

SENT ON BEHALF OF ROZANNE RESZEL, PRESIDENT AND CEO

Dear Ultimate Designated Person and Chief Financial Officer,

Notice: CIPF's Board of Directors Suspends the 2020 Filing of the Statement of Member Assets by Location

The purpose of this notice is to advise you that CIPF's Board of Directors has unanimously approved to suspend for fiscal 2020 the annual requirement for member firms to file the Statement of Member Assets by Location (SMAL) – to be resumed for fiscal 2021.

Background

Every year, member firms are required to file the SMAL form in SIRFF as at April 30– with the filing due at the time of the April Monthly Financial Report (MFR). This year's SMAL filing would have been due on May 29, 2020.

The information provided by member firms in the SMAL filing is used by CIPF to identify the following:

- CIPF's Exposure at Default (EaD) to member firms
- CIPF's Liquidity Resource Requirements
- Those member firms whose EaD is greater than the 10% threshold and therefore potentially subject to an Asset Location Assessment

Statement of Member Assets by Location – 2020 Filing

Given the management and operational challenges faced by member firms due to the COVID-19 pandemic, CIPF's Board of Directors has unanimously approved that the annual requirement for member firms to file the SMAL be suspended for fiscal 2020 – and resumed for fiscal 2021.

In announcing the suspension of the 2020 SMAL filing, and mindful of asset location risk, CIPF staff will reach out to member firms which, through material changes to asset locations, are most likely to have a material impact on CIPF's Liquidity Resource Requirements. CIPF asks that those member firms contacted confirm, with the assistance of CIPF staff, that they are not aware of any material changes to the locations where assets are held since the time of their 2019 SMAL filing.

For those member firms which were identified and contacted as potential Asset Location Assessment (ALA) candidates last year, CIPF staff will confirm and incorporate any information already requested of and provided by the member firm subsequent to the 2019 SMAL filing.



Next Steps

The following next steps are to be performed in lieu of the 2020 SMAL filing:

- CIPF staff will reach out to those member firms which, through material changes to asset locations, are most likely to have a material impact on CIPF's Liquidity Resource Requirements. CIPF asks that those member firms contacted confirm, with the assistance of CIPF staff, that they are not aware of any material changes to the locations where assets are held since the time of their 2019 SMAL filing.
- For those member firms which were identified and contacted as ALA candidates last year, CIPF staff will confirm and incorporate any information already requested of and provided by the member firm subsequent to the 2019 SMAL filing.

If you have any questions, please contact me directly or Joseph Campos, Vice-President, Industry Risk at jcampos@cipf.ca or 416-619-5573.

On behalf of CIPF's Board of Directors and staff, we remain committed to managing the CIPF Fund on a risk-based approach for the benefit of all member firms and ultimately for the protection of the investing public.

Regards,

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