

## Cash Management Monthly

July 26, 2022

*Our monthly bulletin for municipalities, corporations, not for profits, high net worth individuals and institutions who are looking to optimize the interest on their operating cash.*

### CDIC Insured Fixed Income Rate Sheet

\*Issued by a B.C. institution, fully guaranteed by [CUDIC\\*](#)

High Interest Savings Account (CAD)	2.30%
High Interest Savings Account (USD)	1.50%
Business Chequing Account (CAD)	1.65%
1 Year GIC Cashable after 30 Days	2.25%

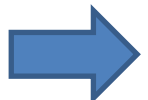
\*Decrease from last month  
\*Increase from last month  
\*No change from last month

Guaranteed Investment Certificates (GIC) Opportunities					
Pay	1 Year	2 Year	3 Year	4 Year	5 Year
Annual	4.12%	4.48%	4.56%	4.60%	4.73%
Monthly	3.99%	4.35%	4.42%	4.48%	4.64%

Current Attractive Short Term Bankers Notes			
Issuer	Maturity Date	Rating	Yield-To-Maturity
Schedule 1 Bank	1 Month	R1-High	2.47%
Schedule 1 Bank	2 Months	R1-High	2.77%
Schedule 1 Bank	3 Months	R1-High	3.05%

#### Did You Know?

- ❖ Bank deposits in Canada are insured up to \$100,000 by the Canadian Deposit Insurance Corporation (CDIC) in case the issuing institution fails.
- ❖ Many financial institutions in British Columbia are additionally insured by Credit Union Deposit Insurance Corporation (CUDIC) which guarantees the **entire deposit** in the event that the issuing institution fails.



## Featured Structured Solution of the Month

*For cash that can be put away for three to six years, there are structured solutions which can offer far greater yield and full or partial protection of principal.*

### National Bank Canadian Market Autocallable GIC

This may be the most intriguing cash management structured solution I have ever seen. Coupons like this are not that uncommon for structured solutions which offer 20-30% downside protection, but this month's *featured structured solution* offers a 9.60%/year coupon with 100% principal protection at maturity – it is also a CDIC insured GIC. Based on an equally-weighted basket of 8 large Canadian stocks, on annual valuation dates if the underlying basket is at all positive, the note is “called” away, and the investor receives back their principal, plus a 9.60%/year coupon. If the underlying is down the first four years, but is up on the fifth annual valuation date, the note is “called” with a 48% coupon. If the underlying is down all seven years, and every company in the basket goes bankrupt – the investor receives back their full principal, but no coupon.

#### Highlights:

- 7-year term
- 9.60%/year potential coupon
- Principal fully protected at maturity by NBC and CDIC
- Based on equally weighted basket of BCE, EMA, ENB, GWO, MFC, POW, RY, TD
- Annual valuation/ call dates
- Daily liquidity (can trade up/down before maturity)

**\*We are often able to negotiate better rates for deposits over \$1,000,000. This, however, is subject to market conditions, and varies daily\***

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