

MEMORANDUM

DATE: May 31, 2016

TO: Municipal Finance Authority Pooled Investment Fund Clients

RE: Changes to Fund Administration and Record-Keeping

Our Pooled Investment Fund record-keeping service provider, CIBC Mellon, recently made a decision to update their recordkeeping technology. As a result of this conversion, it was necessary to change some of the mechanics of the MFA funds. These changes will not result in a financial impact to clients and will bring our funds into line with industry standards.

May statements will be materially the same, with the last couple of days of May showing the changeover. June statements will have a new look and will fully reflect these changes.

Please be patient with our team as we also adjust to this new methodology.

Intermediate and Bond Funds:

Currently the Intermediate and Bond Fund have a fixed price of \$10/unit and account for any change in market value by distributing income or losses to investors on a daily basis. Subscriptions and redemptions would always be at a unit price of \$10; however, the value of the account is driven by the number of units, which fluctuated based on the daily distributions of income and losses.

Effective May 30th, these funds will now have a floating daily price or “net asset value” (NAV) that reflects market movement. Instead of a unit price fixed at \$10, it will now rise and fall with the market. For the MFA Bond and Intermediate funds, income and capital gains will now be distributed on a monthly basis rather than daily, with accrued income being reflected in the unit price. Income to be distributed to investors as additional units will be posted at month end. Capital Gains distribution will be calculated based on realized gain/loss on investment, and will not reflect unrealized gains or losses.

Money Market Fund

For the Money Market Fund, the overall mechanics of the fund will remain the same. The price of the fund will be fixed at \$10, interest will be allocated daily, with a pay out of the interest at month end or upon full redemption of the investors position in full. The only change is that the allocation of interest is done as an accrual, summed up and paid out on full redemption or month end. Instead of daily distributions, investors will only see a single distribution transaction monthly.