

# MB Money Market Fund (Class B)

Bank of Canada maintains key interest rate at 1%

Improved economic growth in North America was overshadowed by financial uncertainty in Europe.

## INVESTMENT PROCESS

- Formal weekly team meetings
- Minimum credit rating of R1 Low
- Corporate weight 0 to 70%
- Government weight 30 to 100%

## LONG-TERM PERFORMANCE

	3mo	1yr	2yrs
<b>Total Port</b>	<b>0.3</b>	<b>1.2</b>	<b>1.0</b>
Benchmark*	0.2	1.0	0.8

\*DEX 91 Day T-Bill

## PERFORMANCE AND STRATEGY:

The Bank of Canada maintained the overnight lending rate at 1% during the fourth quarter. Although economic growth in North America was considerably more upbeat, the ongoing political and economic issues in Europe capped 3-month Treasury Bill yields below 0.9%, indicating the potential for interest rate cuts. However, the team does not foresee lower administered rates and has therefore maintained the portfolio's term to maturity target below that of the Index's 90-days. A significant position in high-quality corporate and provincial holdings was also maintained to boost overall yield.

## PORTFOLIO DISTRIBUTION

	09/30/11	12/31/11
Cash	0.12 %	0.00 %
Canada Guaranteed	32.40	34.82
Provincial Guaranteed	9.88	12.92
Bankers' Acceptances and Commercial Paper	38.95	34.76
Floating Rate Notes	18.65	17.50
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>
Average Term (days)	79	79
Yield	1.14 %	1.08 %