

# INVESTMENT OBJECTIVE

The Mortgage Company of Canada ("MCC") is a mortgage investment corporation whose objective is to provide investors with an attractive risk-adjusted return by primarily investing in mortgages of single family homes in the Greater Toronto Area. Our experienced management team employs a Board approved credit policy, follows rigorous underwriting analysis and leverages its third-party brokerage relationships as well as its affiliated mortgage brokerage for deal flow. MCC's Board of Directors ("Board of Directors") comprises a majority of independent members who provide a framework around best practices.



MORTGAGE COMPANY OF CANADA

## July 2016

### QUICK FACTS

Total Mortgage Portfolio	\$56.6 MM
Average Mortgage Value	\$158K
Average Term to Maturity	6.28 Months
<b>Portfolio Composition:</b>	
Residential	100%
Commercial	0%

<b>Investors:</b>	
Participating in DRIP	139
Total number of investors	227

### MORE INFORMATION

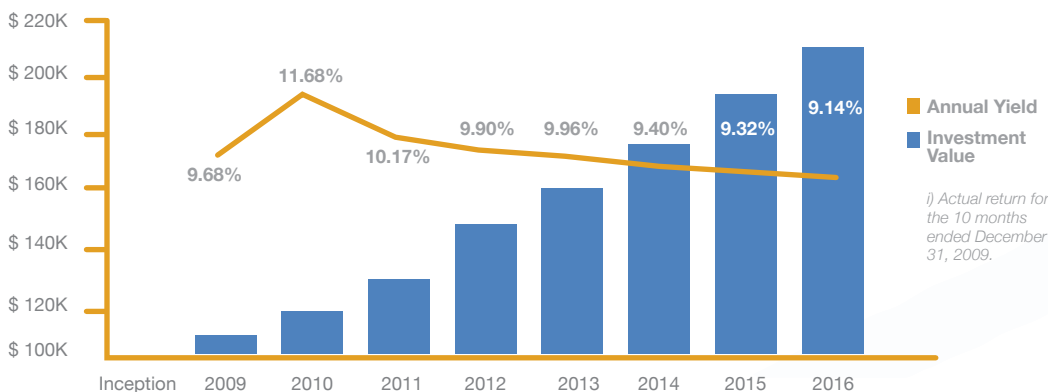
To learn more about how to invest with MCC, please email or call

**Raj Babber**

✉ [raj.babber@mcoci.com](mailto:raj.babber@mcoci.com)  
 ☎ 905-886-5352 ext. 222

## HISTORICAL RETURNS<sup>2</sup>

A \$100,000 investment in 2009 would be worth \$208,812 today



**9.14%**<sup>1</sup>  
2016 Yield

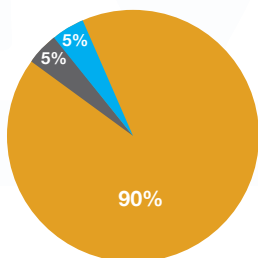
**70.59%**  
Average Loan-to-Value

**358**  
Mortgages Outstanding

**\$215MM**  
Total Deals Funded since inception as of July 30, 2016

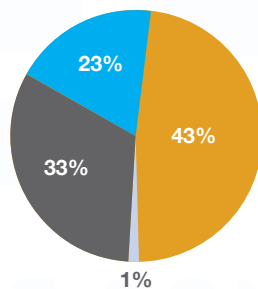
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## PORTFOLIO SUMMARY<sup>3</sup>



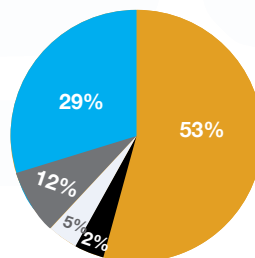
### MORTGAGES BY LOCATION

- GTA
- Other
- Golden Horseshoe



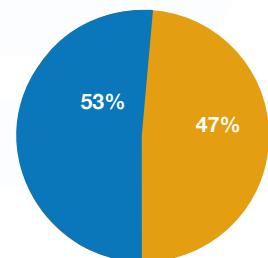
### REMAINING TERM TO MATURITY

- ≤ 6 months
- ≤ 9 months
- ≤ 12 months
- >12 months



### LOAN TO VALUE

- 75 - 79.9%
- 65 - 74.9%
- 55 - 64.9%
- 45 - 54.9%
- < 45%



### SECURITY POSITION

- 1st Mortgage
- 2nd Mortgage
- 3rd Mortgage

1) Monthly distributions are targeted at 9%. Bonuses reflecting yields generated in excess of 9% are paid out quarterly as per the MCC Offering Memorandum.  
 2) Reflects yields earned by the predecessor company prior to the incorporation of the Mortgage Company of Canada on August 8, 2013 and those earned by MCC thereafter.  
 3) Weighted by book value of loan.

# MARKET OUTLOOK

A brief discussion regarding the Greater Toronto Area's housing market:

- For the month of July, sales were up on a year-over-year basis, while the number of new listings were down over the same period<sup>4</sup>.
- Listings for single-detached and semi-detached houses and townhouses continue to be in short supply. The result has been an increase in pent-up demand and annual rates of price increases well above the rate of inflation<sup>4</sup>.

- Detached houses in Toronto sold for an average of \$1,203K in July 2016, up 20.7 percent from July 2015<sup>4</sup>.
- On a year over year basis, the price of a detached home in the 905 region was up 22 percent to an average of \$889K<sup>4</sup>.

## INVESTMENT TERMS

### Target Investor Yield

- 9% plus discretionary quarterly bonus, paid monthly
- Distributions paid monthly

### Minimum Investment

- \$25,000

### Dividend Reinvestment Plan

- DRIP available

### Deferred Income Plans

- Eligible for RRSP, RRIF, TFSA, and RESP deferred profit sharing plans

### Redemptions

- Locked in for 1 year, 60 day notice for redemption thereafter

### Management Fees

- 0.5% annual base fee
- Performance fee above minimum threshold return of 9.5%

### Auditor

Ernst & Young LLP

### Legal Counsel

Stikeman Elliott LLP  
Gowlings LLP

### FundSERV Code

MCO100

## MANAGEMENT TEAM

Our management team has demonstrated an excellent track record over their combined 40 years of lending experience. Management and the Board of Directors have approximately \$6 million invested in MCC on the same terms as our investors, insuring that our interests are aligned.

### RAJ BABBER

Founder, CEO and President

### SANJAY KAITH

Chief Operating Officer

### GREG GOUTIS CPA, CMA

Chief Financial Officer

### DANIEL DRIMMER

Independent Director

### TAMMY OLDENBURG CPA, CA

Independent Director

### JAMES GARCELON CFA®

Independent Director

## MAJORITY INDEPENDENT BOARD OF DIRECTORS

MCC is committed to best practices and the preservation of shareholder capital. Accordingly, we have appointed three well respected business and finance professionals with public company experience as independent members to our Board of Directors.

# MORTGAGE COMPANY OF CANADA

<sup>4</sup> Source: Toronto Real Estate Board, Market Watch, August 4 2016.