

INVESTMENT OBJECTIVE

Mortgage Company of Canada is a mortgage investment corporation whose objective is to provide investors with an attractive risk-adjusted return by primarily investing in mortgages secured by single family homes in the Greater Toronto Area. Our annual target yield is 9.25%, with distributions paid monthly. Our experienced management team employs an independent Board approved credit policy, follows rigorous underwriting analysis and leverages its third-party mortgage brokerage relationships as well as its affiliated mortgage brokerage for quality mortgage originations. Mortgage Company of Canada's Board of Directors ("Board of Directors") comprises a majority of independent members who provide a framework around best practices.



November 2017

QUICK FACTS

Year-Over-Year Increase **85%**
Average Term to Maturity **5.8 Months**

Portfolio Composition:

Residential **99.9%**
Commercial **0.1%**

Investors:

Participating in DRIP **219**
Total number of investors **365**
Management and Board Investment in common shares **~\$7.4M**

2017 TTM Yield with DRIP³
9.74%¹

Total Mortgage Portfolio
\$126M

Weighted average Loan-to-Value
67.5%

Average Appraisal Value
\$811K

Mortgages Outstanding
561

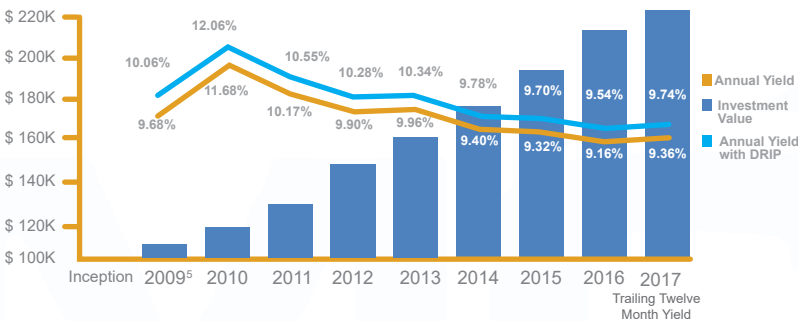
Average Mortgage Size (\$)
\$224K

Number of Deals Funded since Inception
2102²

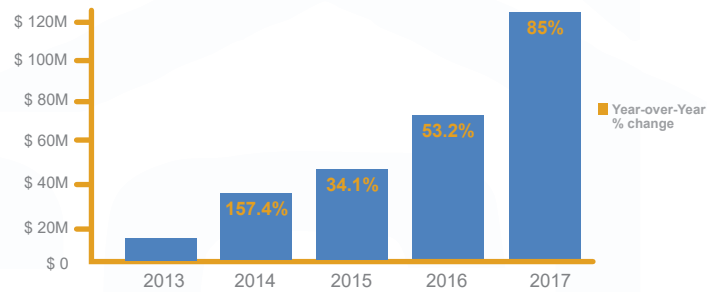
Total Deals Funded since inception
\$359M

HISTORICAL RETURNS⁴

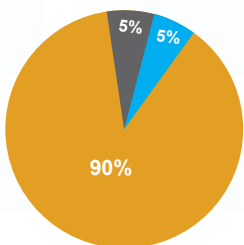
A \$100,000 investment in 2009 would be worth \$235,339 today



TOTAL MORTGAGE PORTFOLIO

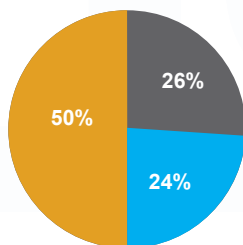


PORTFOLIO SUMMARY⁶



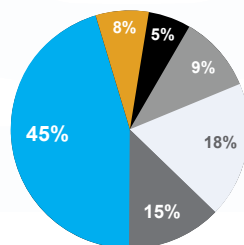
MORTGAGES BY LOCATION

■ GTA
■ Other
■ Golden Horseshoe



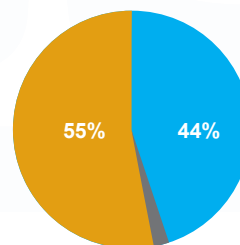
REMAINING TERM TO MATURITY

■ ≤ 6 months
■ ≤ 9 months
■ ≤ 12 months



LOAN TO VALUE

■ > 75.1%
■ 70.1 - 75%
■ 65.1 - 70%
■ 55.1 - 65%
■ 45.1 - 55%
■ < 45%



SECURITY POSITION

■ 1st Mortgage
■ 2nd Mortgage
■ 3rd Mortgage

DEALS FUNDED IN NOVEMBER
\$10M

MORE INFORMATION

To learn more about Mortgage Company of Canada, please email or call:

Raj Babber

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☎ 905-886-5352 ext. 222

1) Monthly distributions are targeted at 9.25%. Bonuses reflecting yields generated in excess of 9.25% are paid out quarterly as per the Mortgage Company of Canada's Offering Memorandum.
2) Reflects deals funded by the predecessor company prior to the incorporation of Mortgage Company of Canada on August 8, 2013 and those funded by Mortgage Company of Canada thereafter.
3) DRIP - Dividend Re-Investment Plan
4) Reflects yields earned by the predecessor company prior to the incorporation of Mortgage Company of Canada on August 8, 2013 and those earned by Mortgage Company of Canada thereafter.
5) Actual return for the 10 months ended December 31, 2009.
6) Weighted by book value of loan.

CEO's COMMENTARY

On January 1, 2018, the Office of the Superintendent of Financial Institutions (OSFI) will implement changes to Canada's existing mortgage underwriting (or "B-20") guidelines. OSFI's goal is to tighten lending standards.

The most significant change to the existing regime is the establishment of a minimum qualifying rate (or "stress test") for uninsured mortgages. Currently, it only applies to insured mortgages. OSFI is also insisting that OSFI regulated lenders enhance their loan-to-value measurements, and is placing restrictions on lending arrangements that circumvent loan-to-value limits.

We view these new guidelines as positive for alternative lenders like Mortgage Company of Canada. We believe there are many credit-worthy customers who, through no fault of their own, will struggle to get a mortgage from traditional lenders who are required to apply OSFI's new guidelines. They will turn to the alternative market.

Our guidelines are also adapting to be more stringent to correspond with the current market changes. We will continue to use strict underwriting standards to invest in high-quality mortgages in single-family homes in the Greater Toronto Area. By diligently applying these standards, we believe we can tap into an attractive new customer base that is displaced by the new regulations.

MAJORITY INDEPENDENT BOARD OF DIRECTORS

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

JAMES GARCELON

- Over 20 years of experience in the financial sector.
- Portfolio Manager at Shaunessy Investment Counsel Inc.
- Former Co-Founder and Principal of Grove Capital Group.

TAMMY OLDENBURG

- Over 19 years of experience within the finance and real estate sectors.
- Chief Financial Officer at Credit Suisse Canada.
- Former Vice President and Chief Financial Officer of MCAN Mortgage Corporation.

RICHARD SENECHAL

- Former President and Chief Executive Officer of DUCA Financial Services Credit Union.
- DUCA Director for over 30 years, served as Board Chair, Vice Chair, Chair Executive Committee, Chair Investment Committee, Chair Budget Committee and member of the Audit Committee.

STRATEGIC ADVISOR

DANIEL DRIMMER

- Over 20 years of experience in the multi-family residential and commercial real estate sectors in Canada and the United States.
- President and Chief Executive Officer of Starlight Investments Ltd., Chairman of the Board, President and Chief Executive Officer of True North Commercial Real Estate Investment Trust and Chief Executive Officer of Starlight U.S. Multi-Family Core Funds.
- Former Board Member of Mortgage Company of Canada.

1) Refer to Offering Memorandum for additional terms.

INVESTMENT TERMS

Target Yield

- Annual yield of 9.25% plus discretionary quarterly bonus
- Distributions paid monthly

Minimum Investment

- \$25,000

Dividend Reinvestment Plan

- DRIP available

Deferred Income Plans

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

Redemptions

- Locked in for 1 year, 30 day notice, up to 60 days for redemption thereafter¹

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
Gowling WLG

FundSERV Code

MCO100

MANAGEMENT TEAM

Our management team has demonstrated an excellent track record over a combined 45 years of lending experience. Management and the Board of Directors have approximately \$7.4 million invested in Mortgage Company of Canada on the same terms as our investors, insuring that our interests are aligned.

RAJ BABBER

Founder, CEO and President

GREG GOUTIS

Chief Financial Officer

SANJAY KAITH

Chief Operating Officer