Ltd.	November 30, 2020	1,280,000	1,400,090	
Canadian Utilities Ltd.	November 9, 2022	1,270,000	1,311,557	
Choice Properties L.P., Series '8', Callable	April 20, 2020	3,265,000	3,290,367	
Choice Properties REIT, Series '1', Callable	March 21, 2022	950,000	970,501	
Cominar REIT, Series '4', Callable	July 27, 2020	1,613,000	1,669,273	
Cominar REIT, Series '8'	December 8, 2021	565,000	580,347	
Cominar REIT, Series '9'	June 1, 2022	1,190,000	1,223,768	
CU Inc., Callable	March 6, 2024	723,000	847,291	
Emera Inc.	June 16, 2023	965,000	976,988	
Enbridge Gas Distribution Inc., Callable	November 23, 2020	9,859,000	10,076,210	
Enbridge Gas Distribution Inc., Callable	December 17, 2021	3,255,000	3,429,044	
Enbridge Gas Distribution Inc., Callable	September 11, 2025	1,330,000	1,413,842	
Enbridge Inc.	February 1, 2021	415,000	431,283	
Enbridge Inc.	February 22, 2022	1,230,000	1,316,187	
Enbridge Inc., Callable	March 9, 2020	3,175,000	3,232,848	
Enbridge Inc., Callable	June 30, 2023	540,000	563,807	
Enbridge Inc., Callable	November 19, 2024	490,000	519,546	
Enbridge Pipelines Inc.	November 17, 2023	1,690,000	1,938,182	
Enbridge Pipelines Inc., Callable	April 6, 2020	6,130,000	6,230,591	
Enbridge Pipelines Inc., Callable	November 30, 2022	840,000	857,669	
Enbridge Pipelines Inc., Callable	August 17, 2023	1,140,000	1,209,934	
Enbridge Pipelines Inc., Callable	September 29, 2025	2,360,000	2,488,729	
ENMAX Corp., Series '5'	October 18, 2022	1,625,000	1,650,970	
Fortis Inc., Callable	December 12, 2023	1,280,000	1,302,794	
Heathrow Funding Ltd.	June 17, 2023	4,159,000	4,206,924	
Hydro One Inc.	June 25, 2021	2,105,000	2,122,129	
Hydro One Inc., Callable	February 24, 2021	5,485,000	5,510,351	
Hydro One Inc., Callable	June 26, 2025	1,295,000	1,341,959	
Hydro One Inc., Series '42', Callable	April 5, 2024	3,795,000	3,870,685	
Inter Pipeline (Corridor) Inc., Callable	February 3, 2020	655,000	669,610	
Ivanhoe Cambridge II Inc., Series '1', Callable	June 27, 2023	1,160,000	1,186,486	
Ivanhoe Cambridge II Inc., Series '2', Callable	December 12, 2024	545,000	545,827	
John Deere Canada Funding Inc.	October 12, 2021	1,550,000	1,572,939	

(Schedule 3)

Bond - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
John Deere Canada Funding Inc.	May 13, 2022	1,005,000	1,002,648	
John Deere Financial Inc.	July 23, 2021	1,820,000	1,868,891	
John Deere Financial Inc.	January 14, 2022	750,000	772,007	
JPMorgan Chase & Co.	March 5, 2021	2,325,000	2,377,039	
Lower Mattagami Energy L.P., Series '2011-3', Callable	May 18, 2021	1,015,000	1,051,191	
Lower Mattagami Energy L.P., Series '2014-1', Callable	June 20, 2024	1,650,000	1,735,266	
Merrill Lynch & Co. Inc., Variable Rate, Callable	May 30, 2022	1,270,000	1,273,445	
Molson Coors International L.P., Series '2', Callable	September 18, 2020	1,550,000	1,566,278	
North West Redwater Partnership / NWR Financing Co. Ltd.	July 22, 2024	6,215,000	6,492,539	
North West Redwater Partnership / NWR Financing Co. Ltd.	February 23, 2022	4,745,000	4,764,774	
OMERS Realty Corp.	November 12, 2024	1,620,000	1,698,706	
OMERS Realty Corp., Series '7', Callable	February 23, 2024	5,521,000	5,701,314	
Pembina Pipeline Corp., Callable	October 24, 2022	1,235,000	1,288,304	
Penmor Loan #12863-0J	September 5, 2024	613,434	626,562	
Reliance L.P., Callable	March 15, 2026	750,000	776,898	
RioCan REIT, Series 'Z'	April 9, 2021	1,525,000	1,531,793	
Royal Bank of Canada	March 15, 2021	5,850,000	5,884,135	
Royal Bank of Canada	July 15, 2021	7,248,000	7,258,466	
Royal Bank of Canada	September 13, 2021	2,515,000	2,506,295	
Royal Bank of Canada	December 5, 2022	2,920,000	2,940,646	
Royal Bank of Canada	May 1, 2023	2,765,000	2,844,276	
TELUS Corp., Series 'CO', Callable	April 5, 2021	640,000	652,316	
Toronto Hydro Corp., Series '12', Callable	August 25, 2026	640,000	655,322	
Toronto-Dominion Bank (The)	June 24, 2020	4,210,000	4,224,377	
Toronto-Dominion Bank (The)	March 8, 2021	5,750,000	5,787,464	
Toronto-Dominion Bank (The)	June 8, 2021	3,215,000	3,204,366	
Toronto-Dominion Bank (The)	March 23, 2022	9,225,000	9,250,974	
TransCanada PipeLines Ltd., Callable	November 15, 2021	805,000	829,970	
TransCanada PipeLines Ltd., Callable	July 19, 2023	6,280,000	6,648,664	
Union Gas Ltd.	November 10, 2025	840,000	1,124,301	
Union Gas Ltd., Callable	June 2, 2021	705,000	712,948	
Union Gas Ltd., Series '6', Callable	April 25, 2022	3,297,000	3,531,225	
United Parcel Service Inc., Callable	May 21, 2024	2,590,000	2,569,424	
Wells Fargo & Co.	March 15, 2021	11,315,000	11,390,401	
Wells Fargo & Co.	April 25, 2022	1,645,000	1,643,668	
Wells Fargo Financial Canada Corp.	January 29, 2021	4,675,000	4,782,068	
Westcoast Energy Inc.	October 28, 2021	1,190,000	1,231,502	
Westcoast Energy Inc.	December 5, 2022	3,170,000	3,247,590	
Westcoast Energy Inc., Callable	July 2, 2020	1,901,000	1,966,777	
Westcoast Energy Inc., Callable	September 12, 2024	1,740,000	1,824,029	
Westcoast Energy Inc., Series 'S'	January 10, 2020	788,000	826,011	
		256,205,434	262,314,390	48.20%
Total Canadian Bonds		456,464,434	464,673,301	85.37%

(Schedule 3)

Bond - Schedule of Investments

DECEMBER 31, 2019

	MATURITY DATE	PAR	MARKET	% OF TOTAL
Mortgages				
NHA Insured Mortgages				
NHA MBS Concentra Financial Services	June 1, 2021	1,845,281	1,838,064	
NHA MBS First National Financial Group Corp.	May 1, 2023	3,691,785	3,730,604	
NHA MBS Home Trust Co.	September 1, 2021	867,318	860,901	
NHA MBS Merrill Lynch Canada Inc.	May 1, 2021	4,192,241	4,170,201	
NHA MBS Merrill Lynch Canada Inc.	August 1, 2021	3,626,517	3,599,015	
NHA MBS Merrill Lynch Canada Inc.	November 1, 2021	10,074,124	9,998,151	
NHA MBS Merrill Lynch Canada Inc.	June 1, 2024	265,292	262,308	
NHA MBS Merrill Lynch Canada Inc.	September 1, 2024	7,105,361	7,035,366	
NHA MBS Scotia Capital Inc.	July 1, 2024	3,772,611	3,751,312	
NHA MBS Scotia Capital Inc.	October 1, 2024	8,006,177	7,955,706	
NHA MBS TD Securities Inc.	July 1, 2021	2,480,086	2,462,330	
NHA MBS TD Securities Inc.	December 1, 2021	1,220,913	1,212,306	
Total Mortgage Investments		47,147,706	46,876,264	8.61%
Total Investment Portfolio		\$ 506,883,242	544,317,187	100.00%

Participants

MUNICIPALITIES

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

REGIONAL DISTRICTS

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

Participants continued

REGIONAL HOSPITAL DISTRICTS

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

FIRST NATIONS

Adams Lake	Lower Kootenay	Songhees	Tsawwassen
Aqam	Matsqui	Stó:lō	Tzeachten
Bonaparte	Millbrook	Stz'uminus	Waabnoong Bemjiwang
Chawathil	Namgis	T'i'tq'et	
Cowichan	Seabird Island	Tk'emlups te Secwepemc	
Kitselas	Seven Generations Environmental	Tla'amin	
Kwaw-kwaw-Apilt	Shxw'ha: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	Southern Interior Local Government Association
Fraser Basin Council	Union of BC Municipalities
Fraser Valley Library	University of Northern BC
Government Finance Officers Association of BC	Vancouver Island Regional Library
Integrated Cadastral Information Society	Vancouver Island Local Government Management Association
Islands Trust Conservancy	Victoria Public Library
Kelowna General Hospital Foundation	Yukon Communities
Kootenay & Boundary LGA	
Local Government Management Association	

High Interest Savings Account Pooled Investment Funds

REPORTS

Net Assets	20
Operations and Clients' Equity	21
Changes in Net Assets	22
Notes	23

SCHEDULE

Participants	24
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Net Assets

YEARS ENDING DECEMBER 31, 2019 AND 2018

THOUSANDS OF DOLLARS						
	CIBC		National		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Cash	\$ 875,454	542,107	274,750	290,664	1,150,204	832,771
Interest receivable	2,006	1,230	660	638	2,666	1,868
	877,460	543,337	275,410	291,302	1,152,870	834,639
Liabilities						
Accrued management fees	24	15	8	7	32	22
Net Assets and Deposits due to clients	\$ 877,436	543,322	275,402	291,295	1,152,838	834,617

Operations and Clients' Equity

YEARS ENDING DECEMBER 31, 2019 AND 2018

THOUSANDS OF DOLLARS						
	CIBC		National		Total	
	2019	2018	2019	2018	2019	2018
Investment Income						
Interest income	\$ 16,078	9,748	9,890	2,140	25,968	11,888
Less management fees	194	131	122	23	316	154
Net Earnings Distributed	15,884	9,617	9,768	2,117	25,652	11,734
Clients' Equity						
Deposits outstanding, beginning of the year	543,322	193,463	291,295	-	834,617	193,463
Contributions	1,971,161	1,508,017	940,682	315,729	2,911,843	1,823,746
Net earnings distributed	15,884	9,617	9,768	2,117	25,652	11,734
Withdrawals	(1,652,931)	(1,167,775)	(966,343)	(26,551)	(2,619,274)	(1,194,326)
Deposits Outstanding, end of the year	\$ 877,436	543,322	275,402	291,295	1,152,838	834,617

Changes in Net Assets

YEARS ENDING DECEMBER 31, 2019 AND 2018

	THOUSANDS OF DOLLARS					
	CIBC		National		Total	
	2019	2018	2019	2018	2019	2018
Net Assets, beginning of period	\$ 543,322	193,463	291,295	-	834,617	193,463
Changes during the period						
Operations:						
Net Interest income	15,884	9,617	9,768	2,117	25,652	11,734
Equity transactions:						
Contributions	1,971,161	1,508,017	940,682	315,729	2,911,843	1,823,746
Withdrawals	(1,652,931)	(1,167,775)	(966,343)	(26,551)	(2,619,274)	(1,194,326)
	318,230	340,242	(25,661)	289,178	292,569	629,420
Distributions to Clients						
Interest income	(15,884)	(9,617)	(9,768)	(2,117)	(25,652)	(11,734)
Net earnings distributed	15,884	9,617	9,768	2,117	25,652	11,734
Net Assets, end of period	\$ 877,436	543,322	275,402	291,295	1,152,838	834,617

Notes

YEARS ENDING DECEMBER 31, 2019 AND 2018

1. Pooled High Interest Savings Accounts

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*.

Two accounts 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% (CIBC) and 1.63% (National). 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, 2019.

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
Burns Lake
Cache Creek
Central Saanich
Chetwynd
Coldstream
Colwood
Comox
Coquitlam
Cranbrook
Dawson Creek
Delta
Gibsons
Gold River
Granisle
Hazelton

Kelowna
Langley (Township)
Mackenzie
Maple Ridge
Masset
McBride
Metchosin
Mission
Nakusp
Nelson
New Westminster
North Cowichan
North Vancouver (District)
Oak Bay
Port Clements
Port Coquitlam

Port Hardy
Port McNeill
Prince George
Prince Rupert
Queen Charlotte
Richmond
Saanich
Sechelt
Sidney
Slocan
Surrey
Ucluelet
Vancouver
Victoria
West Vancouver

REGIONAL DISTRICTS

Bulkley-Nechako
Capital
Comox Valley
Fraser Valley
Fraser-Fort George
Kootenay Boundary
Metro Vancouver
Mount Waddington
Nanaimo
North Coast
North Okanagan
Okanagan-Similkameen
Peace River
Sunshine Coast
Thompson-Nicola

REGIONAL HOSPITAL DISTRICTS

Capital
Comox-Strathcona
Fraser-Fort George
Okanagan-Similkameen
Peace River
Thompson

OTHER ORGANIZATIONS

Capital Regional Housing Corporation
CivicInfo BC
Local Government Management Association
of BC
Union of BC Municipalities
Greater Victoria Labour Relations Association





**Municipal Finance
Authority of BC**

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