

MFA’s Suite of Pooled Investments and Responsible Investment




Over the last several years the notion of ‘responsible investment’ (RI) has gained greater prominence. While improvements are evident, consistent and standardized terminology and ESG disclosures are still works-in-progress. The following information is intended to provide MFA’s Clients with a high-level understanding of how MFA’s suite of pooled investments align with RI, and information and sources which can be communicated with stakeholders.

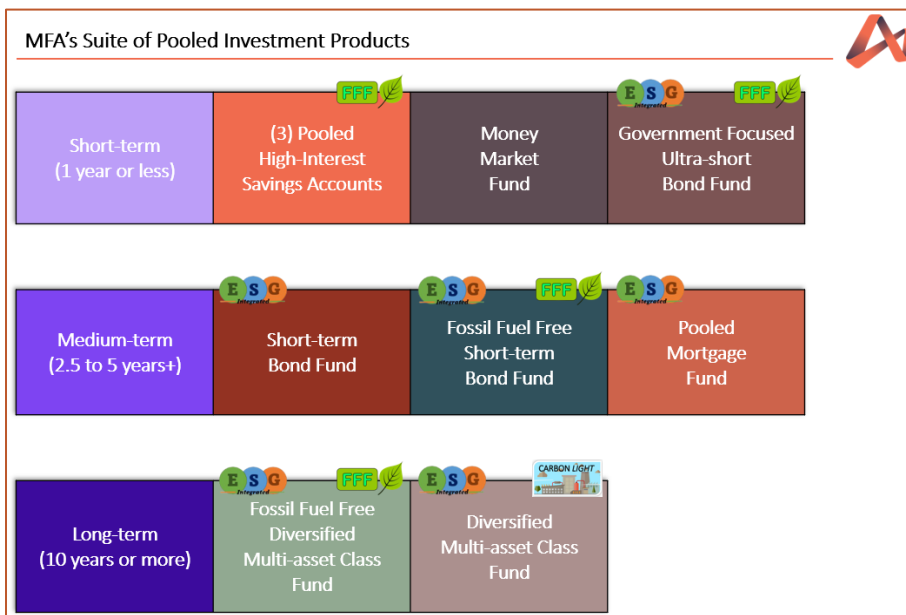
MFA’s Pooled Investments may be classified as one or more of the following:

- ESG Integrated
- Fossil Fuel Free
- Carbon Light

“Responsible investment (RI) is an umbrella term used to describe a broad range of approaches for incorporating ESG considerations into the investment process. These approaches are not mutually exclusive...”

– RBC GAM, 2022 Responsible Investment Annual Report

	<ul style="list-style-type: none"> • ESG Integrated <ul style="list-style-type: none"> • The ongoing consideration of ESG factors within an investment analysis and decision-making process with the aim to improve risk-adjusted returns.
	<ul style="list-style-type: none"> • Fossil Fuel Free <ul style="list-style-type: none"> • The exclusion of investments issued by companies directly involved in extracting, processing, or transporting coal, oil or natural gas.
	<ul style="list-style-type: none"> • Carbon Light <ul style="list-style-type: none"> • An investment fund which aims to minimize its carbon impact, including up to 40% fossil fuel free.





MFA’s Pooled Investment Fund Manager and Responsible Investment

Phillips, Hager & North Investment Management (PH&N) a subsidiary of RBC Global Asset Management (RBC GAM) manages MFA’s pooled investment funds¹. Along with other notable commitments to responsible investment, RBC GAM is a Signatory of the [United Nations Principles of Responsible Investment](#).

To view greater detail on RBC GAM’s approach to responsible investment, please visit: <https://institutional.rbcgam.com/en/ca/responsible-investment/our-approach>.



Global Asset Management
PH&N Institutional

Our approach to responsible investment



At RBC Global Asset Management (RBC GAM), we believe that being an [active, engaged and responsible owner](#) empowers us to enhance the long-term, sustainable performance of our portfolios. We recognize that the rights we have as a large, global investor come with the obligation to actively use those rights in a responsible way.



We believe that issuers that manage their material ESG risks and opportunities effectively are more likely to outperform on a risk-adjusted basis, over the long term. Our investment teams integrate material ESG factors into their investment decisions for applicable types of investments¹.



We have a dedicated Responsible Investment (RI) team whose role is to advance ESG integration by managing and coordinating ESG research, supporting investment team engagements with our investee companies on material ESG-related issues, overseeing our [proxy voting](#), collaborating with like-minded investors and engaging with lawmakers and regulators.



Climate change has the potential to have direct and indirect impacts on the issuers in which we invest. The potential breadth and importance of climate-related investment risk and opportunity merits a significant focus within our ESG integration efforts. For more information about our focus on climate change in our ESG integration efforts, please read [Our Approach to Climate Change](#).

MFA’s Pooled High Interest Savings Accounts and Responsible Investment

As chartered banks are not directly involved in the extraction, processing, transportation of coal, oil, or natural gas MFA considers deposits in savings accounts offered through its Pooled High Interest Savings Account programs to be Fossil Fuel Free.

To view ESG information from the providers of MFA’s Pooled High Interest Savings Accounts, please visit their websites directly.

- <https://www.nbc.ca/about-us/news-media/press-release/2023/20230323-release-esg-reports.html>
- <https://www.cibc.com/en/about-cibc/corporate-responsibility.html>
- <https://www.scotiabank.com/ca/en/about/responsibility-impact/esg-strategy.html>

¹ Excludes Pooled High Interest Savings Accounts offered by MFA provided through Scotiabank, National Bank, and CIBC.