

# 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.



February 2018

## QUICK FACTS

Total Mortgage Portfolio	\$143M
Year-Over-Year Increase	75%
Average Mortgage Value	\$259K
Average Term to Maturity	5.8 Months
Average Appraisal Value	\$845K

### Portfolio Composition:

Residential	99.9%
Commercial	0.1%

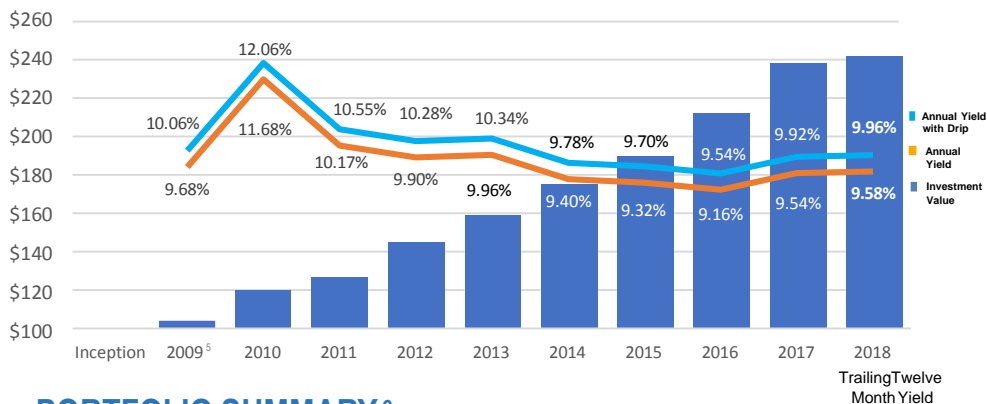
### Investors:

Participating in DRIP	258
Total Number of Investors	425
Management and Board	~\$8.1M
Investment in Common Shares	

<b>9.96%</b> <sup>1</sup>	<b>67.7%</b>	<b>552</b>	<b>\$393M</b>	<b>2181</b> <sup>2</sup>
2017 TTM Yield with DRIP <sup>3</sup>	Average Loan-to-Value	Mortgages Outstanding	Total Deals Funded Since Inception	Number of Deals Funded Since Inception

## HISTORICAL RETURNS <sup>4</sup>

A \$100,000 investment in 2009 would be worth \$242,221 today



DEALS FUNDED IN FEBRUARY:  
~\$9M

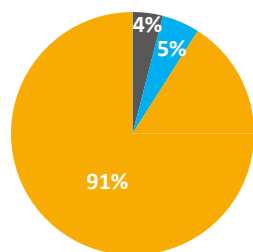
## MORE INFORMATION

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

**RAJ BABBER**

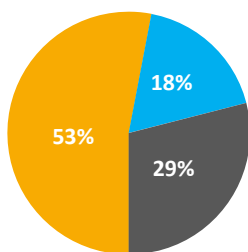
[raj.babber@mcoci.com](mailto:raj.babber@mcoci.com)  
905-886-5352 ext. 222

## PORTFOLIO SUMMARY <sup>6</sup>



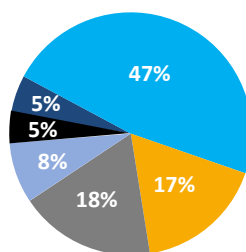
### MORTGAGES BY LOCATION

- GTA
- Other
- Golden Horseshoe



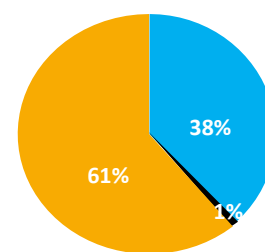
### REMAINING TERM-TO-MATURITY

- ≤ 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

- 1<sup>st</sup> Mortgage
- 2<sup>nd</sup> Mortgage
- 3<sup>rd</sup> Mortgage

1) Monthly distributions are targeted at 9.25%. Bonuses reflecting yields generated in excess of 9.25% (as at Sept. 30, 2017) 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

One of Mortgage Company of Canada's greatest strengths is our ability to rapidly adjust to changing market conditions. Housing market conditions have been quite variable over the last 12 months. However, our performance has been consistently excellent as we have taken many actions to strengthen our competitive position. We have maintained an average loan-to-value on our portfolio of less than 70%, and below average 2016 levels. We have become even more focused on the Greater Toronto market. More than 90% of our mortgages are now based in our core region, with approximately 60% of our capital invested in first mortgages and 40% invested in second mortgages. We have increased the quality of our beacon score for borrowers to just under 650, ensuring that we have a strong base of credit-worthy customers. We have been more disciplined than ever about the mortgages we choose to fund, while still declining three quarters of the funding opportunities available to us. And even as our mortgage originations have been increasing, we have continued to boost the overall quality of our portfolio without fully extending our line of credit.

## 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 25 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 20 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.

### BRIAN JOHNSTON

- Over 30 years of management experience in the real estate industry.
- Chief Operating Officer at Mattamy Homes.
- Former Director of the Canada Mortgage and Housing Corporation (CMHC).

## STRATEGIC ADVISOR

### DANIEL DRIMMER

- Over 21 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.

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 days notice, up to 60 days for redemption thereafter<sup>1</sup>

### 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 \$8.1 million invested in Mortgage Company of Canada on the same terms as our investors, ensuring that our interests are aligned.

### RAJ BABBER

- Founder and CEO

### FAHEEM TEJANI

- President

### GREG GOUTIS

- Chief Financial Officer

### SANJAY KAITH

- Chief Operating Officer