



## RESCO Mortgage Investment Corporation

September 30<sup>th</sup>, 2021

This document contains key information you should know about RESCO Mortgage Investment Corporation (the "Corporation"). You can find more details about this in our Offering Memorandum. Ask your Exempt Market Dealer Representative for a copy or contact RESCO Mortgage Investment Corporation at 1-866-737-2611 or email [info@rescominc.ca](mailto:info@rescominc.ca)

### QUICK FACTS

As of September 30<sup>th</sup>, 2021

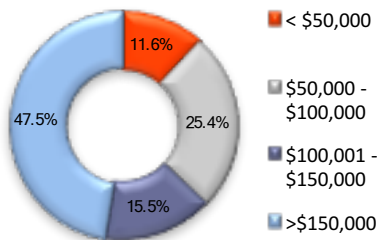
ISSUER	RESCO Mortgage Investment Corporation	MANAGEMENT FEE	Up to 1.50% per annum
SECURITIES	Class B Preferred Shares	UNIT PRICE	\$10.00 per share
INCEPTION DATE	March 31st, 2014	PORTFOLIO SIZE	\$63,753,463.30
FUND MANAGER	Radiance Mortgage Brokerage Inc. (Licence 12430)	CURRENT YIELD	8.00% per annum
MORTGAGE ADMINISTRATOR	5C Capital Inc. (Licence 12431)	DISTRIBUTIONS	Monthly on the 15th of each month
AUDITOR	Rosenswig McRae Thorpe LLP Chartered Accountant	MINIMUM INVESTMENT	\$10,000
SECURITIES LAWYER	Gowling WLG (Canada) LLP	SUBSEQUENT INVESTMENT	\$5,000
TRUSTEE	Olympia Trust / Western Pacific Trust / Computershare Trust	INVESTMENT PLANS	RRSP and TFSA Eligible

### WHAT DOES THE CORPORATION INVEST IN?

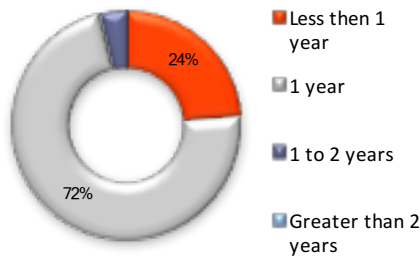
The Corporation invests primarily in first and second mortgages secured by residential properties located in major urban centres in Canada. Mortgage terms are typically 6 to 24 months which minimizes real estate price fluctuation risk, interest rate risk and duration risk.

RESCO MIC currently has 232 mortgages with a total principal outstanding of \$61,201,840.68, which comprises of 64 first mortgages, 163 second mortgages, and 5 third mortgages. The Corporation's mortgages are all secured by properties in Ontario, Manitoba and Alberta. Currently, 100% of the portfolio is in residential mortgages.

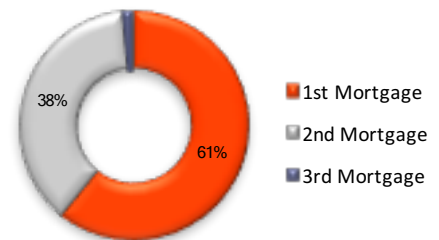
Mortgage Size



Mortgage Term



Mortgage Position (\$)



### RISK FACTORS

The value of the investment can go down as well as up. One way to gauge risk is to look at how much an investment's returns change over time which is called "volatility". Investments with higher volatility will have returns that change more over time. Since inception, RESCO MIC has been generating a steady and consistent return of 8% per annum, paid monthly.

Like most other investments such as stocks or mutual funds, this investment is not guaranteed by CDIC (Canada Deposit Insurance Corporation).

### INCOME TAX TREATMENT

You will have to pay income tax on any money you earned from an investment. How much you need to pay depends on the tax rates where you live and whether or not you hold investment in a registered plan, such as Registered Retirement Savings Plan (RRSP) or a Tax-Free Savings Account (TFSA). Keep in mind that if you hold your investment in a non-registered account, distributions are included in your taxable income, whether you choose to receive them in cash or have them reinvested. Distributions are considered as interest income and you will receive a T5 at the end of the year.



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September 30<sup>th</sup>, 2021

### WHY INVEST?

Secured by Canadian real estate  
 Consistent yield of 8% per annum since inception  
 Low volatility that gives you peace of mind  
 Lack of developmental risk - portfolio consists of existing properties  
 Annual audit required by CRA under Income Tax Act Section 130.1  
 Minimum investment of only \$10,000

### THIS INVESTMENT IS FOR INVESTORS WHO:

Seek monthly income from their investment  
 Prefer investment secured by Canadian Real Estate  
 Want passive income with potential higher yield  
 Diversify their RRSP or TFSA investment portfolio with a fixed-income product  
 Plan to hold their investment for medium to long term  
 Does not require immediate access to their investment

### PORTFOLIO PERFORMANCE as of September 30<sup>th</sup>, 2021

This chart shows the rate of return to holders of the Corporation's Class B Preferred Shares each year since inception.

Performance based on an investment of \$150,000 since March 2014					
2016	2017	2018	2019	2020	Since Inception(\$)
8%	8%	8%	8%	8%	\$272,775.92

\*Rate of return is not guaranteed, terms and conditions may apply.

	Mortgage Amount	Weighted Average Interest Rate	Loan-to-Value
Ontario	\$60,824,897.00	9.10%*	68.67%
Manitoba	\$307,943.68	12.89%	81.24%
Alberta	\$69,000.00	14.99%	80.00%
TOTAL	\$61,201,840.68	9.13%*	68.86%

\*Estimate Adjusted Rate

### MARKET OVERVIEW

#### Federal Policies, Yearly Post-Labour Day Boom Boost GTA Real Estate

Greater Toronto real estate activity and price growth experienced its usual post-labour day uptick. In line with historical seasonal trends, average selling price in the region increased on a month over month basis as housing demand continued to drive prices higher.

Federal policies implemented in order to aid in housing affordability are expected to further increase demand in the coming months. These plans involve subsidies for homebuyers in order to increase their total allowable borrowing base, resulting in a greater demand for homes in the region that may have otherwise been unaffordable for some homebuyers. Federal policies to build more housing in order to ease supply constraints are also expected to be implemented by year end, reducing the overall vulnerability of the GTA market.

### ABOUT THE BOARD OF DIRECTORS

The Corporation is led by a group of financial professionals who each bring experience and expertise in their respective fields such as banking, mortgage lending, real estate development, risk management and portfolio management.

### FOR MORE INFORMATION ABOUT RESCO MIC

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### DISCLAIMERS

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