

Investment to Drive Change

Sustainable, and Responsible Investing to align with our values

Request for Support

The City of New Westminster is looking for like-minded municipalities interested in investing in a new Municipal Finance Authority of British Columbia (MFA) investment product that would add to existing municipal investment options.

The new investment product is proposed to use a standard fossil fuel free screen. MFA has suggested the City garner significant interest from local governments for the new bond fund. MFA suggests the fund would be most appropriate for a portion of reserves that are not needed for 3 years or longer.

A letter is requested from each city be sent to MFA indicating their interest in the new bond fund and the approximate value of potential investment.

Background

MFA is setting up a fossil fuel free bond fund. The MFA Fossil Fuel Free Short Term Bond Fund (the "Fund") is a short term bond strategy that incorporates a fossil fuel free exclusion screen. The fossil fuel free screen will exclude securities of companies directly involved in the extraction, processing and transportation of coal, oil or natural gas.


The list of securities of companies that will be excluded from the Fund would be provided by a company such as Sustainalytics, who provide socially responsible investment strategies. This exclusion seems to be the market standard and is similar to the current exclusion applied to some fossil fuel free global equity funds. Sustainalytics will be responsible for identifying which companies are involved in these activities and has a research database which includes most of the Canadian issuers.

While it is not possible to come up with exact return characteristics and expectations for this newly created fund, MFA suggests that it should be very similar to the existing MFA Bond Fund.

Municipal Government Actions Required

In order to support the new MFA Bond Fund with a Standard Fossil Fuel Free Screen the following actions are required:

Action
1. Pass a resolution of Council outlining the intention to invest funds in a new MFA Bond Fund with a Standard Fossil Fuel Free Screen.
2. Send a letter to the Municipal Finance Authority indicating support for the new MFA Bond Fund with a Standard Fossil Fuel Free Screen with the estimated amount of investment \$_____:



**Municipal Finance
Authority of BC**

Peter Urbanc
Chief Administrative Officer

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We appreciate your support in advancing this investment product through the MFA.

For more information contact:

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