

# MFA Pooled Investment Fund Monthly Performance Report

January 2021



Municipal Finance  
Authority of BC



# MFA Pooled Investment Fund Monthly Performance Report<sup>1</sup>

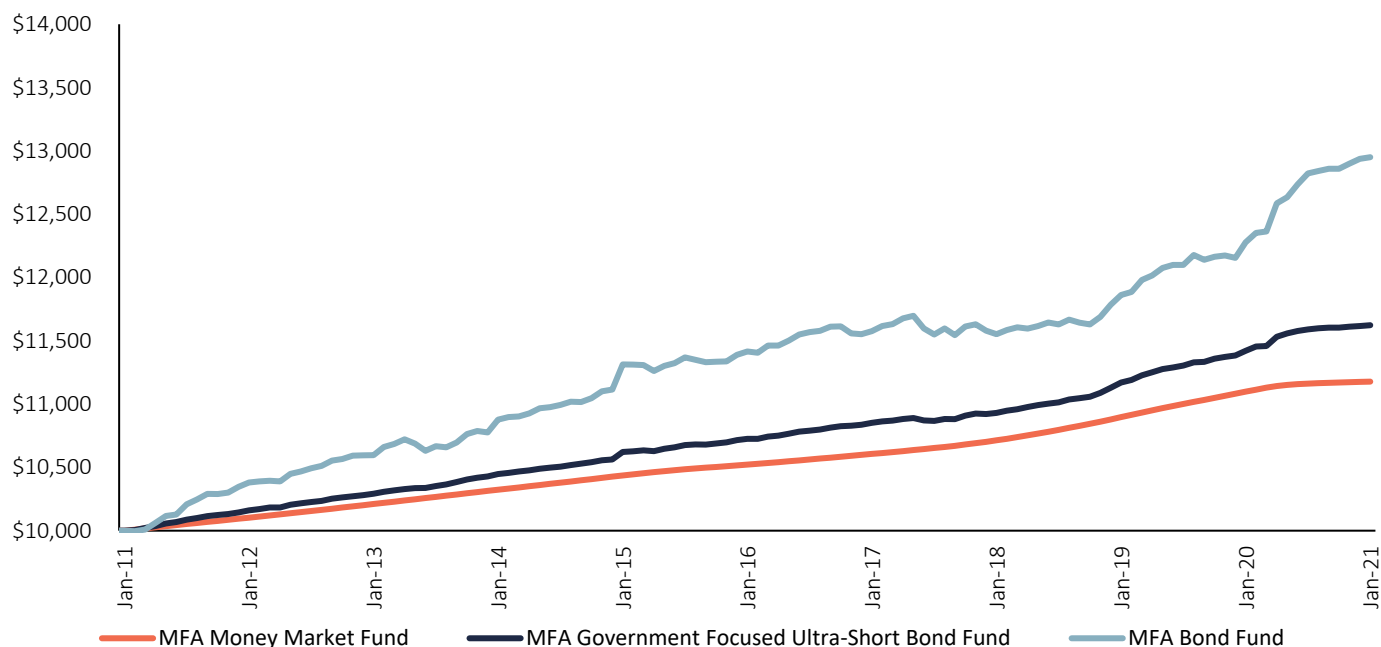
*As of January 31, 2021*

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Money Market Fund</b>	<b>0.02</b>	<b>0.06</b>	<b>0.02</b>	<b>0.72</b>	<b>1.42</b>	<b>1.22</b>	<b>3.70</b>
<i>FTSE Canada 30-day T-Bill Index<sup>3</sup></i>	<i>-0.01</i>	<i>-0.01</i>	<i>-0.01</i>	<i>0.33</i>	<i>1.02</i>	<i>0.78</i>	<i>3.43</i>
<i>Difference</i>	<i>+0.03</i>	<i>+0.07</i>	<i>+0.03</i>	<i>+0.39</i>	<i>+0.40</i>	<i>+0.44</i>	<i>+0.27</i>
<b>MFA Government Focused Ultra-Short Bond Fund</b>	<b>0.06</b>	<b>0.16</b>	<b>0.06</b>	<b>1.77</b>	<b>2.07</b>	<b>1.62</b>	<b>3.39</b>
<i>FTSE Canada 365-Day Treasury Bill Index</i>	<i>0.03</i>	<i>0.11</i>	<i>0.03</i>	<i>2.00</i>	<i>1.85</i>	<i>1.17</i>	<i>3.01</i>
<i>Difference</i>	<i>+0.03</i>	<i>+0.05</i>	<i>+0.03</i>	<i>-0.23</i>	<i>+0.22</i>	<i>+0.45</i>	<i>+0.38</i>
<b>MFA Bond Fund</b>	<b>0.10</b>	<b>0.71</b>	<b>0.10</b>	<b>5.48</b>	<b>3.88</b>	<b>2.56</b>	<b>5.78</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	<i>0.11</i>	<i>0.55</i>	<i>0.11</i>	<i>4.13</i>	<i>3.34</i>	<i>2.04</i>	<i>5.47</i>
<i>Difference</i>	<i>-0.01</i>	<i>+0.16</i>	<i>-0.01</i>	<i>+1.35</i>	<i>+0.54</i>	<i>+0.52</i>	<i>+0.31</i>
<b>MFA Fossil Fuel Free Short-term Bond Fund</b>	<b>0.14</b>	<b>0.68</b>	<b>0.14</b>	-	-	-	<b>2.75</b>
<i>FTSE Canada Short Term Bond Index</i>	<i>0.11</i>	<i>0.55</i>	<i>0.11</i>	-	-	-	<i>1.98</i>
<i>Difference</i>	<i>+0.03</i>	<i>+0.13</i>	<i>+0.03</i>	-	-	-	<i>+0.77</i>
<b>MFA Mortgage Fund</b>	<b>0.18</b>	<b>0.70</b>	<b>0.18</b>	<b>4.26</b>	-	-	<b>4.30</b>
<i>FTSE Canada Short Term Bond Index</i>	<i>0.11</i>	<i>0.53</i>	<i>0.11</i>	<i>4.08</i>	-	-	<i>4.14</i>
<i>Difference</i>	<i>+0.07</i>	<i>+0.17</i>	<i>+0.07</i>	<i>+0.18</i>	-	-	<i>0.16</i>

<sup>1</sup> Total return less than one year is not annualized. Portfolio and benchmark performance is net of total fees and expenses of 15 basis points per annum (Money Market Fund and Government Focused Ultra-Short Bond Fund), 20 basis points per annum (Bond Fund and Fossil Fuel Free Short-term Bond Fund), and 25 basis points per annum (Mortgage Fund)

<sup>2</sup> Inception dates: Money Market Fund – May 1, 1989; Government Focused Ultra-Short Bond Fund – May 18, 2020 (previously Intermediate Fund - March 30, 1994); Bond Fund – May 1, 1989, Fossil Fuel Free Bond Fund – May 5, 2020, Mortgage Fund – January 29, 2020

## Growth of \$10K Investment Over 10 Years\*



\*Performance is net of fees

## MFA Money Market Fund

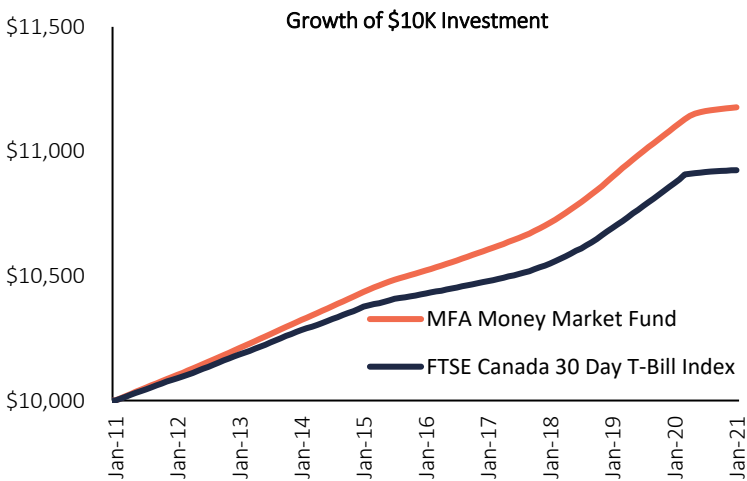
The principal objective of the Money Market Fund is to provide participating investors with interest income through investing primarily in high-quality money market instruments. The Fund will hold assets with maturities no longer than 366 days.

The yield curve steepened as short-term Government of Canada bond yields moved lower and longer-term yields moved higher. Against this backdrop, the MFA Money Market Fund returned 0.02% over the month.

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Money Market Fund<sup>1</sup></b>	<b>0.02</b>	<b>0.06</b>	<b>0.02</b>	<b>0.72</b>	<b>1.42</b>	<b>1.22</b>	<b>3.70</b>
<i>FTSE Canada 30-day T-Bill Index</i>	<i>-0.01</i>	<i>-0.01</i>	<i>-0.01</i>	<i>0.33</i>	<i>1.02</i>	<i>0.78</i>	<i>3.43</i>
<i>Difference</i>	<i>+0.03</i>	<i>+0.07</i>	<i>+0.03</i>	<i>+0.39</i>	<i>+0.40</i>	<i>+0.44</i>	<i>+0.27</i>

<sup>1</sup>Total return is net of fees (15 bps annually). Total return less than 1 year is not annualized.

<sup>2</sup>Inception date: May 1, 1989



\*Fund performance is net of fees

Fund Characteristics	Dec-31	Jan-31
Fund total net assets	\$1,475,659,340	\$1,460,052,887
Average term	57 days	65 days
Yield to maturity	0.40%	0.34%
Number of issues	167	160
Number of issuers	42	42

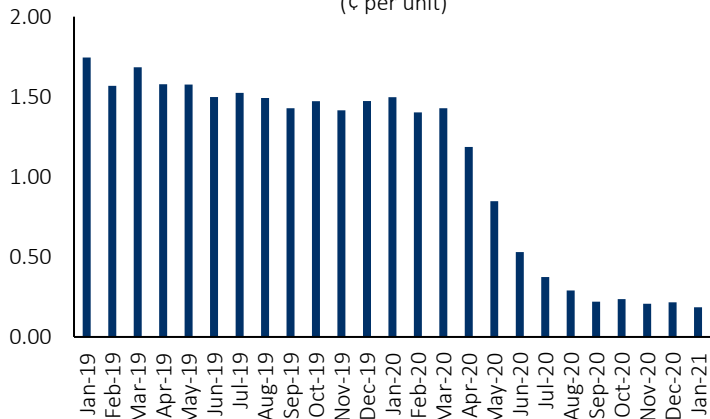
Top 10 Holdings	% Assets
Bank of N.S. B/A	5.12%
TD Bank B/A	2.73%
Sound Trust D/N	2.39%
TD Bank, 2.6% Dec 22 2021	2.37%
Merit Trust D/N	2.19%
Plaza Trust D/N	2.05%
Stable Trust D/N	2.05%
National Bank of Canada B/A	1.95%
Reliant Trust D/N	1.92%
Zeus Rec Trust D/N	1.92%

Issuer Type	Dec-31	Jan-31
Financial	34.51%	33.82%
Non-Financial	65.48%	66.17%
Government*	0.00%	0.00%
Mortgages/MBS	0.00%	0.00%
Pooled fund cash	0.00%	0.00%

\*includes federal and provincial government

Rating	Dec-31	Jan-31
R1H	78.16%	72.48%
R1M	5.03%	8.09%
R1L	16.81%	19.43%

**MFA Money Market Fund Monthly Distribution**  
(¢ per unit)



\*Distributions include all interest income and coupon payments earned on investments, and are paid daily. Total income, divided by the total units outstanding on record date, is the income distribution per unit paid to investors.

## MFA Government Focused Ultra-Short Bond Fund

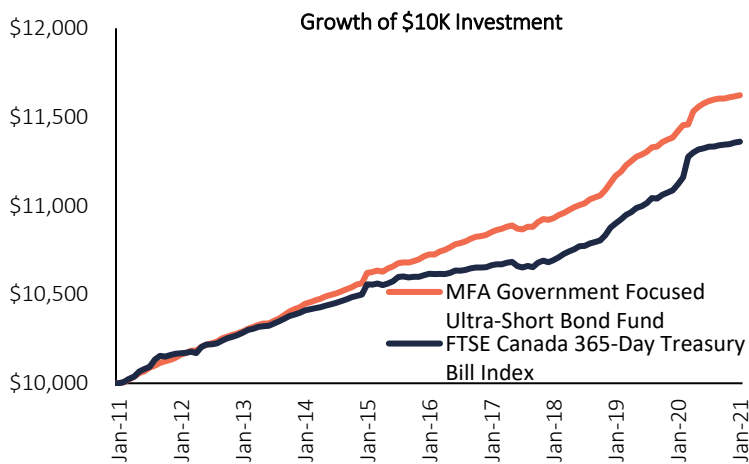
The principal objective of the Government Focused Ultra-short Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 2 years at the time of purchase.

Over the month, the MFA Government Focused Ultra-Short Bond Fund returned 0.06%, slightly outperforming the benchmark. The fund remains biased towards high-quality provincial and financial corporate bonds given their yield advantage over similar term federal bonds.

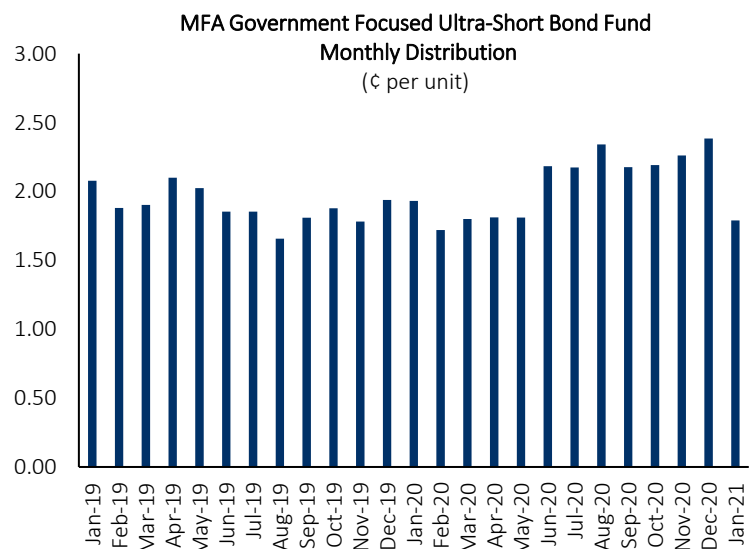
Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Government Focused Ultra-Short Bond Fund<sup>1</sup></b>	<b>0.06</b>	<b>0.16</b>	<b>0.06</b>	<b>1.77</b>	<b>2.07</b>	<b>1.62</b>	<b>3.39</b>
<i>FTSE Canada 365-Day Treasury Bill Index</i>	<i>0.03</i>	<i>0.11</i>	<i>0.03</i>	<i>2.00</i>	<i>1.85</i>	<i>1.17</i>	<i>3.01</i>
<i>Difference</i>	<i>+0.03</i>	<i>+0.05</i>	<i>+0.03</i>	<i>-0.23</i>	<i>+0.22</i>	<i>+0.45</i>	<i>+0.38</i>

<sup>1</sup>Total return is net of fees (15 bps annually). Total return less than 1 year is not annualized.

<sup>2</sup>Government Focused Ultra-Short Bond Fund – May 18, 2020 (previously Intermediate Fund - March 30, 1994)



\*Fund performance is net of fees



\*Distributions include all interest income and coupon payments earned on investments, and are paid monthly. Total income, divided by the total units outstanding on record date, is the income distribution per unit paid to investors.

Fund Characteristics	Dec-31	Jan-31
Fund total net assets	\$253,971,046	\$299,150,173
Average term	0.95 years	1.00 years
Yield to maturity	0.27%	0.22%
Modified duration	0.93 years	0.99 years
Number of issues	7	9
Number of issuers	6	8

Top 10 Holdings	% Assets
Ontario, 4.0% Jun 2, 2021	18.54%
Canada Housing Trust, 2.7% Mar 15, 2022	15.99%
Ontario, 3.2% Jun 2, 2022	14.03%
Alberta, 1.4% Sep 1, 2021	13.94%
Quebec, 4.3% Dec 1, 2021	12.59%
RBC, 2.4% Dec 5, 2022	7.99%
Bank of Montreal, 2.1% Mar 16, 2022	6.55%
C.I.B.C., 2.3% July 11, 2022	6.19%
Bank of Nova Scotia, 2.4% Nov 8, 2022	4.17%

Issuer Type	Dec-31	Jan-31
Financial	24.91%	24.90%
Non-Financial	0.00%	0.00%
Government*	75.08%	75.09%
Mortgages/MBS	0.00%	0.00%
Pooled fund cash	0.00%	0.00%

\*includes federal and provincial government

Rating	Dec-31	Jan-31
AAA/R1H	0.00%	15.99%
AA/R1M	100.00%	84.00%
A/R1L	0.00%	0.00%

## MFA Bond Fund

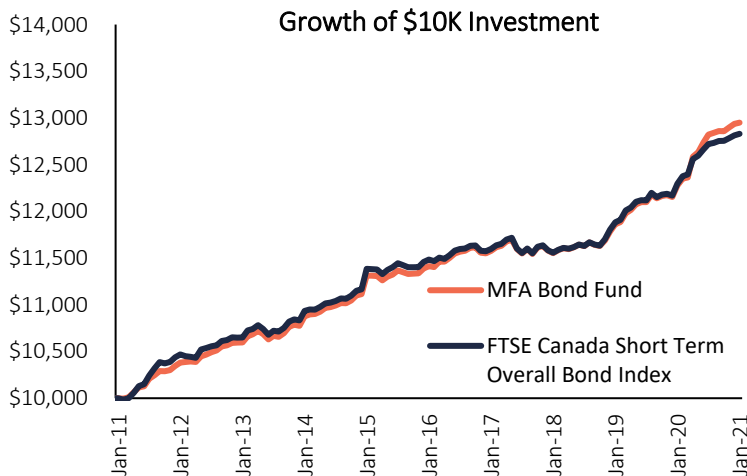
The principal objective of the short-term Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 7.25 years at the time of purchase.

The MFA Bond Fund returned 0.10% over the month of January, in line with the benchmark. The fund benefitted from its overweight exposure to corporate bonds as credit spreads tightened in January.

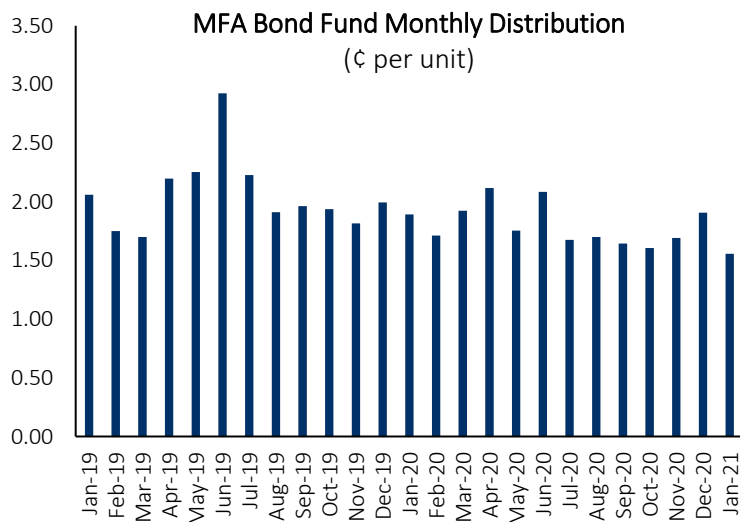
Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Bond Fund</b>	<b>0.10</b>	<b>0.71</b>	<b>0.10</b>	<b>5.48</b>	<b>3.88</b>	<b>2.56</b>	<b>5.78</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	<i>0.11</i>	<i>0.55</i>	<i>0.11</i>	<i>4.13</i>	<i>3.34</i>	<i>2.04</i>	<i>5.47</i>
<i>Difference</i>	<i>-0.01</i>	<i>+0.16</i>	<i>-0.01</i>	<i>+1.35</i>	<i>+0.54</i>	<i>+0.52</i>	<i>+0.31</i>

<sup>1</sup>Total return is net of fees (20 bps annually). Total return less than 1 year is not annualized.

<sup>2</sup>Inception date: May 1, 1989



\*Fund performance is net of fees



\*Distributions include all interest income and coupon payments earned on investments, and are paid monthly. Total income, divided by the total units outstanding on record date, is the income distribution per unit paid to investors.

Fund Characteristics	Dec-31	Jan-31
Fund total net assets	\$628,220,584	\$630,117,516
Average term	2.83 years	2.76 years
Yield to maturity	0.69%	0.64%
Modified duration	2.64 years	2.58 years
Number of issues	360	346
Number of issuers	123	117

Top 10 Holdings	% Assets
Ontario, 1.8% Sept 8, 2025	4.55%
Ontario, 2.6% Jun 2, 2025	3.90%
Canada Housing Trust, 2.4% Dec 15, 2022	3.66%
Canada Housing Trust, 2.6% Dec 15, 2023	2.62%
RBC, 3.3% Sept 26, 2023	1.98%
Ontario, 3.5% Jun 2, 2024	1.76%
Canada, 1.3% Mar 1, 2025	1.74%
Ontario Power Gen, 2.9% Apr 8, 2025	1.72%
BMO, 2.9% Jun 20, 2023	1.56%
North West Redwater, 2.1% Feb 23, 2022	1.44%

Issuer Type	Dec-31	Jan-31
Financial	13.89%	14.70%
Non-Financial	34.53%	30.49%
Government*	29.09%	31.69%
Mortgages/MBS	7.75%	7.68%
Pooled fund cash	14.64%	15.44%

\*includes federal and provincial government

Rating	Dec-31	Jan-31
Cash & short term	14.64%	15.44%
AAA	12.06%	14.62%
AA	22.23%	23.85%
A	19.09%	17.40%
BBB & below	24.23%	21.01%
Mortgages/MBS	7.75%	7.68%

## MFA Fossil Fuel Free Short Term Bond Fund

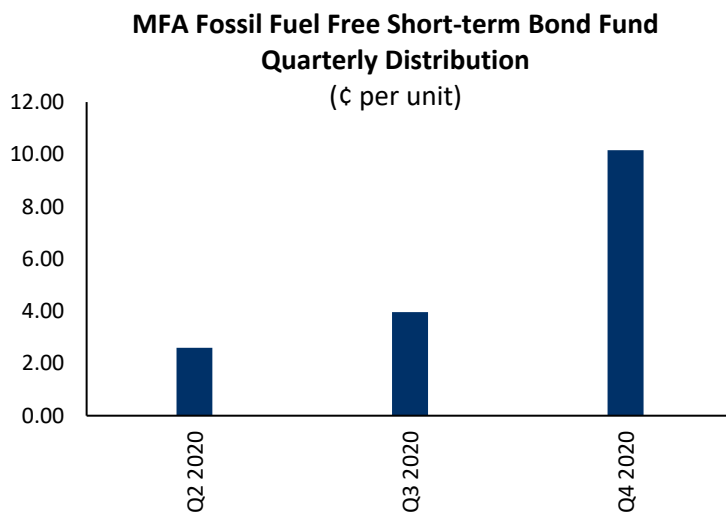
The principal objective of the Fossil Fuel Free Short-Term Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 7.25 years at the time of purchase. The Fund shall not invest in securities of Issuers directly involved in the extraction, processing and transportation of coal, oil, or natural gas (“fossil fuels”).

Over the month, the Fossil Fuel Free Short-Term Bond Fund returned 0.14%, slightly outperforming its benchmark. The fund benefitted from its overweight exposure to corporate bonds as credit spreads tightened in January.

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Fossil Fuel Free Short-term Bond Fund</b>	<b>0.14</b>	<b>0.68</b>	<b>0.14</b>	-	-	-	<b>2.75</b>
<i>FTSE Canada Short Term Bond Index</i>	<i>0.11</i>	<i>0.55</i>	<i>0.11</i>	-	-	-	<i>1.98</i>
<i>Difference</i>	<i>+0.03</i>	<i>+0.13</i>	<i>+0.03</i>	-	-	-	<i>+0.77</i>

<sup>1</sup>Total return is net of fees (20 bps annually). Total return less than 1 year is not annualized.

<sup>2</sup>Inception date: May 5, 2020



\*Distributions include all interest income and coupon payments earned on investments, and are paid quarterly. Total income, divided by the total units outstanding on record date, is the income distribution per unit paid to investors.

Fund Characteristics	Dec-31	Jan-31
Fund total net assets*	\$129,276,547	\$129,407,095
Average term	2.81 years	2.75 years
Yield to maturity	0.62%	0.57%
Modified duration	2.63 years	2.58 years
Number of issues	89	88
Number of issuers	47	47

\*MFA owns units of the RBC Vision Fossil Fuel Free Short-term Bond Fund (total size \$143,142,492)

Top 10 Holdings	% Assets
Ontario, 2.9% June 2, 2023	8.86%
Canada, 1.5% May 1, 2022	4.78%
Alberta Province PTB, 0.1% Apr 20, 2021	3.89%
Alberta Province PTB, 0.1% Apr 6, 2021	3.86%
Canada Housing Trust, 2.4% Dec 15, 2022	3.73%
Ontario, 1.8% Sep 8, 2025	3.26%
OMERS Realty Corp., 2.9% Feb 23, 2024	2.96%
MBS 97515148, 1.8% Sep 1, 2024	2.59%
Ontario Power Gen, 2.9% Apr 8, 2025	2.18%
Brookfield Renew Eng. Pn, 3.8% Jun 2, 2025	2.06%

Issuer Type	Dec-31	Jan-31
Financial	11.96%	11.96%
Non-Financial	31.15%	29.00%
Government*	38.55%	40.64%
Mortgages/MBS	5.20%	5.12%
Pooled fund cash	13.14%	13.27%

\*includes federal and provincial government

Rating	Dec-31	Jan-31
Cash & short term	13.14%	13.27%
AAA	16.53%	18.72%
AA	31.52%	29.88%
A	12.90%	13.08%
BBB & below	20.71%	19.93%
Mortgages/MBS	5.20%	5.12%

## MFA Mortgage Fund

The principal objective of the Mortgage Fund is to provide participating investors with interest income, and diversification benefits by capitalizing on the illiquidity premium offered by the Canadian commercial mortgage markets. The Fund shall indirectly invest primarily in first mortgages on income producing commercial properties in Canada with an average term of 2 to 5 years.

The MFA mortgage fund returned 0.18% over the month, outperforming its benchmark. Mortgages ended the month of January at a yield of 212 basis points over similar-term Government of Canada bonds. Spreads compressed slightly over the month which provided a tailwind for performance.

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Mortgage Fund</b>	<b>0.18</b>	<b>0.70</b>	<b>0.18</b>	<b>4.26</b>	-	-	<b>4.30</b>
<i>FTSE Canada Short Term Bond Index</i>	<i>0.11</i>	<i>0.53</i>	<i>0.11</i>	<i>4.08</i>	-	-	<i>4.14</i>
<i>Difference</i>	<i>+0.07</i>	<i>+0.17</i>	<i>+0.07</i>	<i>+0.18</i>	-	-	<i>0.16</i>

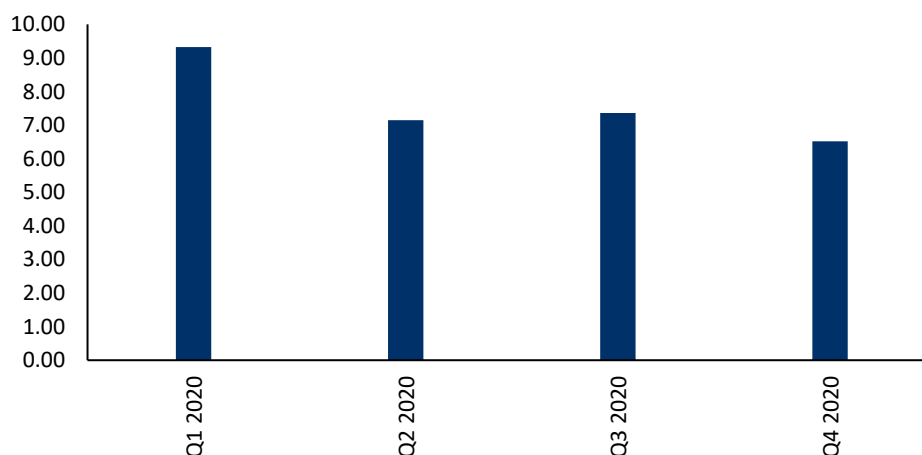
<sup>1</sup> Total return is net of fees (25 bps annually). Total return less than 1 year is not annualized.

<sup>3</sup> Inception date: January 29, 2020

Fund Characteristics	Dec-31	Jan-31
Fund total net assets*	\$82,544,091	\$82,566,901
Weight average spread	218 bps over similar term GoC bonds	212 bps over similar term GoC bonds
Weighted average amortization	20.8 years	21.0 years
Average term-to-maturity	3.8 years	4.1 years
Current portfolio yield	2.16%	2.12%
Weighted average duration	3.1 years	3.1 years
Weighted loan-to-value	56%	57%
Weighted average cash flow coverage	1.6x	1.7x
Number of mortgages	628	623
Largest mortgage	2.2%	2.2%
Marketable securities & cash	13.2%	12.6%

\*MFA owns units of the PH&N Mortgage Pension Trust (total size \$5,016,948,251)

### MFA Mortgage Fund Quarterly Distribution (¢ per unit)



\*Distributions include all interest income and coupon payments earned on investments, and are paid quarterly. Total income, divided by the total units outstanding on record date, is the income distribution per unit paid to investors.