

Undertaking # 37

MPI to provide a reconciliation between the actual weighted average yield to maturity of 3.56 percent and the 3.34 percent cited in the letter from the actuary in respect of the valuation at February 29, 2016

RESPONSE:

The two yields in the question as of February 29, 2016 are calculated on a different basis. The weighted average yield to maturity of 3.56% is the market value weighted average yield of the total fixed income portfolio (marketable bond and MUSH bonds). The 3.34% cited in the letter from the actuary is the duration weighted yield of the total fixed income portfolio (i.e. the claims discount rate).