

Municipal Finance Authority of British Columbia Mortgage Fund



Fund Type	Canadian short-term fixed income
Date of Inception	January 28, 2020
Fund Manager	Phillips, Hager & North Investment Management ¹
Benchmark	FTSE Canada Short Term Overall Bond Index
Investment Objective	The Fund seeks to provide yield and diversification benefits by capitalizing on the illiquidity premium offered by the Canadian commercial mortgage market.
Strategies & Approach	The Fund will indirectly invest primarily in first mortgages on income producing commercial properties in Canada with an average term of 2-5 years, and may invest in first mortgages guaranteed by the government of Canada. The Fund may also invest in short term fixed income securities issued by Canadian governments and corporations.
Investment Methodology	The Fund will invest in units of the PH&N Mortgage Pension Trust and the PH&N Short-Term Bond & Mortgage Fund, the latter of which is included for liquidity purposes. The target weighting for those funds is 80% for the Mortgage Pension Trust and 20% for the Short-Term Bond & Mortgage Fund.
Key Risks	Risks of the Fund include liquidity [∇] , interest rate and credit risk.
Minimum Investment	\$10,000 [^]
Valuation	The Fund is valued daily and it is expected that fluctuations in the market value of the investments will affect the total value of the net assets of the Fund and therefore affect the unit value.
Distributions	A distribution of net income is made in March, June and September. The remaining net income and net realized capital gains are distributed in December. Net earnings are distributed to unitholders as additional units of the Fund.
Subscriptions	Subscription requests received by the MFA at invest@mfa.bc.ca by 11:00 am Vancouver time will be credited to the Participants account on the second business day following the date of acceptance of such subscription by MFA. Each Unit purchased shall be identical in all respects with every other Unit and shall represent an undivided interest in the assets of the fund without distinction, preference or priority. There is no limit as to the number of units that may be purchased or issued.
Redemptions	Redemption requests submitted by 11:00am Vancouver time will be processed or credited to your bank account on the third business day from the date of acceptance of such redemption by MFA. The Fund Manager may suspend redemptions if it is determined that the Fund lacks sufficient liquidity to cover the aggregate redemption requests. This halt in redemptions may be in effect for up to thirty-six months. Participants will be notified by email and on the MFA's on-line Client portal if and when such a halt is put in place. Once the redemption halt has been lifted funds will be distributed on a prorata basis until sufficient liquidity is regained. ∇
Custodian	CIBC Mellon Trust Company
Fees & Expenses	0.25%* (25 bps)

Performance

As of January 31, 2022	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 Mortgage Fund	-0.97	0.41	-0.97	0.29	N/A	N/A	2.28
<i>FTSE Canada Short Term Overall Bond Index</i>	<i>-0.97</i>	<i>-0.42</i>	<i>-0.97</i>	<i>-2.24</i>	<i>N/A</i>	<i>N/A</i>	<i>0.91</i>

*Portfolio and benchmark performance is net of total fees and expenses of 25 basis points per annum

*Fees include portfolio management fees, custody fees, transaction and accounting expenses. 30 days' notice will be given to Participants if the fees are increased. Notification may be given through the MFA's on-line Client portal, by updating this Profile or by any other method deemed appropriate.

^Participants must notify the MFA at invest@mfa.bc.ca of transactions greater than \$30 million at least 2 business days prior to the trade date of the transaction.

∞ Participants who use a non-direct clearing financial institution (certain credit unions or smaller financial institution) should allow for a possible delay in transaction processing.

△ The MFA may terminate a fund with 30 days notice to the Participant. Notification may be given through the MFA's on-line Client portal or any other method deemed appropriate. If the Fund is closed due to performance, MFA management will use best efforts to establish a new fund with another Investment Manager and have the assets transferred in kind or liquidated. If the Fund is closed due for any other reason the funds will be transferred to a similar MFA fund in the Participants name.

Disclosures

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Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by MFABC, PH&N IM or its affiliates or any other person as to its accuracy, completeness or correctness. We assume no responsibility for any errors or omissions.

This pooled fund is not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the Fund will be able to maintain its net asset value per unit or that the full amount of your investment in the Fund will be returned to you. Past performance may not be repeated.

Investment guidelines and strategies of the Fund may be adjusted over time without prior notice provided that they are consistent with the Fund's investment objectives.

¹ Phillips, Hager & North Investment Management is a division of RBC Global Asset Management Inc. (RBC GAM Inc.), an indirect, wholly-owned subsidiary of Royal Bank of Canada. RBC GAM Inc. is the manager and principal portfolio adviser of the MFA Money Market, Intermediate, Bond and Mortgage Funds.

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