MFA of B.C. Pooled Investment Results[1]

As of November 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	**0.10**	**0.28**	**0.87**	**0.94**	**0.87**	**0.96**	**3.95**
Custom Benchmark[3]	*0.06*	*0.17*	*0.44*	*0.46*	*0.41*	*0.56*	*3.70*
MFA Intermediate Fund	**0.15**	**0.40**	**0.82**	**0.89**	**1.15**	**1.24**	**3.58**
FTSE TMX Canada 365-Day Treasury Bill Index	*0.10*	*0.24*	*0.17*	*0.17*	*0.43*	*0.62*	*3.19*
MFA Bond Fund	**0.15**	**0.28**	**0.68**	**0.62**	**1.57**	**1.89**	**6.04**
FTSE TMX Canada Short Term Overall Bond Index	*0.12*	*0.23*	*0.35*	*0.29*	*1.23*	*1.58*	*5.75*

[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

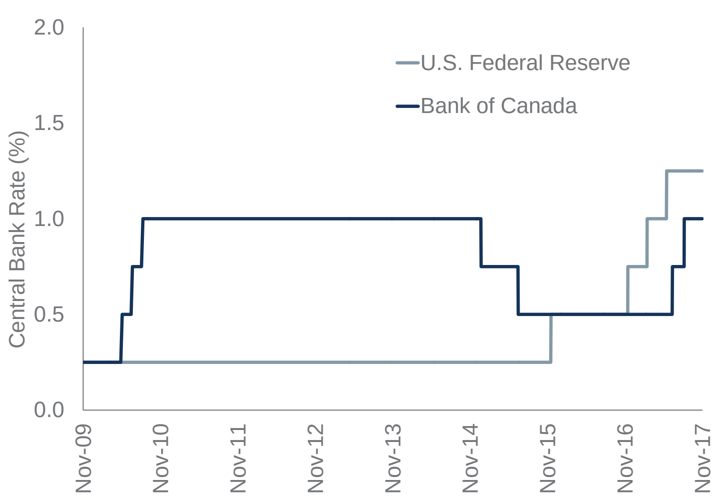
Market Developments

Market Interest Rates

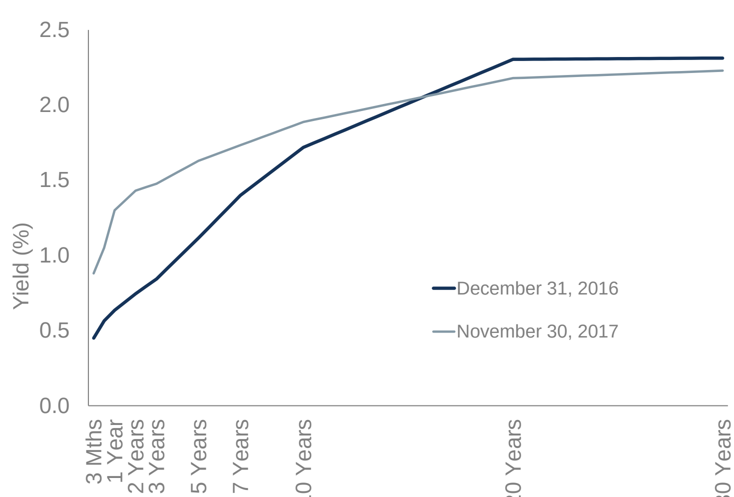
	September 30, 2017	October 31, 2017	November 30, 2017
3 Month T-bills	1.00%	0.89%	0.88%
2 Year Gov't of Canada Bonds	1.51%	1.39%	1.43%
5 Year Gov't of Canada Bonds	1.75%	1.62%	1.63%
30 Year Gov't of Canada Bonds	2.47%	2.31%	2.23%

Canadian yields began November on the rise after the release of a stronger-than-expected October employment report. Yields peaked mid-month before trending lower as a result of a few factors. The first was a statement by Bank of Canada (BoC) Deputy Governor Wilkins which highlighted a more cautious stance from the Bank of Canada (BoC). The second was weaker-than-expected economic data releases. Overall, the yield of the FTSE TMX Canada Short Term Overall Bond Index ended the month at 1.8%, roughly where it began. However, the Canadian yield curve flattened over the month, with shorter-term yields rising 3-4 basis points while longer-term yields fell 7-8 basis points.

Central Bank Policy Interest Rates



Canadian Yield Curves



Market Outlook

The BoC did not meet during the month. Broadly, November brought mixed economic data for the BoC to consider. On one hand, employment and job growth remained strong. Conversely, a second consecutive weaker-than-anticipated retail sales report suggests room for near-term caution due to heightened Canadian consumer sensitivity to rising short-term rates given household debt remains at record levels. Looking forward, market participants expect the next hike by the BoC to occur in the spring, with a total of two hikes in 2018. Overall, we anticipate short-term Canadian interest rates to trend higher as the BoC pursues a more "normal" monetary policy stance over the medium term.

The U.S. Federal Reserve (Fed) met at the beginning of the month and held its policy rate range steady at 1.0% to 1.25%. Economic data in November continued to support a potential December rate hike by the Fed, though inflation remains below the Fed's target. Overall, market expectations are for the Fed to increase the federal funds rate at the upcoming December meeting, with another one to two hikes by the end of 2018. As the Fed continues to move towards normalizing monetary policy, we anticipate 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 over the past few quarters, it maintains a bias towards 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	26.7%	-16.0%	< 180	3.6%	-1.1%	< 1.0	9.9%	2.4%
31 - 60	13.4%	-5.8%	181 - 365	75.9%	13.9%	1.0 - 2.5	37.2%	4.4%
61 - 90	28.6%	17.8%	366 +	20.5%	-12.8%	2.5 - 4.0	27.9%	-6.1%
91- 120	9.7%	1.5%				4.0 - 5.5	21.9%	1.0%
121 +	21.6%	2.5%				5.5 - 7.0	3.2%	-1.7%
Government	0.0%	0.0%	Government	30.2%	0.0%	Government	56.9%	-2.9%
Corporate	100.0%	0.0%	Corporate	69.8%	0.0%	Corporate	31.3%	0.6%
						Mortgages/MBS	9.4%	0.3%
						Net Cash	2.4%	1.9%
Average term	70 days	+12 days	Average term	0.8 yrs	-0.1 yrs	Average term	2.9 yrs	-0.1 yrs
Average yield*	1.27%	0.04%	Average yield*	1.29%	-0.07%	Average yield*	1.59%	-0.20%
Total size	$1,237.6 mil	$61.7 mil	Total size	$338.5 mil	-$9.1 mil	Total size	$778.6 mil	$0.6 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).