

MFA Pooled Investment Fund Monthly Performance Report

December 2020



Municipal Finance
Authority of BC



MFA Pooled Investment Fund Monthly Performance Report¹

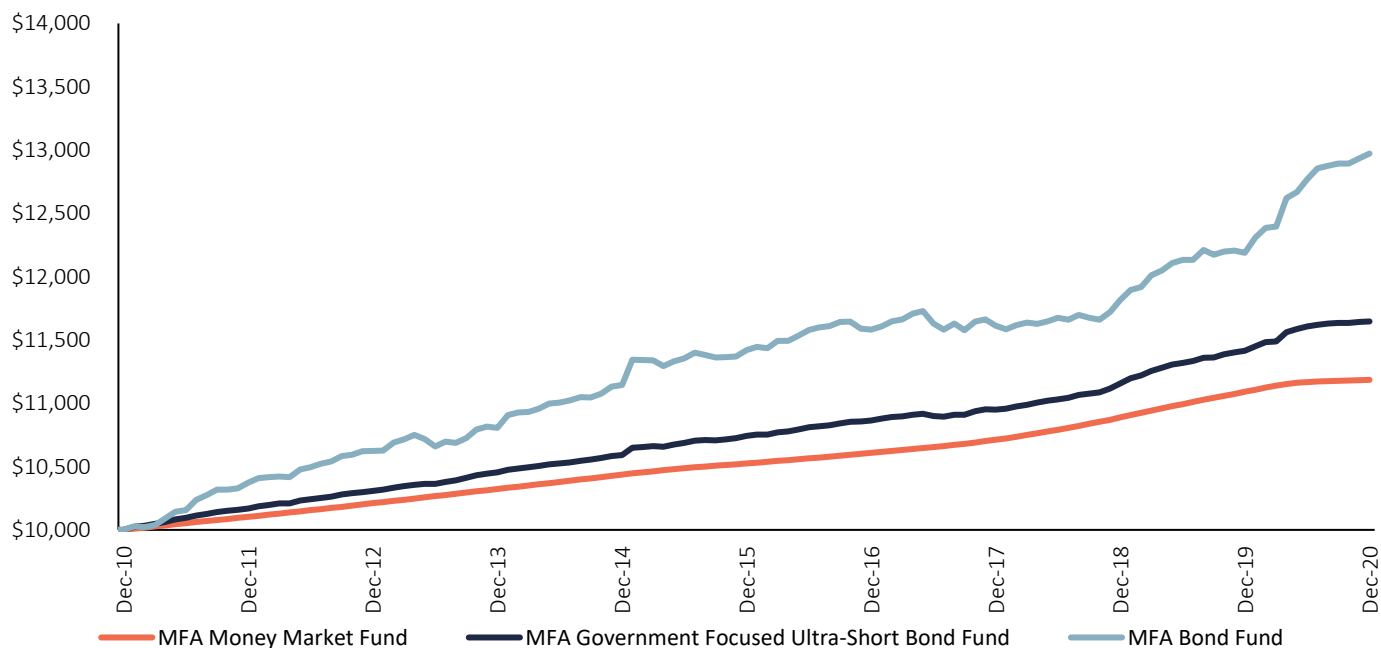
As of December 31, 2020

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception ²
MFA Money Market Fund	0.02	0.07	0.85	0.85	1.45	1.22	3.71
<i>FTSE Canada 30-day T-Bill Index³</i>	<i>0.00</i>	<i>-0.01</i>	<i>0.46</i>	<i>0.46</i>	<i>1.05</i>	<i>0.79</i>	<i>3.44</i>
<i>Difference</i>	<i>+0.02</i>	<i>+0.08</i>	<i>+0.39</i>	<i>+0.39</i>	<i>+0.40</i>	<i>+0.43</i>	<i>+0.27</i>
MFA Government Focused Ultra-Short Bond Fund	0.04	0.11	2.04	2.04	2.08	1.63	3.40
<i>FTSE Canada 365-Day Treasury Bill Index</i>	<i>0.07</i>	<i>0.10</i>	<i>2.26</i>	<i>2.26</i>	<i>1.87</i>	<i>1.18</i>	<i>3.02</i>
<i>Difference</i>	<i>-0.03</i>	<i>+0.01</i>	<i>-0.22</i>	<i>-0.22</i>	<i>+0.21</i>	<i>+0.45</i>	<i>+0.38</i>
MFA Bond Fund	0.29	0.61	6.44	6.44	3.76	2.58	5.79
<i>FTSE Canada Short Term Overall Bond Index</i>	<i>0.22</i>	<i>0.42</i>	<i>5.08</i>	<i>5.08</i>	<i>3.22</i>	<i>2.06</i>	<i>5.48</i>
<i>Difference</i>	<i>+0.07</i>	<i>+0.19</i>	<i>+1.36</i>	<i>+1.36</i>	<i>+0.54</i>	<i>+0.52</i>	<i>+0.31</i>
MFA Fossil Fuel Free Short-term Bond Fund	0.29	0.56	-	-	-	-	2.61
<i>FTSE Canada Short Term Bond Index</i>	<i>0.22</i>	<i>0.42</i>	-	-	-	-	<i>1.86</i>
<i>Difference</i>	<i>+0.07</i>	<i>+0.14</i>	-	-	-	-	<i>+0.75</i>
MFA Mortgage Fund	0.29	0.96	-	-	-	-	4.16
<i>FTSE Canada Short Term Bond Index</i>	<i>0.21</i>	<i>0.41</i>	-	-	-	-	<i>4.06</i>
<i>Difference</i>	<i>+0.08</i>	<i>+0.55</i>	-	-	-	-	<i>+0.10</i>

¹ 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)

² 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

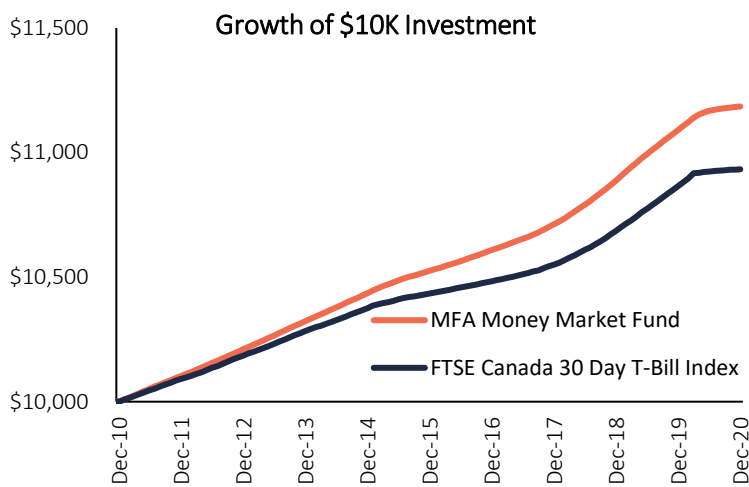
The principal objective of the Money Market Fund is to provide participating investors with interest income through investing primarily in high-quality money market instruments. The Fund will hold assets with maturities no longer than 366 days.

The yield curve steepened slightly 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 ²
MFA Money Market Fund¹	0.02	0.07	0.85	0.85	1.45	1.22	3.71
<i>FTSE Canada 30-day T-Bill Index</i>	<i>0.00</i>	<i>-0.01</i>	<i>0.46</i>	<i>0.46</i>	<i>1.05</i>	<i>0.79</i>	<i>3.44</i>
<i>Difference</i>	<i>+0.02</i>	<i>+0.08</i>	<i>+0.39</i>	<i>+0.39</i>	<i>+0.40</i>	<i>+0.43</i>	<i>+0.27</i>

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

²Inception date: May 1, 1989



*Fund performance is net of fees

Fund Characteristics	Nov-30	Dec-31
Fund total net assets	\$1,597,372,999	\$1,475,659,340
Average term	59 days	57 days
Yield to maturity	0.40%	0.40%
Number of issues	170	167
Number of issuers	44	42

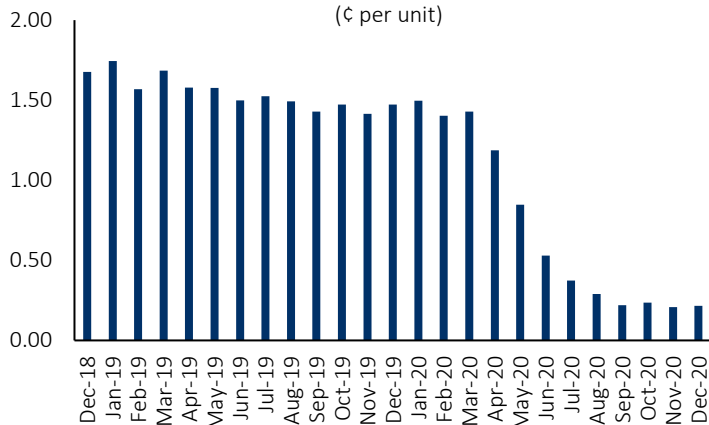
Top 10 Holdings	% Assets
Bank of N.S. B/A	3.39%
Stable Trust D/N	2.57%
Sound Trust D/N	2.37%
C.I.B.C BDN	2.37%
TD Bank, 2.6% Dec 22 2021	2.34%
Merit Trust D/N	2.17%
Plaza Trust D/N	2.03%
Reliant Trust D/N	1.90%
Zeus Rec Trust D/N	1.90%
Enbridge Gas Inc D/N	1.49%

Issuer Type	Nov-30	Dec-31
Financial	32.73%	34.51%
Non-Financial	67.26%	65.48%
Government*	0.00%	0.00%
Mortgages/MBS	0.00%	0.00%
Pooled fund cash	0.00%	0.00%

*includes federal and provincial government

Rating	Nov-30	Dec-31
R1H	73.72%	78.16%
R1M	8.16%	5.03%
R1L	18.12%	16.81%

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

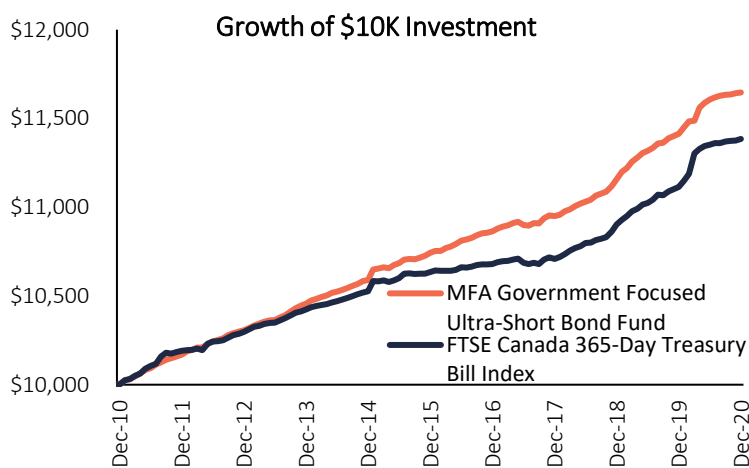
The principal objective of the Government Focused Ultra-short Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 2 years at the time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

Over the month, the MFA Government Focused Ultra-Short Bond Fund returned 0.04%, slightly underperforming the benchmark. The fund continues to be positioned with a bias 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 ²
MFA Government Focused Ultra-Short Bond Fund¹	0.04	0.11	2.04	2.04	2.08	1.63	3.40
<i>FTSE Canada 365-Day Treasury Bill Index</i>	<i>0.07</i>	<i>0.10</i>	<i>2.26</i>	<i>2.26</i>	<i>1.87</i>	<i>1.18</i>	<i>3.02</i>
<i>Difference</i>	<i>-0.03</i>	<i>+0.01</i>	<i>-0.22</i>	<i>-0.22</i>	<i>+0.21</i>	<i>+0.45</i>	<i>+0.38</i>

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

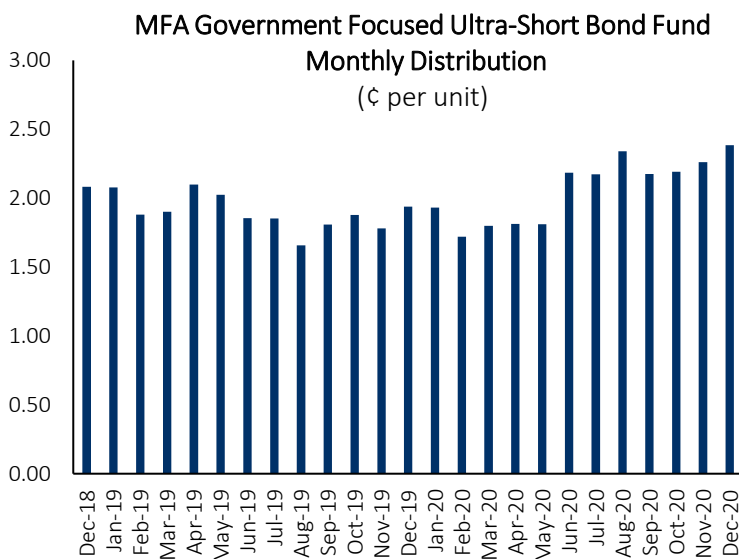
²Government Focused Ultra-Short Bond Fund – May 18, 2020 (previously Intermediate Fund - March 30, 1994)



*Fund performance is net of fees

Fund Characteristics	Nov-30	Dec-31
Fund total net assets	\$268,860,748	\$253,971,046
Average term	0.90 years	0.95 years
Yield to maturity	0.27%	0.27%
Modified duration	0.88 years	0.93 years
Number of issues	8	7
Number of issuers	7	6

Top 10 Holdings	% Assets
Ontario, 4.0% Jun 2, 2021	31.46%
Alberta, 1.4% Sept 1, 2021	16.41%
Quebec, 4.3% Dec 1, 2021	14.82%
Ontario, 3.2% Jun 2, 2022	12.39%
RBC, 2.4% Dec 5, 2022	9.40%
Bank of Montreal, 2.1% Mar 16, 2022	8.14%
C.I.B.C., 2.3% July 11, 2020	7.37%



*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.

Issuer Type	Nov-30	Dec-31
Financial	24.73%	24.91%
Non-Financial	0.00%	0.00%
Government*	75.27%	75.08%
Mortgages/MBS	0.00%	0.00%
Pooled fund cash	0.00%	0.00%

*includes federal and provincial government

Rating	Nov-30	Dec-31
AAA/R1H	0.00%	0.00%
AA/R1M	100.00%	100.00%
A/R1L	0.00%	0.00%

MFA Bond Fund

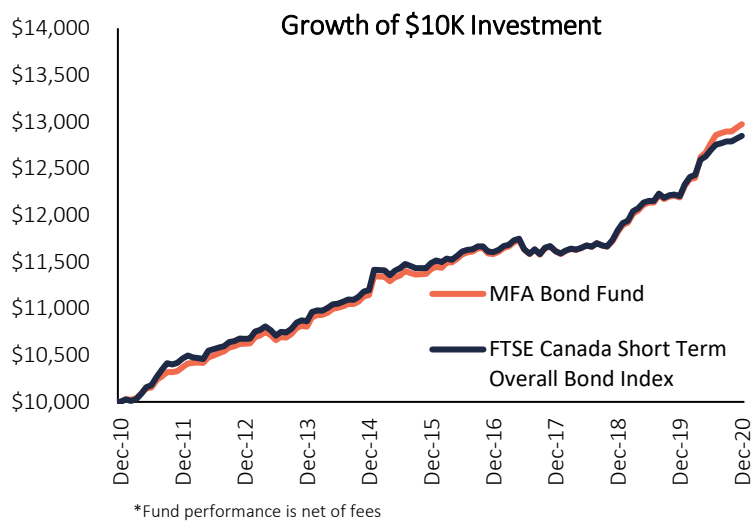
The principal objective of the short-term Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 7.25 years at the time of purchase.

The MFA Bond Fund returned 0.29% over the month of December, outperforming the benchmark by 7 bps. The fund benefitted from its overweight exposure to corporate bonds as credit spreads tightened in December.

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception ²
MFA Bond Fund	0.29	0.61	6.44	6.44	3.76	2.58	5.79
<i>FTSE Canada Short Term Overall Bond Index</i>	<i>0.22</i>	<i>0.42</i>	<i>5.08</i>	<i>5.08</i>	<i>3.22</i>	<i>2.06</i>	<i>5.48</i>
<i>Difference</i>	<i>+0.07</i>	<i>+0.19</i>	<i>+1.36</i>	<i>+1.36</i>	<i>+0.54</i>	<i>+0.52</i>	<i>+0.31</i>

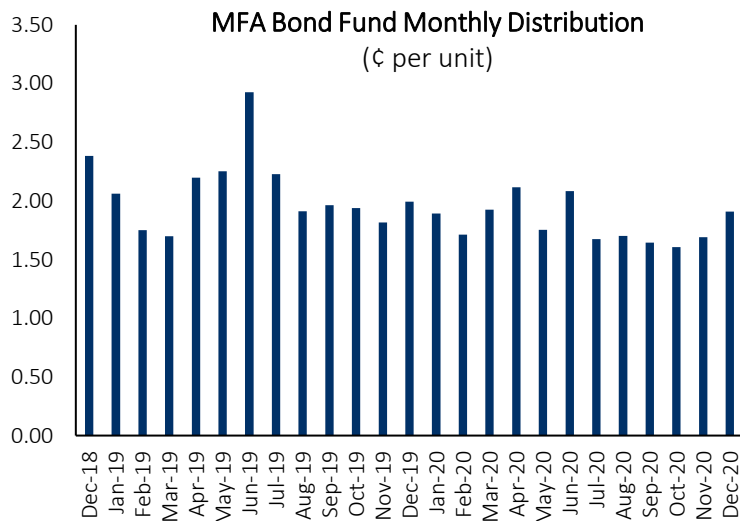
¹Total return is net of fees (20 bps annually). Total return less than 1 year is not annualized.

²Inception date: May 1, 1989



Fund Characteristics	Nov-30	Dec-31
Fund total net assets	\$651,281,525	\$628,220,584
Average term	2.83 years	2.83 years
Yield to maturity	0.76%	0.69%
Modified duration	2.63 years	2.64 years
Number of issues	369	360
Number of issuers	128	123

Top 10 Holdings	% Assets
Ontario, 1.8% Sept 8, 2025	4.57%
Canada Housing Trust, 2.4% Dec 15, 2022	3.66%
Ontario, 2.6% Jun 2, 2025	3.49%
Canada Housing Trust, 2.6% Dec 15, 2023	2.63%
Canada, 0.5% Sept 1, 2025	2.06%
RBC, 3.3% Sept 26, 2023	1.98%
Alberta, 2.2% Jun 1, 2026	1.91%
Ontario, 3.5% Jun 2, 2024	1.77%
Ontario Power Gen, 2.9% Apr 8, 2025	1.73%
BMO, 2.9% Jun 20, 2023	1.56%



*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.

Issuer Type	Nov-30	Dec-31
Financial	13.57%	13.89%
Non-Financial	32.84%	34.53%
Government*	29.38%	29.09%
Mortgages/MBS	7.72%	7.75%
Pooled fund cash	16.49%	14.64%

*includes federal and provincial government

Rating	Nov-30	Dec-31
Cash & short term	16.49%	14.64%
AAA	12.35%	12.06%
AA	21.06%	22.23%
A	19.20%	19.09%
BBB & below	23.05%	24.23%
Mortgages/MBS	7.72%	7.75%

MFA Fossil Fuel Free Short Term Bond Fund

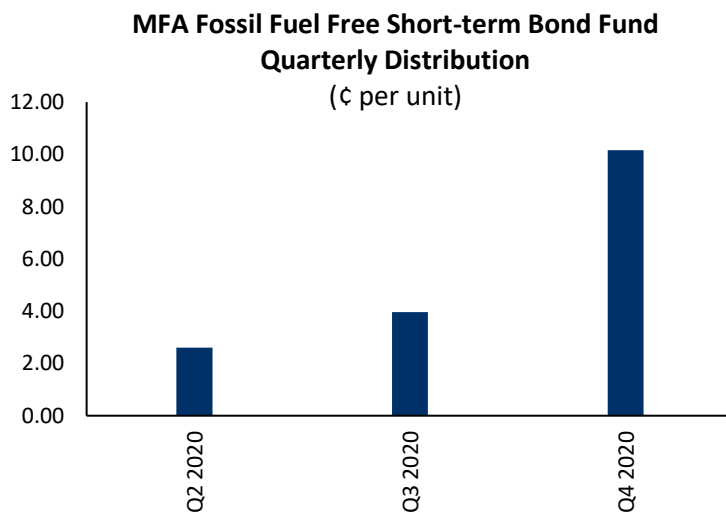
The principal objective of the Fossil Fuel Free Short-Term Bond Fund is to provide participating investors with interest income. The Fund aims to achieve moderate capital appreciation by actively managing Fund investments. The Fund will hold assets with maturities no longer than 7.25 years at the time 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 of December, the Fossil Fuel Free Short-Term Bond Fund returned 0.29%, outperforming its benchmark by 7bps. The fund benefitted from its overweight exposure to corporate bonds as credit spreads tightened in December.

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception ²
MFA Fossil Fuel Free Short-term Bond Fund	0.29	0.56	-	-	-	-	2.61
<i>FTSE Canada Short Term Bond Index</i>	<i>0.22</i>	<i>0.42</i>	-	-	-	-	<i>1.86</i>
<i>Difference</i>	<i>+0.07</i>	<i>+0.14</i>	-	-	-	-	<i>+0.75</i>

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

²Inception 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	Nov-30	Dec-31
Fund total net assets*	\$103,927,169	\$129,276,547
Average term	2.81 years	2.81 years
Yield to maturity	0.68%	0.62%
Modified duration	2.62 years	2.63 years
Number of issues	76	89
Number of issuers	49	47

*MFA owns units of the RBC Vision Fossil Fuel Free Short-term Bond Fund (total size \$142,452,539)

Top 10 Holdings	% Assets
Ontario, 2.9% June 2, 2023	8.9%
Canada, 1.5% May 1, 2022	4.8%
Canada Housing Trust, 2.4% Dec 15, 2022	3.7%
OMERS Realty Corp., 2.9% Feb 23, 2024	3.3%
Ontario, 1.8% Sep 8, 2025	3.3%
Canadian Mortgage Pools, 1.8% Sep 1, 2024	2.6%
Canada, 0.5% Sep 1, 2025	2.2%
Ontario Power Gen Inc, 2.9% Apr 8, 2025	2.2%
Brookfield Renew. Eng. Pn, 3.8% Jun 2, 2025	2.1%
Bell Canada, 3.0% Oct 3, 2022	2.0%

Issuer Type	Nov-30	Dec-31
Financial	14.44%	11.96%
Non-Financial	30.30%	31.15%
Government*	35.00%	38.55%
Mortgages/MBS	6.26%	5.20%
Pooled fund cash	14.00%	13.14%

*includes federal and provincial government

Rating	Nov-30	Dec-31
Cash & short term	14.00%	13.14%
AAA	12.52%	16.53%
AA	32.07%	31.52%
A	15.49%	12.90%
BBB & below	19.35%	20.71%
Mortgages/MBS	6.26%	5.20%

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 mortgages held in the Mortgage Fund ended the month of December at a yield of 218 basis points over similar-term Government of Canada bonds. Spreads compressed slightly over the month which provided a tailwind for performance. Of the 58 loans that were granted principal deferrals since the pandemic began, 28 have returned all deferred principal, and the remaining 30 are in the recovery phase, which is scheduled to complete mid-2021.

Total Return (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception ²
MFA Mortgage Fund	0.29	0.96	-	-	-	-	4.15
<i>FTSE Canada Short Term Bond Index</i>	<i>0.21</i>	<i>0.41</i>	-	-	-	-	<i>4.06</i>
<i>Difference</i>	<i>+0.08</i>	<i>+0.55</i>	-	-	-	-	<i>+0.09</i>

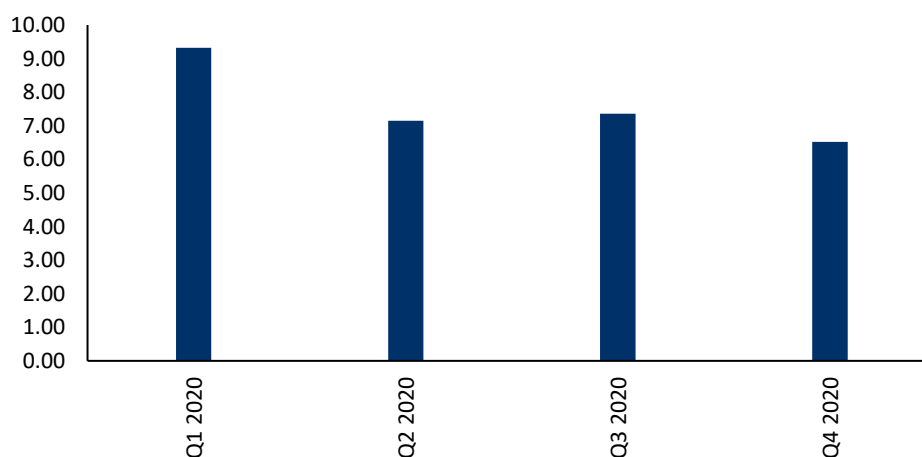
¹ Total return is net of fees (25 bps annually). Total return less than 1 year is not annualized.

³ Inception date: January 29, 2020

Fund Characteristics	Nov-30	Dec-31
Fund total net assets*	\$82,247,609	\$82,544,091
Weight average spread	220 bps over similar term GoC bonds	218 bps over similar term GoC bonds
Weighted average amortization	20.8 years	20.8 years
Average term-to-maturity	3.8 years	3.8 years
Current portfolio yield	2.21%	2.16%
Weighted average duration	3.1 years	3.1 years
Weighted loan-to-value	57%	56%
Weighted average cash flow coverage	1.6x	1.6x
Number of mortgages	615	628
Largest mortgage	2.2%	2.2%
Marketable securities & cash	13.2%	13.2%

*MFA owns units of the PH&N Mortgage Pension Trust (total size \$5,018,203,381)

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.