

# 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.



June 2018

## QUICK FACTS

Total Mortgage Portfolio	\$178MM
Year-Over-Year Increase	66%
Average Mortgage Value	\$287K
Average Term to Maturity	6 Months
Average Appraisal Value	\$818K

### Portfolio Composition:

Residential	99.9%
Commercial	0.1%

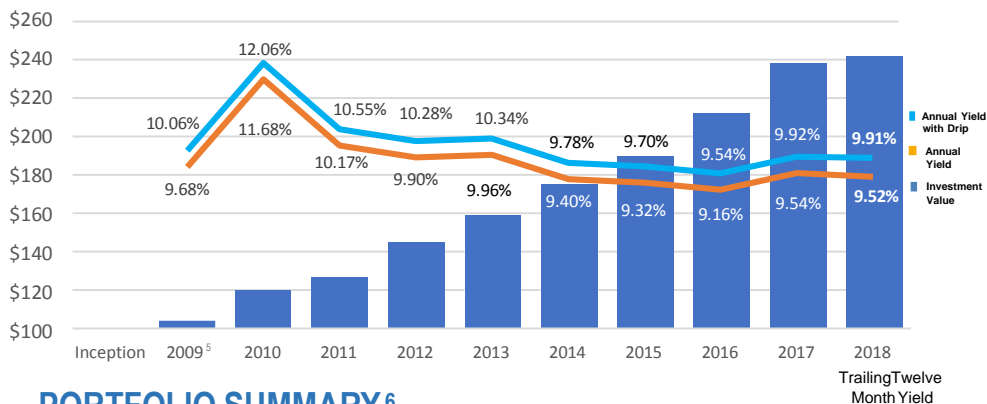
### Investors:

Participating in DRIP	286
Total Number of Investors	469
Management and Board	~\$8.7MM
Investment in Common Shares	

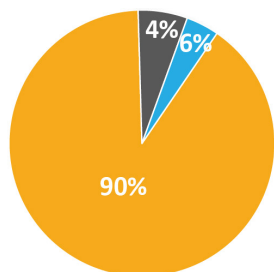
<b>9.91%</b> <sup>1</sup>	<b>68.6%</b>	<b>622</b>	<b>\$463MM</b>	<b>2,372</b> <sup>2</sup>
2018 TTM Yield with DRIP <sup>3</sup>	Average Loan-to-Value	Mortgages Outstanding	Total Deals Funded Since Inception	Number of Deals Funded Since Inception

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

A \$100,000 investment in 2009 would be worth \$250,301 today

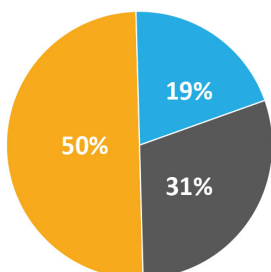


## PORTFOLIO SUMMARY <sup>6</sup>



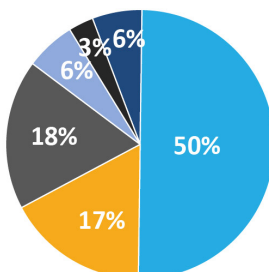
**MORTGAGES BY LOCATION**

- GTA
- Other
- Golden Horseshoe



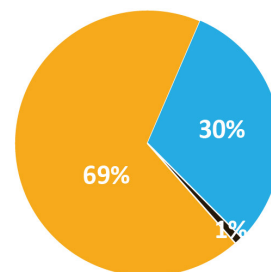
**REMAINING TERM-TO-MATURITY**

- ≤ 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

**DEALS FUNDED IN JUNE:**  
~\$15MM

## 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

1) Monthly distributions are targeted at an annual yield of 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

It is no secret that a huge number of millennials have delayed home purchases due to affordability issues and the fact that they are starting families later than their parents. Millennials are the biggest and fastest-growing demographic group in the Greater Toronto Area. So a surge in housing demand seems inevitable as this generation gradually moves out of apartments or their parents' homes.

A new report from Ryerson University's Centre for Urban Research and Land Development lays out the numbers. The report estimates that nearly one million millennials in the Greater Toronto and Hamilton Area (GTHA) are living with their parents. Of that group, almost 700,000 could look to move into their own households in the next decade. Overall, the report says the home ownership rate for millennials in the region could rise from 40% in 2016 to 60% in 2026.

This will have a profound effect on the housing market. The amount of housing stock will have to increase significantly to accommodate this cohort of buyers. Upward pressure on single-family home prices seems highly likely as millennials seek sufficient living space for children. And, in our view, the alternative mortgage market will continue to play a very important role in helping this generation achieve its home ownership dreams.

## 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 \$8.7 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