MFA of B.C. Pooled Investment Results*

As of February 28, 2017

	1 Month Non-Annualized %	3 Months Non-Annualized %	YTD Non-Annualized %	1 Year %	3 Years Annualized %	5 Years Annualized %	Since Inception Annualized %
MFA Money Market Fund	**0.06**	**0.21**	**0.14**	**0.81**	**0.90**	**0.97**	**4.04**
Custom Benchmark**	*0.03*	*0.08*	*0.05*	*0.32*	*0.47*	*0.62*	*3.79*
MFA Intermediate Fund	**0.10**	**0.31**	**0.24**	**1.28**	**1.28**	**1.33**	**3.67**
FTSE TMX Canada 365-Day Treasury Bill Index	*0.04*	*0.12*	*0.12*	*0.32*	*0.60*	*0.76*	*3.29*
MFA Bond Fund	**0.34**	**0.50**	**0.56**	**1.85**	**2.15**	**2.26**	**6.20**
FTSE TMX Canada Short Term Overall Bond Index	*0.32*	*0.45*	*0.51*	*1.28*	*1.84*	*1.97*	*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 January 1, 2013.

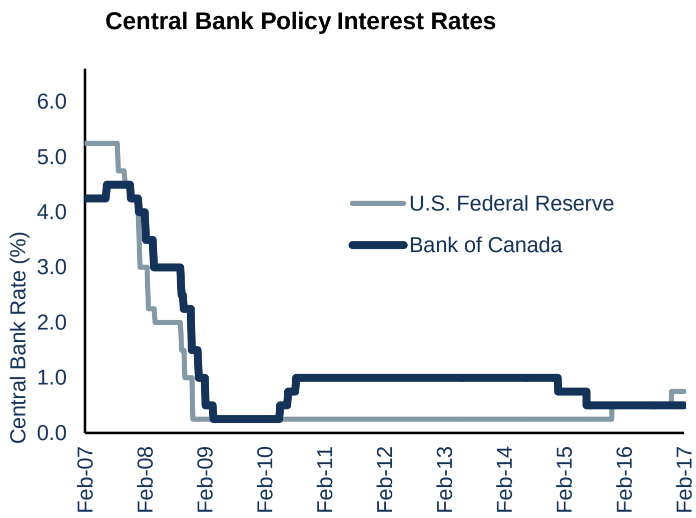
Market Developments

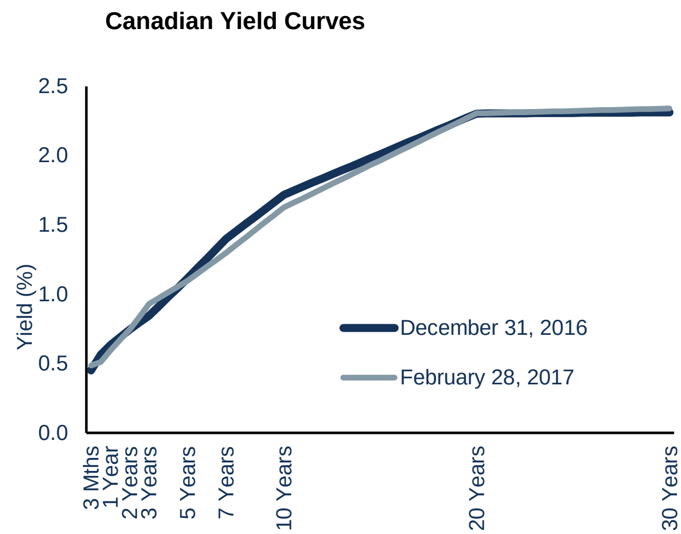
Market Interest Rates

	December 31, 2016	January 31, 2017	February 28, 2017
3 Month T-bills	0.45%	0.46%	0.49%
2 Year Gov't of Canada Bonds	0.75%	0.77%	0.74%
5 Year Gov't of Canada Bonds	1.12%	1.11%	1.10%
30 Year Gov't of Canada Bonds	2.31%	2.41%	2.34%

Canadian interest rates largely following the lead of their U.S. counterparts in February, with a combination of opposing factors contributing to their seesaw movement through the month. General market scepticism over the persistence of post-election reflationary forces provided the downward pressure on interest rates. A combination of stronger economic data on both sides of the border and hawkish comments from several Federal Reserve (Fed) members provided the upward pressure for interest rates. The net result was that Canadian interest rates ended the month slightly lower.

Overall, the Canadian yield curve ended the month slightly flatter, with maturities 7 years and longer falling by 7-10 basis points.





Market Outlook

The Bank of Canada (BoC) did not make any changes to the overnight rate in February. Economic data releases through the month showed signs of strength. That said, the BoC appears to be cautiously biased, pointing to "material excess capacity in the economy" and that there are signs of "persistent economic slack in Canada". With this in mind, our base case remains for the BoC to hold the overnight rate steady at the current 0.5% level through 2017. As such, we expect the short end of the yield curve to remain anchored for some time yet.

The U.S. Federal Reserve (Fed)'s federal funds rate was left unchanged through February. The U.S. economy continued to strengthen through the month. This, along with comments from several Fed members, signalled an increased likelihood of a rate hike sooner rather than later. Most market participants expect the most likely scenario to be for the next rate hike to be in March, with three rate hikes in 2017. As such, we anticipate the short end of the U.S. yield curve to move higher, in line with expectations of Fed policy rate increases.

Current Strategy

The Money Market Fund remains focused on building a high-quality yield advantage as this has historically been a reliable way to outperform. 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	24.3%	-7.2%	< 180	6.6%	-1.1%	< 1.0	11.7%	-0.2%
31 - 60	20.1%	0.7%	181 - 365	37.6%	0.0%	1.0 - 2.5	38.1%	5.0%
61 - 90	17.3%	1.5%	366 +	55.8%	1.0%	2.5 - 4.0	24.1%	0.3%
91- 120	11.9%	-0.1%				4.0 - 5.5	22.0%	-5.2%
121 +	26.3%	5.0%				5.5 - 7.0	4.1%	0.1%
Government	0.0%	0.0%	Government	30.1%	-0.2%	Government	47.0%	0.7%
Corporate	100.0%	0.0%	Corporate	69.9%	0.1%	Corporate	37.9%	0.0%
						Mortgages	9.6%	0.0%
						Net Cash	5.6%	-0.8%
Average term	77 days	+10 days	Average term	1.1 yrs	-0.1 yrs	Average term	2.8 yrs	-0.2 yrs
Average yield*	0.86%	0.02%	Average yield*	0.84%	-0.04%	Average yield*	1.17%	-0.07%
Total size	$1,036.9 mil	-$146.5 mil	Total size	$337.1 mil	-$8.2 mil	Total size	$824.2 mil	-$1.4 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).