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

As of March 31, 2020

	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, 4]
MFA Money Market Fund	**0.14**	**0.43**	**0.43**	**1.79**	**1.57**	**1.26**	**3.78**
Custom Benchmark[3]	*0.17*	*0.43*	*0.43*	*1.60*	*1.17*	*0.83*	*3.52*
MFA Intermediate Fund	**0.04**	**0.65**	**0.65**	**2.05**	**1.77**	**1.50**	**3.44**
FTSE Canada 365-Day Treasury Bill Index	*1.02*	*1.65*	*1.65*	*2.78*	*1.65*	*1.11*	*3.09*
MFA Bond Fund	**0.09**	**1.71**	**1.71**	**3.20**	**2.05**	**1.80**	**5.78**
FTSE Canada Short Term Overall Bond Index	*0.13*	*1.80*	*1.80*	*3.00*	*1.88*	*1.52*	*5.51*
MFA Mortgage Fund	**-2.58**	**-**	**-**	**-**	**-**	**-**	**-1.53**
FTSE Canada Short Term Bond Index	*0.13*	-	-	-	-	-	*0.77*

[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 Canada 91-day T-Bill Index to FTSE Canada 30-day T-Bill Index effective Jan. 1, 2013
[4]Since Inception performance for MFA Mortgage Fund is not annualized as it has been less than one year since inception

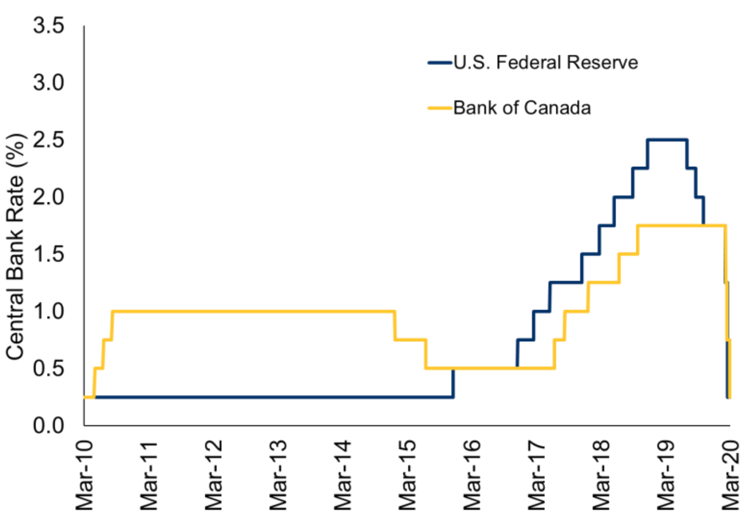
Market Developments

Market Interest Rates

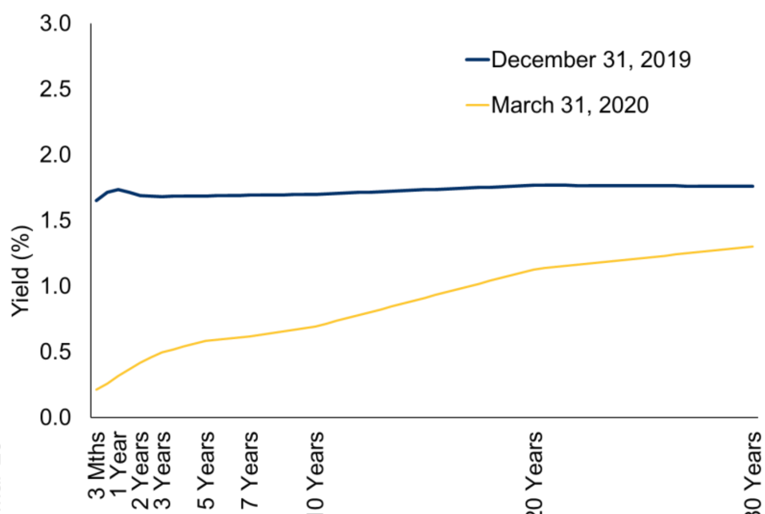
	January 31, 2020	February 29, 2020	March 31, 2020
3 Month T-bills	1.64%	1.48%	0.25%
2 Year Gov't of Canada Bonds	1.43%	1.16%	0.42%
5 Year Gov't of Canada Bonds	1.28%	1.08%	0.59%
30 Year Gov't of Canada Bonds	1.43%	1.32%	1.30%

Government of Canada bond yields decreased significantly throughout the month, primarily due to fears surrounding the rapid spread of COVID-19, which was officially declared a global pandemic by the World Health Organization (WHO). The situation was further exacerbated when Russia and Saudi Arabia failed to reach an oil production cut agreement, causing oil prices to collapse. Overall, the Government of Canada yield curve steepened drastically in March, with yields falling roughly 123 basis points in the short end and only 2 basis points in the long end.

Central Bank Policy Interest Rates



Canadian Yield Curves



Market Outlook

The Bank of Canada (BoC) lowered its overnight rate by 1.50% over the month to arrive at the current target of 0.25%. This drastic reduction, along with a host of other stimulus measures from the BoC, was in response to uncertainty arising from both the COVID-19 pandemic and the rapid decline in the price of oil. The rate reduction occurred in three 0.50% increments as the economic outlook deteriorated over the course of the month. This rapid response from the BoC is unprecedented, representing an even quicker reaction than what transpired during the Great Financial Crisis. In addition to the rate reduction, the BoC also created several facilities to purchase excess supply of money market securities to support the proper functioning of the financial system during this period. The initial impact of these facilities has been positive from a market liquidity standpoint, although it is still too early to judge its overall success. After the most recent rate reduction on March 27th, the BoC indicated that they consider the 0.25% level as the lower bound for the overnight rate. As a result, market participants are expecting the overnight rate to remain at this level for the rest of the year. Taking all this into account, absent a material change in the economic outlook, we expect that rates will remain low for the foreseeable future.

The U.S. Federal Reserve (Fed) also lowered its policy rate target by 1.50% during the month of March to arrive at the new target range of 0% to 0.25%. This swift action from the Fed came as a surprise after it had started the year with a neutral stance, but was quickly justified by incoming economic data that indicated the massive impact that the ongoing pandemic was having on many sectors of the economy. Alongside the decrease in the target rate, the Fed also introduced various measures aimed at supporting the proper functioning of the financial system. Looking forward, the Fed has signalled that it expects to maintain this target level until the economy has weathered the current health crisis. As such, market participants expect no further changes over the next year. With this in mind, barring an unexpected change in the evolution of the COVID-19 outbreak, we expect rates will remain at the current level for the rest of the year.

Current Strategy

The Money Market Fund remains focused on building a high quality yield advantage. As such, the Money Market Fund remains fully invested in high-quality corporate money market instruments given their 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 also both favour high quality yield enhancement strategies. The Intermediate Fund maintains a maximum allocation to corporate securities, with the government allocation invested entirely in provincial securities given their attractive yield advantage relative to federal government securities. Similarly, while the Bond Fund continues to have a more defensive risk budget, it maintains a bias towards government agency and corporate credit, rather than federal bonds. The incremental yield gained from these holdings should provide a helpful tailwind to performance.

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	47.2%	6.9%	< 180	6.4%	6.4%	< 1.0	14.0%	-1.6%
31 - 60	16.8%	-11.5%	181 - 365	51.1%	1.5%	1.0 - 2.5	26.4%	-3.5%
61 - 90	15.2%	-0.9%	366 +	42.5%	-7.9%	2.5 - 4.0	26.9%	0.3%
91- 120	10.4%	8.9%				4.0 - 5.5	28.1%	3.6%
121 +	10.5%	-3.3%				5.5 - 7.0	4.5%	1.2%
Government	0.5%	0.5%	Government	30.1%	0.0%	Government	33.81%	-3.9%
Corporate	99.5%	-0.5%	Corporate	69.9%	0.0%	Corporate	53.56%	4.7%
						Mortgages/MBS	9.92%	0.0%
						Net Cash	2.71%	-0.8%
R1H	62.8%	7.7%	AAA	0.0%	0.0%	AAA	39.72%	-8.4%
R1M	13.9%	-0.1%	AA	76.8%	-10.2%	AA	19.57%	5.0%
R1L	23.3%	-7.6%	A	8.6%	-4.4%	A	18.91%	1.9%
			BBB	0.0%	0.0%	BBB	21.79%	1.6%
Average term	54 days	+1 days	Average term	0.9 yrs	-0.0 yrs	Average term	3.0 yrs	+0.2 yrs
Average yield*	1.66%	-0.10%	Average yield*	1.57%	0.07%	Average yield*	1.61%	0.23%
Total size	$1,148.1 mil	-$28.7 mil	Total size	$259.0 mil	$20.0 mil	Total size	$554.9 mil	$2.0 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).