MFA of B.C. Pooled Investment Results*
As of January 31, 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 %
MFA Money Market Fund	**0.07**	**0.21**	**0.07**	**0.80**	**0.90**	**0.98**	**4.04**
Custom Benchmark**	*0.03*	*0.08*	*0.03*	*0.32*	*0.48*	*0.62*	*3.80*
MFA Intermediate Fund	**0.14**	**0.25**	**0.14**	**1.17**	**1.27**	**1.32**	**3.68**
FTSE TMX Canada 365-Day Treasury Bill Index	*0.08*	*0.07*	*0.08*	*0.24*	*0.61*	*0.76*	*3.30*
MFA Bond Fund	**0.21**	**-0.33**	**0.21**	**1.41**	**2.10**	**2.20**	**6.21**
FTSE TMX Canada Short Term Overall Bond Index	*0.19*	*-0.37*	*0.19*	*0.79*	*1.78*	*1.87*	*5.92*

*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).

**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

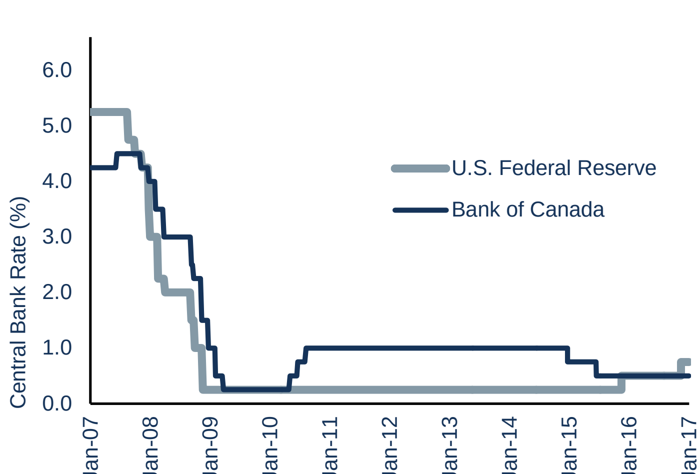
Market Interest Rates

	November 30, 2016	December 31, 2016	January 31, 2017
3 Month T-bills	0.51%	0.45%	0.46%
2 Year Gov't of Canada Bonds	0.70%	0.75%	0.77%
5 Year Gov't of Canada Bonds	1.01%	1.12%	1.11%
30 Year Gov't of Canada Bonds	2.16%	2.31%	2.41%

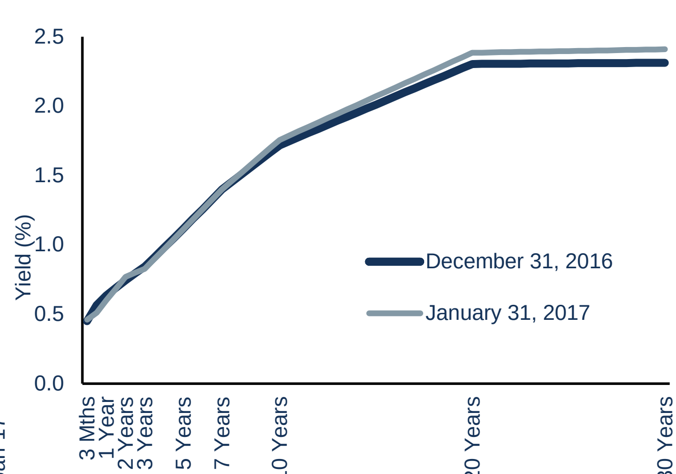
Many of the same themes that were driving markets to end 2016 continued into 2017. Broadly, the risk-on sentiment continued through January, and provided further support for risk assets. Despite lingering uncertainty regarding the impact of Trump's policies on the domestic economy, risk assets in Canada outperformed government bonds. Specifically, government bond yields moved higher, particularly in the longest part of the yield curve, while strong demand for corporate bonds saw their spreads tighten to begin the year.

Overall, the Canadian yield curve ended the month slightly steeper, with the largest movement coming at the 30 year maturity, which moved 10 basis points higher over the month.

Central Bank Policy Interest Rates



Canadian Yield Curves



Market Outlook

The Bank of Canada (BoC) met in January and left the overnight rate steady at 0.5%. While global economic growth continues to strengthen, the expected benefit to the Canadian economy has yet to fully materialize. Overall, there is still significant excess capacity in the Canadian economy despite strong employment growth. There is also still plenty of uncertainty regarding the impact of global events on Canada, especially concerning U.S. policies going forward. With this in mind, our base case is for the BoC to remain on hold through 2017. As such, we expect the short end of the Canadian yield curve to remain anchored for some time yet.

The U.S. Federal Reserve (Fed) also met in January, and similarly held the federal funds rate at 0.5% - 0.75%. The U.S. economy continues to grow at a moderate pace, operating at near full capacity. Labour markets remain strong, posting solid job growth. Inflation on the other hand is still below the 2% target, though is expected return to target over the medium term. Overall, market participants expect two to three rate hikes during 2017. With this in mind, we anticipate the short end of the U.S. yield curve to trend higher in line with Fed policy rate increases.

Current Strategy

The Money Market Fund is focused on building a high-quality yield advantage. As such, the fund continues to be fully invested in high-quality corporate money market securities, with a maximum allocation to bank-sponsored asset backed commercial paper, as these securities continue to provide an attractive incremental yield over similar term government securities, especially relative to their incremental risk. Similarly, the Money Market Fund 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 continue to 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. The Bond Fund is similarly structured with 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	31.5%	3.9%	< 180	7.7%	4.4%	< 1.0	11.9%	1.7%
31 - 60	19.4%	-2.4%	181 - 365	37.6%	-5.9%	1.0 - 2.5	33.1%	-0.4%
61 - 90	15.8%	-1.6%	366 +	54.8%	1.6%	2.5 - 4.0	23.8%	0.2%
91- 120	12.0%	4.2%				4.0 - 5.5	27.2%	-1.3%
121 +	21.3%	-4.1%				5.5 - 7.0	4.0%	-0.1%
Government	0.0%	0.0%	Government	30.2%	0.1%	Government	46.2%	0.3%
Corporate	100.0%	0.0%	Corporate	69.8%	-0.1%	Corporate	37.9%	-1.7%
						Mortgages	9.6%	0.1%
						Net Cash	6.3%	1.4%
Average term	67 days	-4 days	Average term	1.1 yrs	+0.0 yrs	Average term	3.0 yrs	-0.1 yrs
Average yield*	0.84%	0.02%	Average yield*	0.88%	-0.03%	Average yield*	1.44%	0.14%
Total size	$1,183.5 mil	-$62.4 mil	Total size	$345.3 mil	-$6.5 mil	Total size	$825.6 mil	-$18.9 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).