



Chris Cheng
Chief Operating Officer

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**
- 📉 **The Nasdaq fell 19% YTD, officially entering bear market territory**
- 📉 **The Dow plunged over 4,000 points in just two days**
- 📈 **The VIX (Volatility Index) surged past 60—its highest since 2008**
- 💰 **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 ▼

RESCO Group of Funds is a Canadian leader in mortgage investing, offering investors stable returns through carefully underwritten real estate-backed loans. With a long-standing track record of performance and risk management, RESCO provides access to a low-volatility asset class that is largely uncorrelated to the stock market.



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.

 905-886-8786

 info@rescominc.ca

 360 Highway 7 East, Unit 28
Richmond Hill, ON L4B 3Y7

DISCLAIMER

This information sheet is for general informational purposes only and is not, and under no circumstances should be construed as, an invitation to make an investment in RESCO First Mortgage Fund LP or RESCO Mortgage Investment Corporation (collectively, the "RESCO Group of Funds"). These materials should be read in conjunction with the Offering Memorandums dated April 24, 2024 (RESCO First Mortgage Fund LP) and June 4, 2024 (RESCO Mortgage Investment Corporation), including the risk factors identified therein. The rates of return and other information disclosed herein have not been independently verified and have been prepared by management.

This communication contains certain forward-looking statements. Although the RESCO Group of Funds believes that the expectations expressed in such statements are based on reasonable assumptions, these statements are not guarantees of future performance, and actual results may differ materially. Factors that could cause actual results to differ materially include failure to successfully negotiate or close transactions, adverse outcomes from mortgage investments, and general economic, market, or business conditions.

Investors are cautioned that any forward-looking statements are not guarantees of future performance. Actual results may differ materially from those projected. Forward-looking statements are based on the beliefs, estimates, and opinions of RESCO Group of Funds' management as of the date they are made. RESCO Group of Funds undertakes no obligation to update these statements if management's views or other circumstances change. Investing in the RESCO Group of Funds involves significant risks. There is currently no secondary market for the securities, and no assurance that one will develop. Returns on an investment in these securities are not comparable to returns on fixed-income securities. The recovery of an initial investment is not guaranteed, and projected returns are based on numerous performance assumptions. Past performance is not a guarantee of future results. The price of the securities mentioned and the income they generate may fluctuate and be adversely affected by market factors. Investors may experience losses, including the loss of principal. Investments in the RESCO Group of Funds are not insured by the Canada Deposit Insurance Corporation (CDIC).

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

This information:

- (i) may not be copied, distributed, or reproduced in whole or in part without prior written consent; and
- (ii) is not warranted to be accurate, complete, or timely.

Neither RESCO Group of Funds nor its content providers are responsible for any damages or losses arising from use of this information. This document is for informational purposes only and does not constitute an offer to sell or a solicitation to buy securities. Always consult your financial advisor before making any investment decisions.



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

RESCO LP	RESCO LP	RESCO MIC
CLASS A UNITS	CLASS B UNITS	CLASS B PREFERRED SHARES
6.00%	6.50%	8.30%*
1-YEAR TERM	3-YEAR TERM	4-YEAR TERM

📞 905-886-8786

✉ info@rescominc.ca

📍 28 - 360 Highway 7 East
Richmond Hill, ON L4B 3Y7

It's time to consider **THE ALTERNATIVES**

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

Disclaimer: This information sheet is for information purposes only and is not, and under no circumstances is to be construed as, an invitation to make an investment in RESCO Mortgage Investment Corporation or RESCO First Mortgage Funds LP. Past performance is not a guarantee of future returns. The price of the security mentioned here and the income it produces may fluctuate and/or be adversely affected by market factors, and investors may realize losses on investments in such security, including the loss of investment principal. Investment in this Corporation is not CDIC insured. Prospective investors should thoroughly review the offering memorandum and are advised to consult with their own legal and tax advisors concerning this investment. The information contained herein: (1) may not be copied or distributed; and (2) is not warranted to be accurate, complete or timely. Neither RESCO MIC nor RESCO LP nor its content providers are responsible for any damages or losses arising from any use of this information.