

2024

RESCO Group of Funds

FALL
NEWSLETTER



10TH
RESCO
GROUP OF FUNDS
anniversary



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All financial data herein are as of July 31, 2024 unless otherwise noted.



Chris Cheng
Chief Operating Officer

RESCO Group of Funds
Since 2013

Message from the COO - Peace of Mind Investing: Secure Your Future with RESCO Group of Funds

At RESCO, our top priority is to protect your investment while delivering a consistent rate of return. Being able to give our investors peace of mind and securing their financial future are the cornerstones of our portfolio management philosophy.

In times of economic uncertainty, effective risk management becomes even more critical. Our approach centers on several key strategies designed to mitigate risks, including thorough assessments of borrowers' creditworthiness and the viability of underlying assets.

Key Risk Management Practices:

1. Strengthening Underwriting Standards:

We are reinforcing our underwriting standards by conducting more rigorous assessments of borrowers' creditworthiness, income stability, and overall financial health. This conservative approach ensures we extend credit to those most likely to meet their mortgage obligations, even during challenging times.

2. Focused Loan-to-Value (LTV) Ratios:

We maintain conservative LTV ratios, particularly for new mortgage originations. By requiring higher equity contributions from borrowers, we reduce the risk of losses if property values decline, which is more prevalent during economic downturns.

3. Diversifying Mortgage Portfolio:

Diversification is key to mitigating risk. We spread our mortgage exposure across various geographic

regions and property types to avoid concentration risk. This strategy ensures that a downturn in one area does not disproportionately affect the entire portfolio.

4. Enhanced Monitoring and Early Intervention:

We have implemented enhanced monitoring of mortgage performance, focusing on early signs of borrower distress. By increasing outreach efforts to engage with borrowers, especially those at risk of financial difficulty, we can offer support and explore options early to prevent defaults and reduce overall risk. Early identification of potential issues allows us to intervene with solutions like loan modifications or restructurings to minimize losses.

5. Regular Review of Market Conditions:

Our risk management team continuously monitors market conditions, including interest rate trends, property market dynamics, and economic indicators. This ongoing analysis enables us to adjust our mortgage strategies in response to changing conditions and emerging risks.

By adhering to these strategies, we are able to navigate the challenges of the current economic environment while protecting the integrity of our mortgage portfolio. We believe this approach will not only safeguard your capital but also provide sustainable returns in the long term.

We appreciate your continued trust and confidence in our management. Rest assured that we remain committed to delivering value through careful, strategic decision-making.

RESCO News and Events

2024 Q2

We are excited to share our involvement and contributions to various community events and sponsorships in the second quarter of 2024. At RESCO, we believe in giving back and supporting initiatives that make a positive impact on our communities. Here's a recap of our recent activities:

Toronto Chung Wah Chinese School May 3



多倫多中華學校
Toronto Chung Wah Chinese School

RESCO proudly supported the Toronto Chung Wah Chinese School by featuring a full-page ad in their 40 Anniversary Gala program book. We believe in the importance of education and cultural preservation, and we are honored to contribute to such a worthy cause.

Hong Kong Entrepreneurs Chamber of Commerce (Canada) May 11



Our commitment to the community continued with our sponsorship of The Lilium Ball, hosted by HKECC. RESCO was featured with two full-page ads in the event program book, supporting this prestigious event that brought together leaders and community members for a night of celebration and philanthropy.

Hong Fook Mental Health Foundation June 1



Mental health is a cause close to our hearts. On June 1st, RESCO sponsored a full-page ad in support of the Hong Fook Mental Health Foundation. We are proud to support their mission of promoting mental health awareness and providing services to those in need.

Ward 3 Community BBQ Councillor Castro Liu June 7

RESCO had the pleasure of being the food sponsor of the Community BBQ hosted by Richmond Hill Ward 3 Councillor Castro Liu at Richmond Green Sport Centre and Park. We believe in fostering strong community ties and supporting local leaders who strive to make a difference.

Richmond Hill Markham Vaughan Chinese Business Association Gala June 15

As a Silver Sponsor for the RHMCA Gala, RESCO had the opportunity to support local businesses and entrepreneurs. This event is a cornerstone for networking and celebrating the achievements of the Chinese Canadian business community.



Carefirst Charity Golf Tournament June 25

Our team participated in the Carefirst Charity Golf Tournament with a Foursome. We enjoyed a day of golf while supporting Carefirst's mission to provide comprehensive and holistic health and social services to the community.



SEAS Charity Golf Tournament July 18

RESCO was proud to be a Gold Sponsor for the SEAS Charity Golf Tournament. This event supports SEAS's important work in providing support and resources to those in need, and we were honored to contribute to their cause.



Footy4charity 2024 July 28

As a Bronze Sponsor for Footy4charity 2024, RESCO supported this event that combines the love of soccer with charitable giving. It's a wonderful initiative that brought the community together for a day of fun and fundraising. The event was organized by the Toronto Chapter of the Asian Real Estate Association of North America (ARENA) and the iCherish Foundation, and the funds raised will support the Markham Stouffville Hospital Foundation.



We are grateful for the opportunity to support these incredible events and organizations. Supporting meaningful causes is a priority for us. Stay tuned as we join hands with more upcoming organizations to make a difference in our community.

Announcement

Investment Roadshow 2024

We are excited to announce that RESCO will be hosting a series of Investment Seminars in British Columbia and Ontario. These Investment Roadshows promise to be valuable opportunities for learning about RESCO's investment offerings, market insights, and networking with financial advisors.

Roadshow Schedule:

Province	City	Date	Time	Language
BC	Richmond	Sep 21, 2024 (Saturday)	10:30 AM - 11:30 AM	English
BC	Richmond	Sep 21, 2024 (Saturday)	1:30 PM - 2:30 PM	Mandarin
ON	Toronto	Oct 2, 2024 (Wednesday)	11:30 AM - 2:00 PM	English
ON	Toronto	Oct 8, 2024 (Tuesday)	6:00 PM - 9:00 PM	Cantonese



RESCO Group of Funds

INVESTMENT ROADSHOW 2024

Investing in Uncertain Times: Strategies for Stability and Growth



Chris Cheng

Chief Operating Officer

Discussion and Insights:

Join us at the RESCO Investment Roadshow, where we'll explore strategies to navigate the emotional ups and downs of investing during uncertain periods. Our experts will guide you on effectively diversifying your investment portfolio with private equity, aiming to achieve consistent returns while mitigating downside risks.



Investment Roadshow Details:



English Session



Saturday, September 21, 2024
10:30 AM - 11:30 AM



Quilchena Golf and Country Club
3551 Granville Ave, Richmond, BC V7C 1C8



Mandarin Session



Saturday, September 21, 2024
1:30 PM - 2:30 PM



Quilchena Golf and Country Club
3551 Granville Ave, Richmond, BC V7C 1C8



English Session



Wednesday, October 2, 2024
11:30 AM - 2:00 PM



Pearl Bayview Chinese Cuisine
291 York Mills Rd.
Toronto, ON M2L 1L3



Cantonese Session



Tuesday, October 8, 2024
6:00 PM - 9:00 PM



Kaleido
1550-16th Ave Block C North,
Richmond Hill, ON L4B 3K9

This is an exclusive, invitation-only event.

Toronto Office

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

Edmonton Office

Manulife Place
10180 - 101 St. Suite 3400
Edmonton, AB T5J 3S4

Vancouver Office

5811 Cooney Rd., South Tower
Suite 305
Richmond, BC V6X 3M1

Winnipeg Office

330 St. Mary Ave., Suite 300
Winnipeg, MB
R3C 3Z5

Transparency in Fund Deployment: Use of Lines of Credit in RESCO MIC & RESCO LP Fund Profiles

At RESCO, transparency is paramount in our investment strategy. In our fund profiles for both the RESCO Mortgage Investment Corporation (RESCO MIC) and RESCO First Mortgage Fund Limited Partnership (RESCO LP), we provide full disclosure on our strategic use of two lines of credit. We utilize these credit facilities to bolster our investment capabilities, enabling us to capitalize on promising opportunities within the mortgage market while maintaining financial prudence.

By integrating lines of credit into our investment approach, we aim to optimize returns for our investors while managing risk effectively. Our commitment to transparency ensures that our investors are fully informed about our financial strategies and the mechanisms we employ to safeguard their investments.



Enhancing Brand Awareness at RESCO

We are excited to share our latest initiative aimed at strengthening RESCO's presence and reputation. As part of our ongoing efforts to enhance transparency and build trust with our community, we have recently launched our Trustpilot page. This platform allows us to actively collect and showcase brokers' feedback, providing valuable insights into our services.

In addition to [Trustpilot](#), we encourage our investors to leave feedback on our [Google review page](#). Your input is invaluable in helping us continuously improve and serve you better.

Thank you for your ongoing support as we continue to grow and evolve at RESCO

Expanding Reach in British Columbia

As we broaden our horizons into British Columbia, we're excited to launch a targeted Geo-marketing campaign on the Canadian Mortgage Professional (CMP) website this September. This initiative is designed to foster connections with local brokers and prospective partners, supporting our growth and success in new markets.

Additionally, our COO Chris Cheng and CRO Phoebe Lam will be attending the CAMLA Vancouver Expo on September 20, 2024 to engage with BC private lenders and explore new opportunities in the region.

Stay tuned for updates and more insights as we continue to expand!

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

Investing in **RESCO** is the opposite
of a roller coaster ride.

124
MONTHS

OF CONSISTENT
AND CONSECUTIVE
DIVIDEND DISTRIBUTIONS AT

8.3%* | PER ANNUM
SINCE MARCH 2014

Please contact
RESCO to
REFER A FRIEND



CONTACT US

905-886-8786
info@rescomc.ca
28 -360 Highway 7 East,
Richmond Hill, ON L4B 3Y7
rescomc.ca

*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. 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 MIO nor its content providers are responsible for any damages or losses arising from any use of this information.

Portfolio At-a-Glance

as of July 31, 2024



806

Total number of RESCO MIC investors since inception



114

RRSP

210

TFSA

Number of investors with RESCO MIC in their RRSP & TFSA



288

Investors who have stayed with RESCO MIC for more than 5 years (invested on or before July 31, 2019)



\$490,725,628.68

Volume Funded by RESCO MIC Since Inception



1,733

Number of mortgages funded by RESCO MIC since inception



\$34,039,891.73

Dividends paid to RESCO MIC investors since inception



1,189,189.46

Dividends paid to RESCO First Mortgage Fund LP (Class A & B) investors since inception

Portfolio Performance

as of July 31, 2024

RESCO Mortgage Investment Corporation

8%

Annual Yield

8.3%

Annual Yield with DRIP

\$80,423,228.34

Mortgages Under Administration

205

Number of Mortgages

\$392,308.43

Average Mortgage Size

64.84%

Weighted Average LTV

69.83%

% of First Mortgage (\$)

698

Weighted Average Credit Score

10.56 months

Average Term to Maturity

100%

% of Residential Mortgage

73.46%

Owner occupied

\$14,120,450.70

Line of Credit Used

Portfolio Distribution

as of July 31, 2024

RESCO Mortgage Investment Corporation

Geographic Distribution (\$) Total



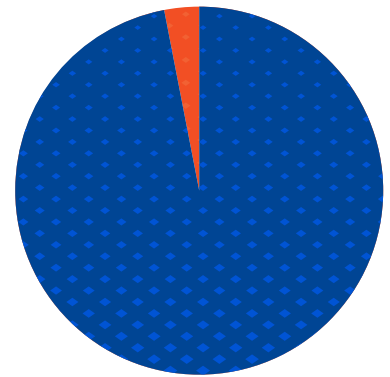
\$114,943.68

Manitoba



\$80,308,284.66

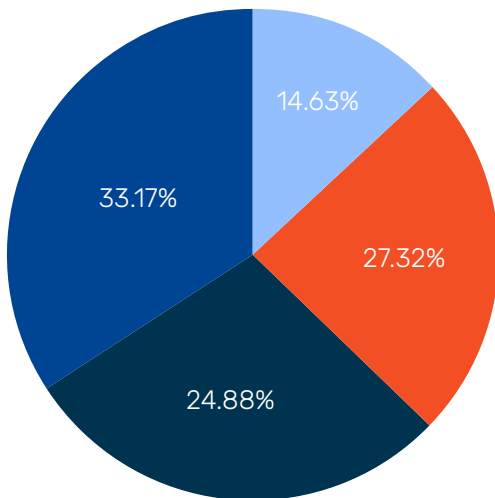
Ontario



\$80,423,228.34

Total Mortgage Amount

Mortgage Size



Portfolio Distribution

as of July 31, 2024

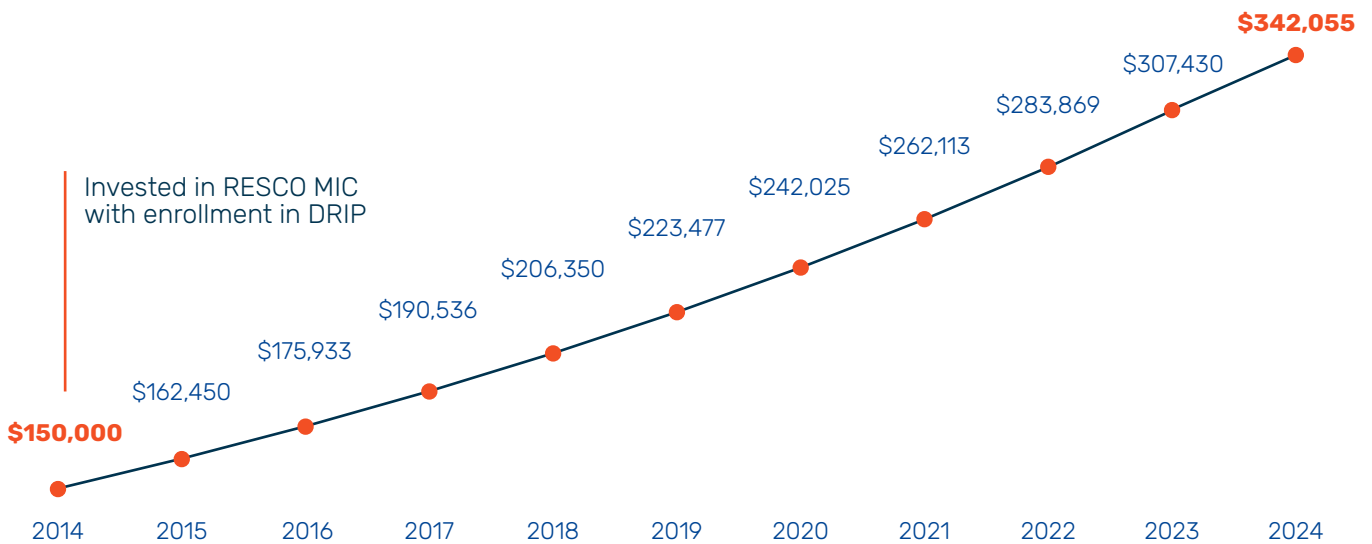
Performance

Based on an investment of \$150,000 since March 2014

2019	2020	2021	2022	2023	Since Inception (\$)
8.3%	8.3%	8.3%	8.3%	8.3%	\$342,055.30

*CALCULATION BASED ON REINVESTMENT OF MONTHLY DIVIDENDS. INVESTORS MAY CHOOSE TO REINVEST DIVIDENDS OR RECEIVE DIVIDEND PAYMENTS.

RESCO can double your investment in less than 10 years:



Portfolio Performance

as of July 31, 2024

RESCO First Mortgage Fund LP

6%

Class A Units Annual Yield

6.5%

Class B Units Annual Yield

\$53,409,340

Mortgage Advanced since Inception

\$742,127.50

Average Mortgage Size

100%

% of Residential First Mortgage

742

Average Credit Score of borrowers

61.65%

Average LTV

9.62%

Weighted Average Interest Rate

10.70 months

Average Term to Maturity

0%

% of Default since inception

91.06%

Owner Occupied

\$4,639,147.50

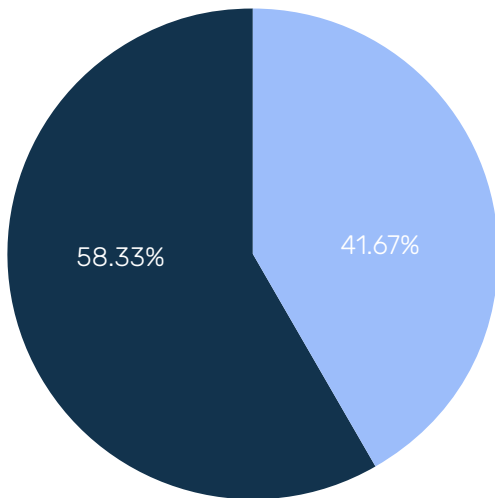
Line of Credit Used

Portfolio Distribution

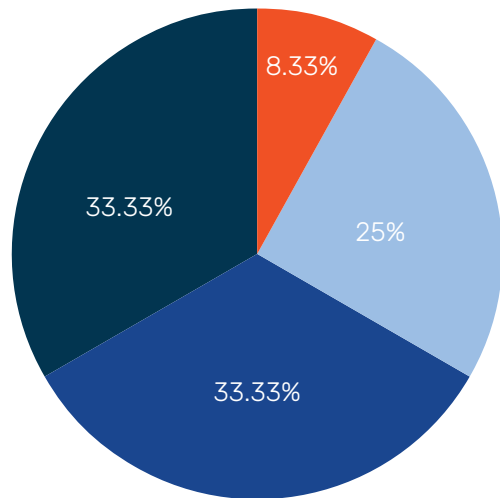
as of July 31, 2024

RESCO First Mortgage Fund LP

Property Type



Mortgage Size



Geographic Distribution (\$) Total



\$8,905,530.00

Ontario



Peace of Mind Begins with RESCO

it's time to consider
THE ALTERNATIVES

To learn more about adding any of the RESCO products to your portfolio to give you peace of mind in today's unsettled market, please contact us at:

☎ 905-886-8786

✉ info@rescominc.ca

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

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