

# MFA Pooled Investment Fund Monthly Performance Report

June 2021



Municipal Finance  
Authority of BC



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

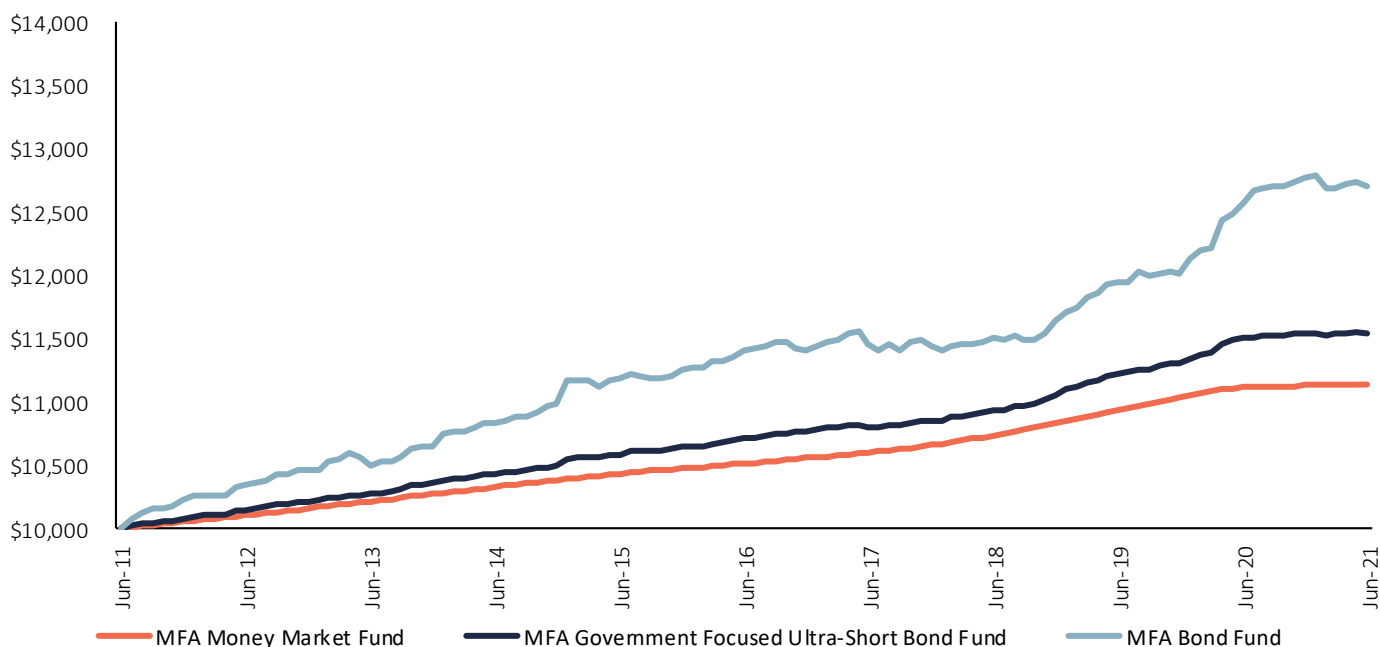
As of June 30, 2021

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>0.01</b>	<b>0.03</b>	<b>0.08</b>	<b>0.23</b>	<b>1.23</b>	<b>1.16</b>	<b>3.65</b>
<i>FTSE Canada 30-day T-Bill Index<sup>3</sup></i>	-0.01	-0.03	-0.04	-0.03	0.87	0.75	3.38
<i>Difference</i>	+0.02	+0.06	+0.12	+0.26	+0.36	+0.41	+0.27
<b>MFA Government Focused Ultra-Short Bond Fund</b>	<b>-0.04</b>	<b>0.03</b>	<b>0.05</b>	<b>0.40</b>	<b>1.84</b>	<b>1.51</b>	<b>3.33</b>
<i>FTSE Canada 365-Day Treasury Bill Index</i>	-0.01	0.01	0.04	0.25	1.63	1.15	2.97
<i>Difference</i>	-0.03	+0.02	+0.01	+0.15	+0.21	+0.36	+0.36
<b>MFA Bond Fund</b>	<b>-0.19</b>	<b>0.16</b>	<b>-0.53</b>	<b>1.05</b>	<b>3.39</b>	<b>2.19</b>	<b>5.68</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	-0.22	0.02	-0.61	0.48	2.86	1.74	5.37
<i>Difference</i>	+0.03	+0.14	+0.08	+0.57	+0.53	+0.45	+0.31
<b>MFA Fossil Fuel Free Short-term Bond Fund</b>	<b>-0.18</b>	<b>0.13</b>	<b>-0.54</b>	<b>1.10</b>	-	-	<b>2.05</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	-0.22	0.02	-0.61	0.48	-	-	1.24
<i>Difference</i>	+0.04	+0.11	+0.07	+0.62	-	-	+0.81
<b>MFA Mortgage Fund</b>	<b>0.18</b>	<b>0.87</b>	<b>0.49</b>	<b>4.18</b>	-	-	<b>3.27</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	-0.22	0.01	-0.64	0.43	-	-	2.38
<i>Difference</i>	+0.40	+0.86	+1.13	+3.75	-	-	+0.89

<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

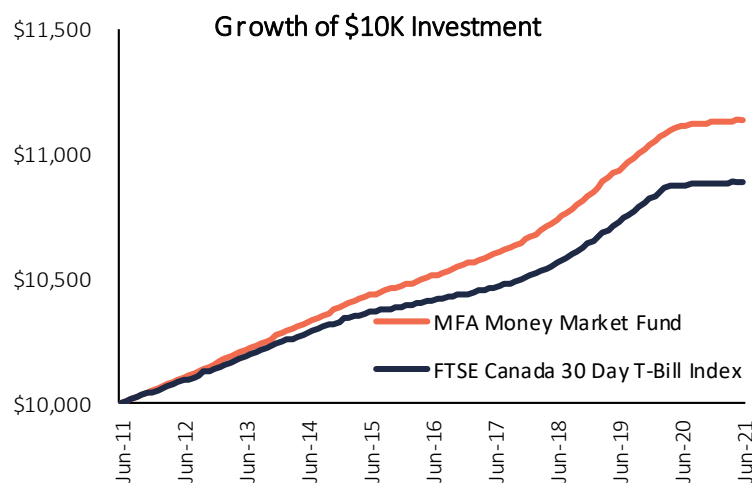
## MFA Money Market Fund

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.

Over the month, long-term Government of Canada bond yields fell while short-term Government of Canada bond yields increased, resulting in the yield curve flattening. Against this backdrop, the MFA Money Market Fund returned 0.01% over the month, slightly outperforming the benchmark.

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>0.01</b>	<b>0.03</b>	<b>0.08</b>	<b>0.23</b>	<b>1.23</b>	<b>1.16</b>	<b>3.65</b>
<i>FTSE Canada 30-day T-Bill Index</i>	-0.01	-0.02	-0.04	-0.03	0.87	0.75	3.38
<i>Difference</i>	+0.02	+0.05	+0.12	+0.26	+0.36	+0.41	+0.27

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



\*Fund performance is net of fees

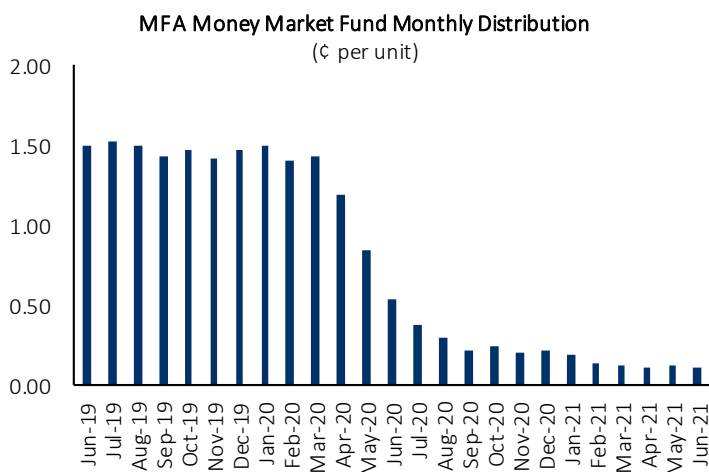
Fund Characteristics	May-31	Jun-30
Fund total net assets	\$1,297,808,509	\$1,343,644,639
Average term	62 days	53 days
Yield to maturity	0.27%	0.27%
Number of issues	154	153
Number of issuers	40	40

Top 10 Holdings	% Assets
C.I.B.C. B/A	4.18%
Sound Trust D/N	2.60%
TD Bank, 2.6% Dec 22, 2021	2.54%
Bay ST Trust D/N	2.38%
Toronto Hydro D/N	2.23%
Stable Trust D/N	2.23%
Reliant Trust D/N	2.08%
TD Bank D/N	1.86%
Merit Trust D/N	1.71%
Banner Trust D/N	1.49%

Issuer Type	May-31	Jun-30
Financial	30.50%	34.24%
Non-Financial	69.50%	65.48%
Government*	0.00%	0.28%
Mortgages/MBS	0.00%	0.00%
Pooled fund cash	0.00%	0.00%

\*includes federal and provincial government

Rating	May-31	Jun-30
R1H	69.15%	68.04%
R1M	6.62%	13.40%
R1L	24.22%	18.55%



\*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

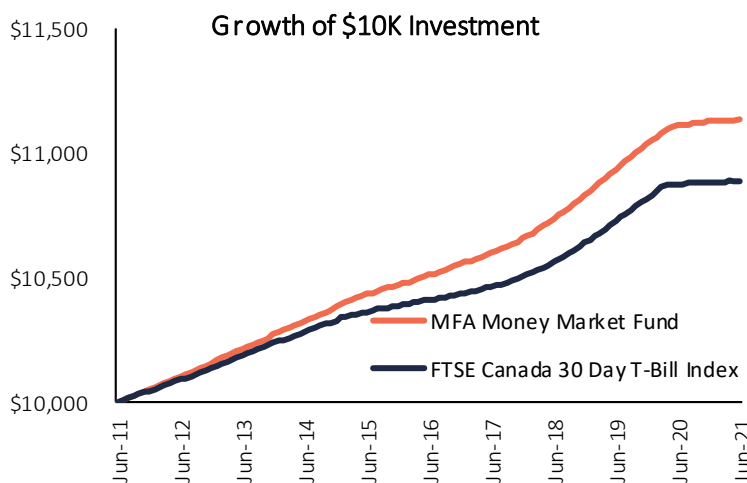
The principal objective of the Government Focused Ultra-short Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 2 years at the time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

Over the month, the MFA Government Focused Ultra-Short Bond Fund returned -0.04%, underperforming the benchmark. The fund remains biased towards high-quality provincial and financial corporate bonds given their yield advantage over similar term federal bonds.

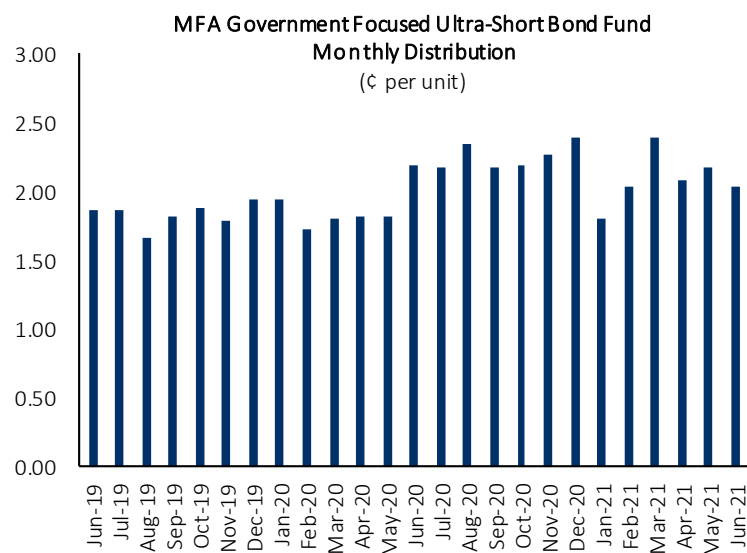
Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Government Focused Ultra-Short Bond Fund</b>	<b>-0.04</b>	<b>0.03</b>	<b>0.05</b>	<b>0.40</b>	<b>1.84</b>	<b>1.51</b>	<b>3.33</b>
<i>FTSE Canada 365-Day Treasury Bill Index</i>	<i>-0.01</i>	<i>0.01</i>	<i>0.04</i>	<i>0.25</i>	<i>1.63</i>	<i>1.15</i>	<i>2.97</i>
<i>Difference</i>	<i>-0.03</i>	<i>+0.02</i>	<i>+0.01</i>	<i>+0.15</i>	<i>+0.21</i>	<i>+0.36</i>	<i>+0.36</i>

<sup>1</sup> Total returns 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	May-31	Jun-30
Fund total net assets	\$294,202,580	\$309,092,418
Average term	0.87 years	0.96 years
Yield to maturity	0.27%	0.40%
Modified duration	0.86 years	0.95 years
Number of issues	8	11
Number of issuers	8	8

Top 10 Holdings	% Assets
Ontario, 3.2% Jun 2, 2022	31.77%
Canada Housing Trust, 2.7% Mar 15, 2022	15.28%
Quebec, 4.3% Dec 1, 2021	11.94%
RBC, 2.4% Dec 5, 2022	7.64%
Alberta, 1.4% Sep 1, 2021	7.38%
Alberta, 2.6% Dec 15, 2022	5.01%
Bank of Nova Scotia, 2.4% Nov 8, 2022	4.56%
Bank of Nova Scotia, 2.4% May 1, 2023	4.41%
C.I.B.C., 2.3% July 11, 2022	4.23%
TD Bank, 3.0% May 30, 2023	4.06%

Issuer Type	May-31	Jun-30
Financial	24.90%	24.90%
Non-Financial	0.00%	0.00%
Government*	75.09%	75.09%
Mortgages/MBS	0.00%	0.00%
Pooled fund cash	0.00%	0.00%

\*includes federal and provincial government

Rating	May-31	Jun-30
AAA/R1H	16.05%	15.28%
AA/R1M	83.94%	84.71%
A/R1L	0.00%	0.00%

## MFA Bond Fund

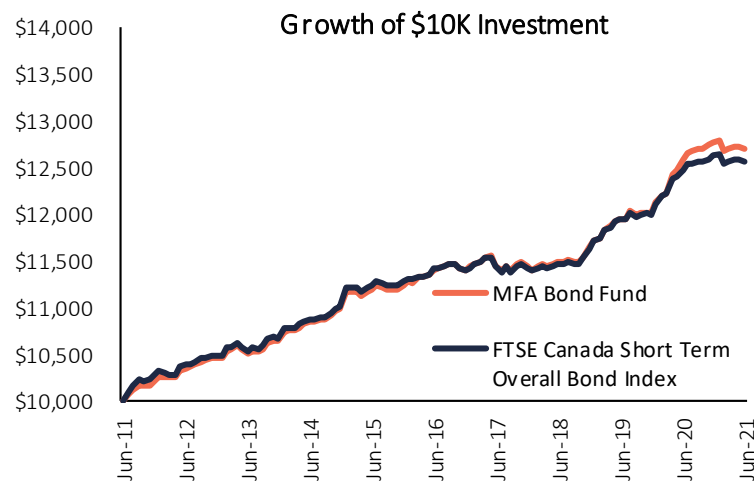
The principal objective of the short-term Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 7.25 years at the time of purchase.

The MFA Bond Fund returned -0.19% over the month of June, slightly outperforming its benchmark. While the portfolio's yield curve positioning and overweight exposure to corporates contributed to relative performance this month, these effects were somewhat offset by the negative impact of being underweight federal and provincial bonds.

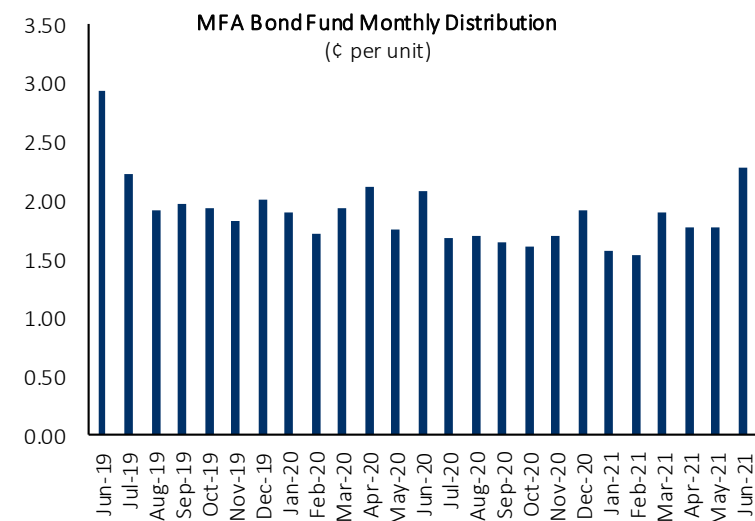
Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception <sup>2</sup>
<b>MFA Bond Fund</b>	<b>-0.19</b>	<b>0.16</b>	<b>-0.53</b>	<b>1.05</b>	<b>3.39</b>	<b>2.19</b>	<b>5.68</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	-0.22	0.02	-0.61	0.48	2.86	1.74	5.37
<i>Difference</i>	+0.03	+0.14	+0.08	+0.57	+0.53	+0.45	+0.31

<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	May-31	Jun-30
Fund total net assets	\$628,812,564	\$622,760,287
Average term	2.54 years	2.68 years
Yield to maturity	0.83%	0.96%
Modified duration	2.38 years	2.50 years
Number of issues	344	337
Number of issuers	121	121

Top 10 Holdings	% Assets
Ontario, 2.6% Jun 2, 2025	5.09%
Canada, 0.3% Aug 1, 2023	5.03%
Canada Housing Trust, 2.4% Dec 15, 2022	3.65%
Canada RRB, 4.3% Dec 1, 2026	3.12%
Canada Housing Trust, 2.6% Dec 15, 2023	2.78%
Manufacturers Life Insur., 3.2% Nov 22, 2027	2.70%
Bank of Montreal, 2.9% Jun 20, 2023	2.40%
Canada Housing Trust, 1.3% Jun 15, 2026	2.26%
Ontario, 3.5% Jun 2, 2024	2.00%
RBC, 3.3% Sep 26, 2023	1.96%

Issuer Type	May-31	Jun-30
Financial	18.48%	18.62%
Non-Financial	28.54%	28.80%
Government*	33.65%	32.35%
Mortgages/MBS	7.06%	7.51%
Pooled fund cash	12.27%	12.72%

\*includes federal and provincial government

Rating	May-31	Jun-30
Cash & short term	12.27%	12.72%
AAA	19.51%	17.60%
AA	23.71%	24.29%
A	18.42%	19.21%
BBB & below	19.03%	18.67%
Mortgages/MBS	7.06%	7.51%

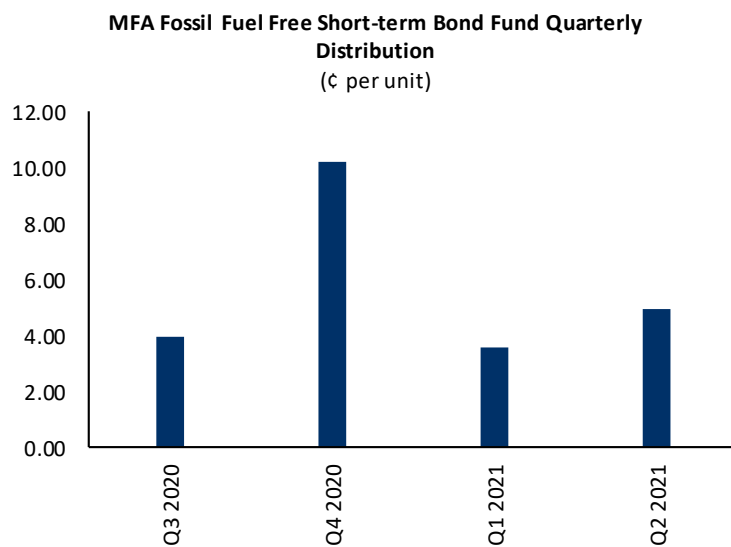
## MFA Fossil Fuel Free Short Term Bond Fund

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 -0.18%, slightly outperforming its benchmark. While the portfolio’s yield curve positioning contributed to relative performance this month, this effect was somewhat offset by the portfolio’s underweight exposure to federal bonds.

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>-0.18</b>	<b>0.13</b>	<b>-0.54</b>	<b>1.10</b>	-	-	<b>2.05</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	-0.22	0.02	-0.61	0.48	-	-	1.24
<i>Difference</i>	+0.04	+0.11	+0.07	+0.62	-	-	+0.81

<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	May-31	Jun-30
Fund total net assets*	\$148,860,573	\$148,617,118
Average term	2.54 years	2.67 years
Yield to maturity	0.77%	0.89%
Modified duration	2.38 years	2.50 years
Number of issues	113	105
Number of issuers	57	54

\*MFA owns units of the RBC Vision Fossil Fuel Free Short-term Bond Fund (total size \$256,684,168)

Top 10 Holdings	% Assets
Canada Housing Trust, 2.4% Dec 15, 2022	5.57%
Ontario, 2.9% Jun 2, 2023	4.86%
Ontario, 2.6% Jun 2, 2025	4.14%
Canada, 1.5% May 1, 2022	3.83%
Ontario, 3.5% Jun 2, 2024	3.25%
Canada RRB, 4.3% Dec 1, 2026	3.11%
Bruce Power LP, 3.0% Jun 21, 2024	2.59%
Newfoundland Prov PTB, 0.2% Jul 22, 2021	2.53%
Ontario Prov PTB, 0.1% Aug 4, 2021	2.53%
Canada Housing Trust, 1.3% Jun 15, 2026	2.42%

Issuer Type	May-31	Jun-30
Financial	16.63%	17.13%
Non-Financial	23.68%	22.95%
Government*	37.17%	39.48%
Mortgages/MBS	4.38%	5.15%
Pooled fund cash	18.14%	15.28%

\*includes federal and provincial government

Rating	May-31	Jun-30
Cash & short term	18.14%	15.28%
AAA	19.82%	22.10%
AA	29.02%	28.65%
A	14.71%	15.74%
BBB & below	13.62%	13.08%
Mortgages/MBS	4.38%	5.15%

## 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, significantly outperforming its benchmark. Mortgages ended the month of May at a yield of 181 basis points over similar-term Government of Canada bonds. Spreads compressed 2 basis points 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>0.87</b>	<b>0.49</b>	<b>4.18</b>	-	-	<b>3.27</b>
<i>FTSE Canada Short Term Bond Index</i>	-0.22	0.01	-0.64	0.43	-	-	2.38
<i>Difference</i>	+0.40	+0.86	+1.13	+3.75	-	-	+0.89

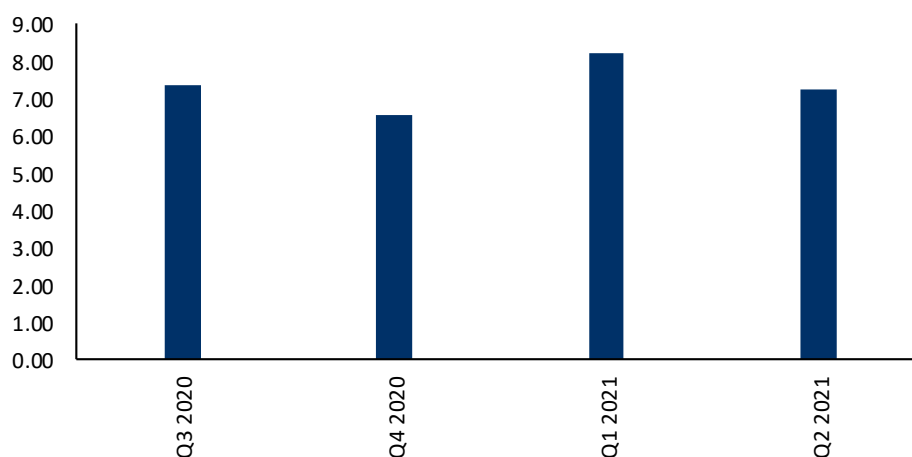
<sup>1</sup> Total return is net of fees (25 bps annually). Total return less than 1 year is not annualized.

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

Fund Characteristics	May-31	Jun-30
Fund total net assets*	\$82,728,665	\$82,892,723
Weight average spread	183 bps over similar term GoC bonds	181 bps over similar term GoC bonds
Weighted average amortization	21.3 years	21.3 years
Average term-to-maturity	3.8 years	3.8 years
Current portfolio yield	2.15%	2.14%
Weighted average duration	3.1 years	3.1 years
Weighted loan-to-value	56%	56%
Weighted average cash flow coverage	1.7x	1.7x
Number of mortgages	592	589
Largest mortgage	2.1%	2.2%
Marketable securities & cash	11.3%	11.4%

\*MFA owns units of the PH&N Mortgage Pension Trust (total size \$4,944,241,406)

**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.