MFA of B.C. Pooled Investment Results[1]
As of September 30, 2017

	1 Month Non-annualized %	3 Months Non-annualized %	Year-to-Date Non-annualized %	1 Year %	3 Years Annualized %	5 Years Annualized %	Since Inception Annualized %[2]
MFA Money Market Fund	**0.08**	**0.24**	**0.67**	**0.88**	**0.86**	**0.96**	**3.97**
Custom Benchmark[3]	*0.04*	*0.12*	*0.30*	*0.39*	*0.41*	*0.57*	*3.72*
MFA Intermediate Fund	**-0.01**	**0.09**	**0.41**	**0.62**	**1.10**	**1.20**	**3.59**
FTSE TMX Canada 365-Day Treasury Bill Index	*-0.08*	*-0.11*	*-0.15*	*-0.15*	*0.37*	*0.59*	*3.20*
MFA Bond Fund	**-0.46**	**-0.46**	**-0.06**	**-0.57**	**1.57**	**1.81**	**6.05**
FTSE TMX Canada Short Term Overall Bond Index	*-0.47*	*-0.50*	*-0.35*	*-0.90*	*1.24*	*1.51*	*5.76*

[1]Portfolio and benchmark performance is net of total fees and expenses of 15 basis points per annum (Money Market Fund) and 20 basis points per annum (Intermediate & Bond Fund).
[2]Inception dates: Money Market Fund – May 1, 1989; Intermediate Fund – March 30, 1994; Bond Fund – May 1, 1989
[3]Represents custom benchmark: changed from FTSE TMX Canada 91-day T-Bill Index to FTSE TMX Canada 30-day T-Bill Index effective Jan. 1, 2013

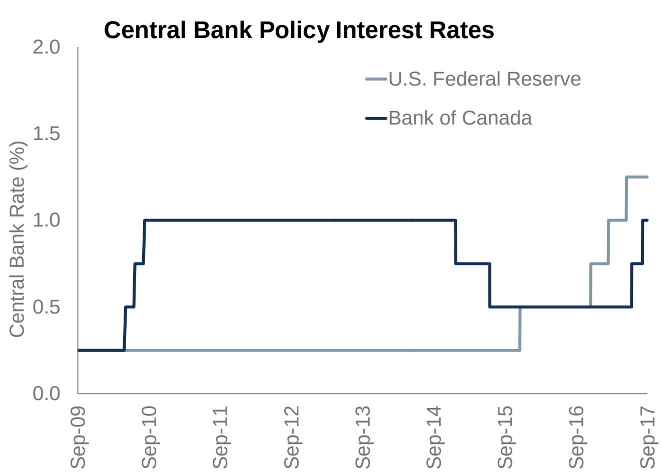
Market Developments

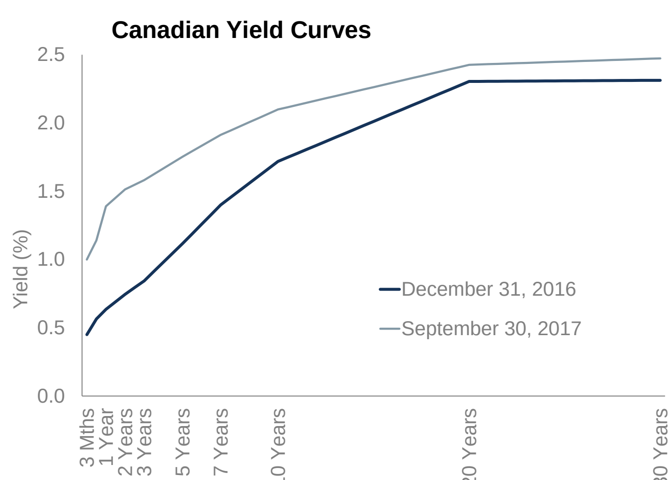
Market Interest Rates

	July 31, 2017	August 31, 2017	September 30, 2017
3 Month T-bills	0.74%	0.76%	1.00%
2 Year Gov't of Canada Bonds	1.29%	1.27%	1.51%
5 Year Gov't of Canada Bonds	1.65%	1.48%	1.75%
30 Year Gov't of Canada Bonds	2.47%	2.26%	2.47%

The FTSE TMX Canada Universe Bond Index returned -1.3% in September. Canadian interest rates were singularly-minded through September, moving steadily higher throughout the month. This led to negative absolute returns for Canadian bonds across all maturities and sectors. Yields began the month trending modestly higher on the back of a strong GDP report heading into September. The Bank of Canada' (BoC) announcement that it was increasing the overnight rate for the second time in consecutive meetings turned a modest increase in interest rates into a material move through the end of the month. The move higher was also helped by U.S. yields similarly moving higher as risks to the economic profile eased, lifting the downward pressure on U.S. interest rates.

Overall, the shape of the Canadian yield curve was largely unchanged over the month, with short-term and long-term interest rates moving similarly higher by 20-25 basis points.





Market Outlook

As mentioned, the BoC met at the beginning of September and, in somewhat of a surprise move, raised the overnight rate for a second consecutive meeting on the back of continued strength in economic data. As a result, short-term Canadian interest rates moved higher during the month. The BoC did, however, strike a more conservative tone in its statement by re-iterating the data-dependent nature of future policy rate moves. In doing so, the BoC also confirmed that the back-to-back rate hikes were more about removing the emergency rate cuts implemented in 2015 rather than the beginning of a more aggressive tightening cycle. Looking forward, we anticipate that short-term interest rates in Canada will continue to move higher as the BoC pursues a more "normal" monetary policy stance over the medium term.

The U.S. Federal Reserve (Fed) also met in September, but unlike its Canadian counterpart, maintained its policy rate at the 1.00-1.25% level. Similar to the BoC, the Fed reiterated the data-dependent nature of its future monetary policy moves. Looking forward, market participants are anticipating a slower pace from the Fed than was seen at the beginning of the year, expecting another one to three rate hikes through the end of 2018. As the Fed continues to move towards a more "normal" monetary policy, we expect short-term interest rates in the U.S. to follow suit.

Current Strategy

The Money Market Fund remains focused on building a high quality yield advantage as this has historically proven to be a reliable way to add value. With this in mind, the Money Market Fund continues to be fully invested in high-quality corporate money market instruments, as these securities continue to provide an attractive risk-adjusted incremental yield over similar-term government securities. Similarly, the Money Market Fund also maintains an allocation to longer-dated corporate money market securities, which results in a longer-than-benchmark average maturity profile.

The Intermediate and Bond Funds both also favour high quality yield enhancement strategies. The Intermediate Fund maintains a maximum allocation to corporate securities, while the government allocation is entirely invested in provincial securities given their attractive yield advantage relative to federal government securities. Similarly, while the Bond Fund has reduced its overall risk in recent months, it maintains an emphasis on government agency and corporate credit, rather than federal bonds.

Structure – As a Percentage of Total Portfolio								
Money Market Fund			Intermediate Fund			Bond Fund		
Term (Days)	Position	Change	Term (Days)	Position	Change	Term (Years)	Position	Change
< 30	48.8%	26.5%	< 180	0.4%	-9.9%	< 1.0	6.7%	-0.2%
31 - 60	25.8%	-15.2%	181 - 365	57.2%	12.8%	1.0 - 2.5	32.9%	-1.6%
61 - 90	7.8%	-12.4%	366 +	42.4%	-2.9%	2.5 - 4.0	35.0%	-1.9%
91- 120	1.7%	-5.5%				4.0 - 5.5	21.5%	14.5%
121 +	16.0%	6.7%				5.5 - 7.0	3.9%	-10.7%
Government	0.0%	0.0%	Government	30.1%	0.0%	Government	59.3%	3.3%
Corporate	100.0%	0.0%	Corporate	69.9%	0.0%	Corporate	30.9%	-1.8%
						Mortgages/MBS	9.2%	0.6%
						Net Cash	0.6%	-2.1%
Average term	51 days	-10 days	Average term	1.0 yrs	+0.1 yrs	Average term	3.0 yrs	+0.1 yrs
Average yield*	1.17%	0.12%	Average yield*	1.50%	0.24%	Average yield*	1.76%	0.22%
Total size	$1,204.8 mil	-$49.1 mil	Total size	$353.7 mil	-$6.8 mil	Total size	$777.3 mil	-$3.5 mil

*Average yield information is referenced net of total fees and expenses of 15 basis points per annum (Money Market Fund) and 20 basis points per annum (Intermediate & Bond Fund).