



Municipal Finance Authority of British Columbia

POOLED INVESTMENT PROGRAM

DETERMINE WHICH INVESTMENT FUND YOU WANT TO PARTICIPATE IN:

Money Market Fund – Investment Time Horizon – 0 -12 months

The principal objective of the Money Market Fund is to provide the participants with a high level of current interest income earned by investing primarily in the highest quality money market instruments with maturities of 366 days or less. The performance objective of the Fund Manager is to exceed the ScotiaMcLeod 91 day Treasury Bill Index by 15 basis points, net of all expenses. The Money Market Fund is valued at the close of business every business day.

Intermediate Fund– Investment Time Horizon – 6 -24 months

The principal objective of the Intermediate Fund is to obtain interest income and attempt, through prudent but active professional management of its assets, to achieve moderate capital appreciation by investing primarily in the highest quality fixed income and money market securities with maturities of up to 2 years. The performance objective of the Fund Manager is to achieve a total return of 30 basis points over one year Canada Treasury Bills, net of all expenses. The Intermediate Fund is valued at the close of business every Wednesday and on the last business day of every month.

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

The principal objective of the Bond Fund is to obtain interest income and attempt, through prudent but active professional management of its assets, to achieve moderate capital appreciation by investing primarily in the highest quality fixed income and money market securities with maturities of up to 7 years. The performance objective of the Fund Manager is to achieve a total return of 40 basis points over the ScotiaMcLeod Bond Index, net of all expenses. The Bond Fund is valued at the close of business every Wednesday and on the last business day of every month.

HOW THE FUNDS ARE ISSUED:

All Funds are authorized to issue an unlimited number of units and fractional units, each of which represents an equal undivided interest in the net assets of the fund, pro rata, with all other units of the fund from time to time issued and outstanding.

MANAGEMENT FEES:

Management fees are accrued at each valuation of the Funds and are paid monthly to MFABC. MFABC, in turn, pays all costs of the operation of the Funds, including Phillips, Hager & North Ltd., CIBC Mellon Trust, and CIBC Banking.

Fees are currently accrued as follows:-

Money Market Fund - 3/20 of 1 percent per annum of the net assets of the fund.

Intermediate Fund - 1/5 of 1 percent per annum of the net assets of the fund.

Bond Fund - 1/5 of 1 percent per annum of the net assets of the fund.

Your performance returns on your monthly statement are net of all fees.

THE MANAGEMENT TEAM:

The following "team" from the private sector was selected to provide the professional management and administrative services for the Funds:

<i>Phillips, Hager & North Investment Management Ltd. (PH & N)</i>	- Fund Manager
<i>CIBC Mellon Global Securities Services Company (CIBC Mellon)</i>	- Custodial and Administrative Services
<i>Canadian Imperial Bank of Commerce (CIBC Banking)</i>	-Electronic Transfer of Funds

HOW TO ENROL IN THE PROGRAM:

Before subscribing for units in the Funds, you must enrol and become a subscriber by following these steps:

1. Complete the 'Application for Enrolment' form & a 'Client Profile' form.
2. Send these forms (originals) to MFABC in Victoria

IMPORTANT **The Client Profile form should include the original signatures of all staff members who are authorized to subscribe, redeem, or transfer units in the Funds. CIBC Mellon uses this form to authenticate the signatures on the faxes sent to its office.**

When MFABC is satisfied that all pertinent information has been provided, you will receive a confirmation of enrolment letter and you may subscribe for units. This fax will contain your CIBC pass-code number. This pass-code ensures that only you can access your investments.

MAKING CHANGES TO YOUR FILE:

If there is a change in your authorized signatures, banking, or general contact information, please complete the pertinent pages of the 'Client Profile' form (with original signatures of all authorized members) and send to the MFABC.

DOCUMENTATION AND REPORTING YOU WILL RECEIVE:

Each participant in the Funds receives:

1. A confirmation of each transaction by mail,
2. A monthly statement for each fund showing the opening and closing positions including all transactions during the month,
3. A copy of the MFABC performance index for each fund, monthly, and
4. Monthly investment results and market commentary.

VALUATION DAY:

The funds are valued on the following days:

Money Market – daily

Bond and Intermediate Fund – each Wednesday and the last day of each month.

SUBSCRIPTION PROCESS:

Having enrolled, and being in possession of a confirmation of enrollment letter from MFABC, you may now subscribe for units in one or more of the Funds.

IMPORTANT **Subscriptions cannot be made in advance or post-dated since you must phone CIBC on the business day before the day on which you wish your bank account to be debited.**

The following steps must be completed:

1. Fill in the dollar amount in the Subscription part of the form for the FUND in which you wish to invest.
2. Phone the CIBC at 1-800-267-2422 (toll free). Using the Subscription form as a reference, be prepared to enter on your touch tone telephone:
 - (a) CIBC Institution Number (which is 91520 for all institutions),
 - (b) Your CIBC Pass-Code Number, and
 - (c) The amount of your subscription.
3. Enter the CIBC Verification Number provided by the automated system on the Subscription form.
4. Fax the completed Subscription form to CIBC Mellon in Toronto at 416-643-5455.

Subscriptions for units will be accepted by CIBC Mellon until 3:00 P.M. Pacific Standard Time each business day.

IMPORTANT **Your bank account will be debited the next business day following completion of the above steps.**

Units in the **Money Market Fund** will be issued at the close of business on the next business day following the date of acceptance of the subscription.

Units in the **Intermediate or Bond Fund** will be issued at the close of business on the valuation day of the Fund, which is each Wednesday and the last business day of each month.

IMPORTANT **If you subscribe to the Intermediate or Bond Fund on a day other than one business day before a Wednesday or the last business day of the month, your funds will be invested, temporarily, in the Money Market Fund and then transferred to the Intermediate or Bond Fund on the next valuation day.**

REDEMPTION PROCESS:

NOTE Redemptions can not be booked in advance or post-dated. You must fax your redemption request to CIBC Mellon one business day before the day on which you wish your bank account to be credited for the MONEY MARKET FUND. For the INTERMEDIATE or BOND FUND, redemption requests must be received by the Thursday prior to the next valuation date or four business days prior to the last day of the month. Your bank account will be credited on the day following the relevant valuation date.

To redeem units, or fractions of units, please complete the following steps:

1. Complete the Redemption part of the form for the FUND from which you wish to redeem the units, and
2. Fax the completed Redemption form to CIBC Mellon in Toronto at 416-643-5455
3. CIBC Mellon will fax back a copy of your redemption request marked "Received" to confirm the transaction.

Requests for Redemption of units will be accepted by CIBC Mellon until 3:00 P.M. Pacific Standard Time each business day.

IMPORTANT Four business days notice prior to the valuation date is required to redeem or transfer out of the Intermediate or Bond Fund units.

Units in the Money Market Fund will be redeemed and the proceeds credited to your bank account on the next business day.

Units in the Intermediate or Bond Fund will be redeemed and the proceeds credited to your bank account on the day following the next valuation day (if notice was given four day's prior to the valuation date).

TRANSFER PROCESS:

Complete the "TO" and "FROM" part of the TRANSFER form and fax a copy to CIBC Mellon in Toronto at 416-643-5455.

Requests for transfers of units will be accepted by CIBC Mellon until 3:00 P.M. Pacific Standard Time each business day.

A transfer of funds from the MONEY MARKET FUND to the INTERMEDIATE or BOND FUND will be effected any WEDNESDAY or on the last business day of each month (if notice was given four day's prior to the valuation date).

A transfer of funds from the INTERMEDIATE or BOND FUND to the MONEY MARKET FUND will be effected on the next valuation day of the INTERMEDIATE or BOND FUND (if notice was given four day's prior to the valuation date).

A transfer of funds from the INTERMEDIATE or BOND FUND to the INTERMEDIATE or BOND FUND will be effected on the next valuation day of the INTERMEDIATE or BOND FUND (if notice was given four day's prior to the valuation date).

VALUATION:

Money Market Fund

The Fund will generally hold portfolio investments to maturity. Accordingly, the value of the Fund's net assets will not fluctuate by reason of changes in prevailing interest rates which may otherwise affect the value of portfolio investments.

The net asset value of units of the Fund will be maintained at \$1,000 per unit by distributing to the unitholders, at the close of business daily, all of the Fund's net income, including net realized capital gains/losses, if any, as additional units or fractions of units of the Fund.

The net asset value per unit of the Fund is determined by dividing the value of the net assets of the Fund (that is, the value of the assets of the Fund less its liabilities) by the total number of units of the Fund outstanding at such time.

Intermediate Fund or Bond Fund

The net asset value of units of the Fund will be maintained at \$1,000 per unit by distributing to the unitholders at the close of business each Wednesday and at month-end all of the Fund's net income including net realized capital gains/losses and net unrealized capital gains/losses, if any, as additional units or fractions of units of the Fund.

The net asset value per unit of the Fund is determined by dividing the value of the net assets of the Fund at that time by the total number of outstanding units. The value of the net assets is the aggregate value of the assets of the Fund less its liabilities.

Investments are valued at their mid-market values or, in the absence thereof, at a value determined by CIBC Mellon in consultation with the Fund Manager, which reflects the investment's fair value.

CIBC Calling Instructions
For Subscription ONLY

1. PHONE 1- 800- 267- 2422 (toll - free).

You will be connected to the automated Interactive Voice Response. Enter responses to the computerized questions by your touch-tone phone.

2. AT THE PROMPT,

ENTER 1 FOR ENGLISH, OR
ENTER 2 FOR FRENCH

3. AT THE PROMPT, Enter the institution/customer number "91520", followed by your 5 digit pass-code number

For example if you code number is 12345 you would enter "9152012345"

4. AT THE PROMPT,

ENTER 1 TO REPORT A SUBSCRIPTION, OR
ENTER 2 TO CANCEL A PREVIOUS SUBSCRIPTION REPORTED THAT
SAME DAY

5. AT THE PROMPT, enter the amount of the subscription (to the penny, no decimal point) followed by the # sign.

For example if you wish to subscribe for "\$1,987,654.33" you would enter it as 198765433#

6. SYSTEM WILL REPEAT THE AMOUNT BACK TO YOU FOR VERIFICATION

7. AT THE PROMPT,

ENTER 1 TO CONFIRM THE AMOUNT, OR
ENTER 2 TO TERMINATE - NO DETAILS WILL BE RECORDED, OR
ENTER 3 TO RE-ENTER THE AMOUNT

8. The system will provide a 4 digit Verification Number. Record this number on the subscription form under "CIBC Verification Number"

9. AT THE PROMPT,

ENTER 1 TO ENTER ANOTHER SUBSCRIPTION, OR
ENTER 2 TO TERMINATE THE CALL.

10. Call procedures complete; fax completed subscription to CIBC Mellon @ 416-643-5455

NOTE: To inquire about or delete a deposit:

You will hear a message that deposits are processed each business day at 6:00 p.m. Eastern Standard Time. **You cannot inquire about or delete a deposit once it has been processed.**

- To inquire about or delete a deposit, press 1
- To inquire about or delete a deposit using the 4-digit confirmation number, press 2
- To inquire about or delete a deposit using the dollar amount of the deposit, press 3

(If you have several deposits, the system will play each unprocessed item. Press "" to repeat.)*

If you select the deposit to be deleted, you will hear the following message:

"You have requested to delete the deposit in the amount of \$\$\$."

- To confirm, press 1; press 2 to return to the list of deposits

If you press 1 to confirm, the system will give you a confirmation number.

This new confirmation number for DELETIONS always starts with the letter "D" (e.g., "D1234").

- Then you can choose from the following:
 1. To inquire about or delete another deposit, press 2
 2. To return to the main menu, press 8
 3. To end the call, press 9