





RESCO Group of Funds
Since 2013

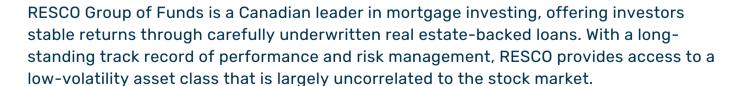
# Message from the COO-Navigating Market Volatility: Why RESCO Group of Funds Is a Smart Alternative

In recent weeks, global financial markets have been shaken by escalating trade tensions. In April 2025, the U.S. announced a blanket 10% tariff on all imports and a staggering 145% tariff on Chinese goods, triggering a wave of investor fear and extreme volatility:

- 📉 More than \$5 trillion in global market value was wiped out
- M The Nasdaq fell 19% YTD, officially entering bear market territory
- M The Dow plunged over 4,000 points in just two days
- ▼ The VIX (Volatility Index) surged past 60—its highest since 2008
- \delta Gold hit a record \$3,219/oz, signalling a strong flight to safety

In this climate, sophisticated investors are turning away from public markets and toward alternative, stable, and income-generating asset classes—notably, private mortgage investments.

## Introducing RESCO Group of Funds



### Why Mortgage Investing Makes Sense Today \



While trade wars and economic headwinds may increase the risk of a Canadian recession, there is a silver lining for mortgage investors:

#### 1.Lower Interest Rates Are Likely

The Bank of Canada is expected to keep rates low—or reduce them further—to stimulate the economy, benefitting mortgage borrowers and lenders alike.

#### 2.Borrowers Benefit from Lower Costs

Lower interest rates reduce monthly mortgage payments, helping minimize defaults and delinquencies.

#### 3. Real Estate Demand May Rebound

Easier borrowing conditions could drive increased mortgage activity, boosting origination volumes for lenders like RESCO.

#### 4. Lower Cost of Capital Enhances Margins

RESCO maintains two credit facilities with major Canadian banks, both tied to Prime. As Prime drops, borrowing costs decrease, widening spreads and potentially increasing fund profitability—directly benefiting investors.

## Investment Opportunities with RESCO

#### Short-Term Option - 1-year term:

## RESCO First Mortgage Fund LP (RESCO LP) - Class A Units

- 6% annual yield, paid monthly
- Secured by first-position mortgages on marketable Canadian real estate

A great option for conservative investors seeking capital preservation and stable cash flow.

## Long-Term Option - 4-year term:

## RESCO Mortgage Investment Corporation (RESCO MIC) - Class B Preferred Shares

- Since March 2014: 8.3%\* annual compounded return
- Invests in first and second mortgages, backed by Canadian real estate
- RRSP & TFSA eligible

Ideal for investors seeking long-term growth and consistent income in a tax-advantaged structure.

## A Smart Portfolio Diversifier in Any Market

According to recent features in Wealth Professional, mortgage funds and private credit investments have become essential components of institutional and high-net-worth portfolios. These assets offer:

- Stable, non-market correlated returns
- Lower volatility than traditional equities and bonds
- Attractive income backed by real assets
- Robust underwriting and risk management practices

In a world of uncertainty, RESCO offers more than just investment performance—it offers investment confidence.



Contact us today to find out how RESCO can help you diversify, protect, and grow your portfolio.

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Prospective investors should carefully review the Offering Memorandums and consult their own legal and tax advisors before making any investment decisions.

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Investing does not have to be a roller coaster ride—RESCO offers stability, security, and consistent returns.

**RESCO LP** 

CLASS A UNITS

6.00% 1-YEAR TERM **RESCOLP** 

CLASS B UNITS

6.50% 3-YEAR TERM **RESCO MIC** 

CLASS B
PREFERRED SHARES

8.30%\* 4-YEAR TERM

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It's time to consider THE ALTERNATIVES

\*Calculation based on reinvestment of monthly dividends. Investors may choose to reinvest dividends or receive dividend payments.

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