



## Municipal Finance Authority of BC

### Bond Fund – Investment Time Horizon – 18 months to 5 years

The objective of the Bond Fund is to obtain interest income and attempt, through the prudent, professional management of its assets, to achieve capital appreciation by investing in the highest quality fixed income and money market securities with maturities of up to 7 years. The Fund Manager's performance objective is to achieve a return of 40 basis points over the FTSE TMX Canada Short Term Bond Index, net of all expenses. The Bond Fund is valued at closing every business day.

The Bond Fund is authorized to issue an unlimited number of units and fractional units, each of which represents an equal interest in the net assets of the fund. Each unit of the Fund is priced daily to reflect relative market value, while accruing interest and capital gains. At the close of business on the last day of each month, the Fund distributes to the unit holders all of its net income, including net realized capital gains, if any, as additional units or fractions of units of the Fund.

The management fee for the Bond Fund is 1/5 of 1 percent per annum of the net assets of the Fund. The fees are accrued each valuation day, and cover the operating cost of the Fund, including Phillips, Hager & North Ltd., CIBC Mellon Trust, and CIBC Banking.

The performance returns on the monthly statement are net of all fees.