

2024

# RESCO Group of Funds

WINTER  
NEWSLETTER



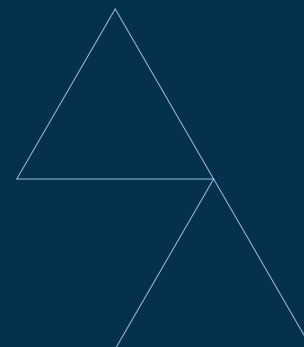


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All financial data herein are as of Oct 31, 2024 unless otherwise noted.







**Chris Cheng**  
Chief Operating Officer

RESCO Group of Funds  
Since 2013

## Message from the Chief Operating Officer

### Exploring New Horizons: Alternative Investments for a Changing Market Landscape

With the U.S. election concluded, market uncertainty remains top of mind. Despite the S&P's impressive 21.47% year-to-date increase as of November 1, 2024, concerns of a possible correction loom, fueled by high valuations and speculative trading. Analysts caution that the index could see a 10% drop before year-end, a reminder of the volatility in today's market.

Given this uncertain environment, it may be prudent for investors to diversify their portfolios, as many pension funds have historically done. These funds often utilize investment approaches that are less sensitive to public market fluctuations, allowing them to weather unpredictable conditions more effectively.

Long-term private market investments are particularly appealing to those seeking stability. By balancing a portfolio with both public and private assets, investors can build resilience against volatility and create a strong foundation for retirement savings.

### Time to Look Beyond GICs: Alternatives for Yield in a Low-Rate World

The days of 5% yields on Guaranteed Investment Certificates (GICs) are likely behind us. Following several interest rate cuts by the Bank of Canada, including a recent half-point

reduction to 3.75% on October 23, 2024, GIC rates have fallen sharply. This shift challenges Canadians who are saving for retirement, as GICs may no longer meet return expectations in this low-rate environment. For better performance, it might be time to explore alternative investments.

### Private Market Alternatives for Enhanced Yield and Stability

RESCO Group of Funds offers two compelling options to investors seeking stable, higher-yield alternatives. RESCO Mortgage Investment Corporation and RESCO First Mortgage Fund LP are mortgage investment entities (MIEs) which holds portfolios of real estate-backed mortgage loans. These portfolios generate income and fees to provide reliable cash flow similar to bonds, yet with the potential for more attractive returns. However, as with any investment, they carry inherent risks, particularly tied to real estate market conditions and borrower repayment.

In today's uncertain economic environment, maintaining a diversified portfolio is crucial—one built to withstand various market cycles and unexpected events. Alternatives like RESCO MIC and RESCO LP can offer a balanced approach to risk and reward, making them a valuable addition to a well-rounded investment strategy.



**Mia Wu**  
Finance Manager

## Message from the Accounting Department

As RESCO MIC enters a new fiscal year following the October 31 year-end, the Accounting Department has been working diligently to finalize last year's financials and setting the stage for continued success. Our team remains focused on enhancing efficiency, transparency, and accuracy to ensure a strong and productive year ahead.

### Financial Performance

In light of a softer economy and the housing market's continued challenges, we've maintained a conservative approach in our provision for credit losses (PCL). We're proud to report that despite these economic headwinds, RESCO MIC remains financially healthy and able to maintain an 8% dividend distribution without compromising financial stability. Our primary goal is to ensure long-term financial health and delivering consistent returns for our investors.

### Risk Management & Compliance

Our approach to risk management is constantly evolving to meet the demands of today's shifting economic landscape. We are dedicated to strict compliance with MIC regulations, ensuring that all of our investment activities adhere to the highest standards of integrity and responsibility.

### Looking Ahead

As with the conclusion of every fiscal year, RESCO MIC will soon undergo a financial audit as required by law for all mortgage investment corporations. Each previous annual audit has validated our dedication to accuracy, accountability and transparency; and confirmed that your investments are being managed with the utmost care and expertise. I expect this year's audit to reinforce our impeccable track record.

In the new fiscal year, we will continue to adopt a prudent approach to PCL, ensuring that we maintain sufficient reserves to navigate potential challenges and deliver dividends consistently and on time.

**Thank you for your continued trust and support as we move into a new chapter with confidence and care.**



# RESCO News and Events

The recent months have been an exciting and fruitful period for RESCO. We actively participated in various community and industry events, strengthening relationships, showcasing our services, and supporting important causes.

## Markham, Richmond Hill & Vaughan Chinese Business Association (MRVCBA) - Golf Tournament 2024



### Gold Sponsor - August 21, 2024, at Upper Unionville Golf Club

We proudly sponsored the Markham, Richmond Hill & Vaughan Chinese Business Association Golf Tournament, connecting with local business leaders and fostering community relationships through this enjoyable event.



## IC Savings September Social Event

### September 13, 2024



Our COO Chris Cheng and CRO Phoebe Lam participated in the IC Savings September Social Event, where we had the opportunity to engage with underwriting members.



# Real Estate and Home Expo



**Exhibitor - September 14-15, 2024, at Hilton Toronto - Markham Suites Conference Centre & Spa**



Our presence at the Real Estate and Home Expo allowed us to showcase our offerings and connect with potential clients interested in home financing and investment opportunities.

# Richmond Hill Councilor Michael Shiu's First-Ever Outdoor Event

**Gold Sponsor - September 15, 2024, at Langstaff Community Centre**

As a Gold Sponsor, we were proud to support Councilor Michael Shiu's inaugural outdoor event, promoting community engagement and celebrating local initiatives.



# CAMLA Vancouver Expo

**September 20, 2024, at Westin Bayshore Hotel**



We attended the CAMLA BC Expo, which provided an opportunity to network with private lenders and brokers in British Columbia.

# RESCO Investment Roadshow 2024

- **September 21, 2024, at Quilchena Golf and Country Club in Vancouver, British Columbia**
- **October 2, 2024, at Pearl Bayview Chinese Cuisine in North York, Toronto**
- **October 8, 2024, at Kaleido in Richmond Hill, Toronto.**

The RESCO Investment Roadshow 2024 was a successful series of events where we presented investment opportunities to potential clients, strengthening our relationships and expanding our reach in the community.





## CMP Mortgage Summit

**Exhibitor - September 26, 2024, at Pearson Convention Centre**



As exhibitors at the CMP Mortgage Summit, we had the pleasure of connecting with many brokers and industry professionals. It was a great opportunity to exchange insights and share our innovative mortgage solutions. We're excited about the potential collaborations and relationships built during this event!

## Toronto Elegant Lions Club

**Sponsor - October 5, 2024, at Hilton Toronto - Markham Suites Conference Centre & Spa**



We were honored to support the Toronto Elegant Lions Club by sponsoring a Full-page advertisement at their event, contributing to the important cause of Hill House Hospice.

## OneHub Growth Career Networking Event

**Guest Panelist: Chris Cheng - October 7, 2024, at OneHub Growth office**



Our COO Chris Cheng participated as a guest panelist, sharing valuable insights on career development in the financial services industry.

## Toronto Hong Kong Lions Club (THKLC)



**Sponsor - October 12, 2024, at Hilton Toronto/Markham Suite Conference Centre & Spa**



We proudly sponsored a Full-page advertisement at the THKLC event, reaffirming our commitment to supporting community service organizations. This event aimed to raise funds for The Cross-Cultural Community Services Association (TCCSA), and we were honored to contribute to such a meaningful cause that fosters cultural diversity and community support.

### Announcement

## Addition of Exempt Market Dealer: Markham Centre Financial (MCF) Securities Inc.



We are excited to announce the addition of Markham Centre Financial (MCF) Securities Inc. as an Exempt Market Dealer (EMD) of RESCO's offerings. This enhances our ability to connect investors with exclusive, high-quality investment opportunities in private markets, further expanding our range of services.

# RESCO is your passport to Portugal

Reward and Recognition 2024

We are thrilled to announce that 7 advisors and 1 investor have qualified for our exclusive Reward and Recognition trip to Portugal in 2024!

This prestigious trip is a testament to their outstanding achievements and dedication over the past 8 months. We look forward to celebrating their success with an unforgettable experience in Portugal, acknowledging their hard work and contributions.





# Portfolio At-a-Glance

as of Oct 31, 2024



**819**

Total number of RESCO MIC investors since inception



**116** RRSP **219** TFSA

Number of investors with RESCO MIC in their RRSP & TFSA



**290**

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



**\$503,605,182.95**

Volume Funded by RESCO MIC Since Inception



**1,757**

Number of mortgages funded by RESCO MIC since inception



**\$35,456,561.63**

Dividends paid to RESCO MIC investors since inception



**\$1,256,493.6**

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

# Portfolio Performance

as of Oct 31, 2024

## RESCO Mortgage Investment Corporation

8%

Annual Yield

8.3%

Annual Yield with DRIP

\$74,242,875.61

Mortgages Under Administration

190

Number of Mortgages

\$390,751.98

Average Mortgage Size

66.68%

Weighted Average LTV

70.26%

% of First Mortgage (\$)

709

Weighted Average Credit Score

4.80 months

Average Term to Maturity

100%

% of Residential Mortgage

\$3,951,192.97

Line of Credit Used

74.14%

Owner occupied

# Portfolio Distribution

as of Oct 31, 2024

## RESCO Mortgage Investment Corporation

### Geographic Distribution (\$) Total



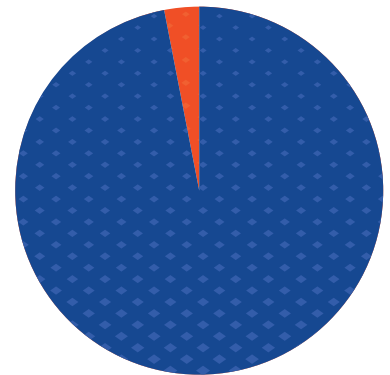
**\$114,943.68**

Manitoba



**\$74,127,931.93**

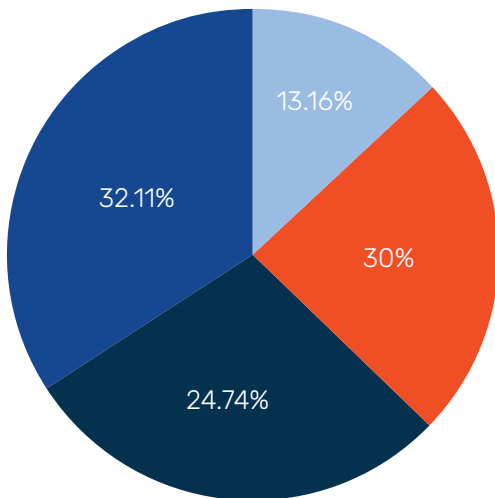
Ontario



**\$74,242,875.61**

Total Mortgage Amount

### Mortgage Size





# Portfolio Distribution

as of Oct 31, 2024

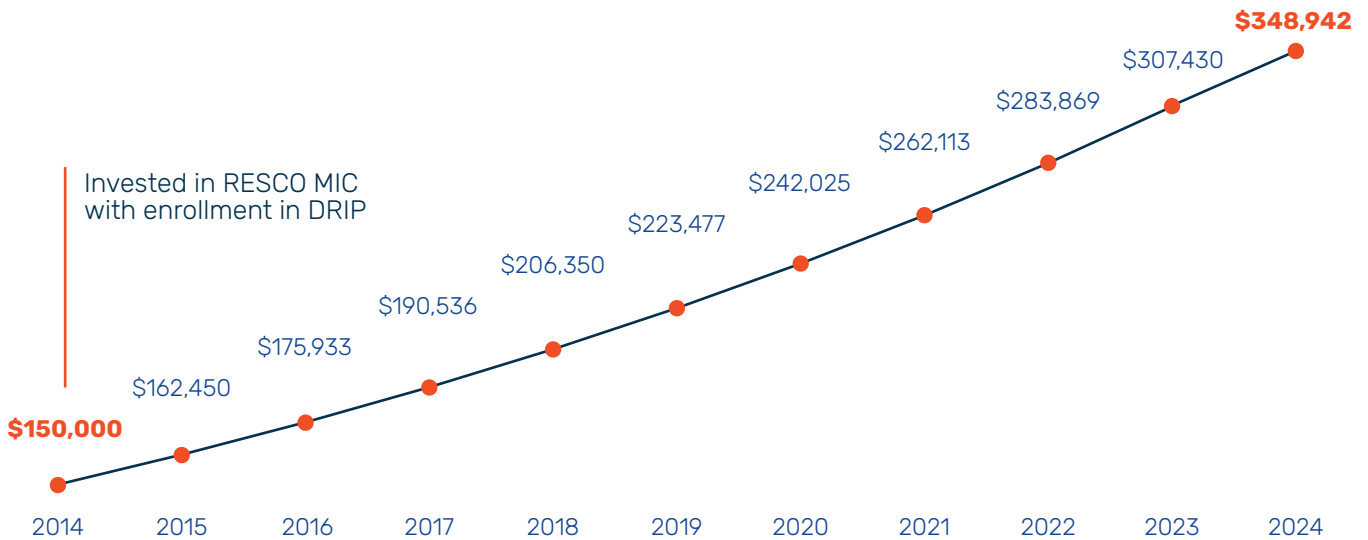
## Performance

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%	348,942.12

\*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:**



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

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

**126**  
**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  
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Richmond Hill, ON L4B 3Y7  
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\*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 MIC nor its content providers are responsible for any damages or losses arising from any use of this information.

# Portfolio Performance

as of Oct 31, 2024

## RESCO First Mortgage Fund LP

6%

Class A Units Annual Yield

6.5%

Class B Units Annual Yield

\$56,028,747

Mortgage Advanced since Inception

\$736,881.89

Average Mortgage Size

100%

% of Residential First Mortgage

722

Average Credit Score of borrowers

62.18%

Average LTV

9.65%

Weighted Average Interest Rate

7.28 months

Average Term to Maturity

0%

% of Default since inception

\$2,334,397.50

Line of Credit Used

87.99%

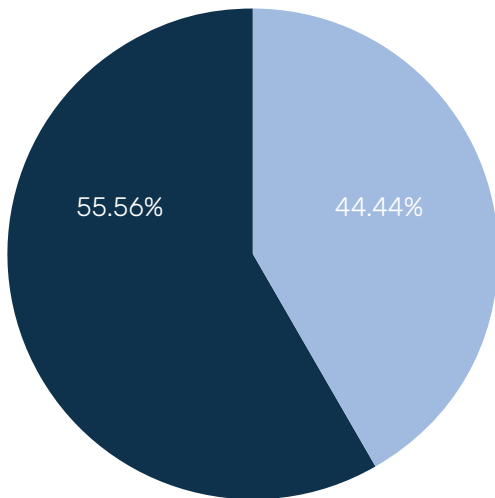
Owner occupied

# Portfolio Distribution

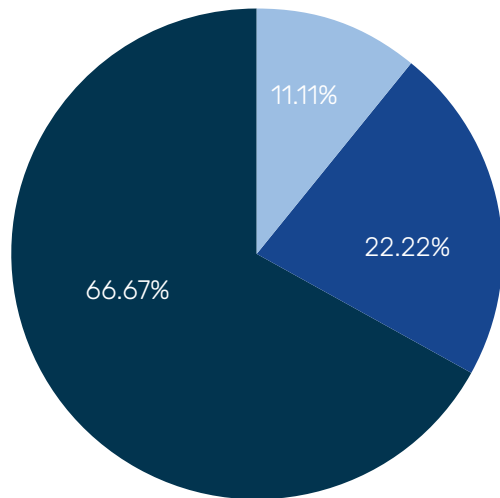
as of Oct 31, 2024

## RESCO First Mortgage Fund LP

### Property Type



### Mortgage Size



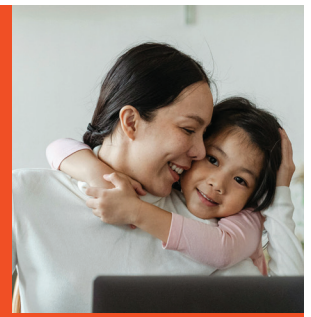
### Geographic Distribution (\$) Total



**\$6,631,937.00**

Ontario





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

We provide alternative  
**Residential Mortgage Solutions:**

1st and 2nd Mortgages

Purchase, Refinance  
or Bridge Financing

Streamlined Application Process

Quick Approval and Funding



## **CONTACT US**

☎ 905-886-8786  
✉ [deals@rescominc.ca](mailto:deals@rescominc.ca)  
📍 28 -360 Highway 7 East,  
Richmond Hill, ON L4B 3Y7  
🌐 [rescominc.ca](http://rescominc.ca)

# Solid **Security.** Stable **Return.**

## RESCO First Mortgage Fund LP

CLASS A UNITS  
**6.0%**  
PER ANNUM  
ONE-YEAR HOLD PERIOD

CLASS B UNITS  
**6.5%**  
PER ANNUM  
THREE-YEAR HOLD PERIOD

## RESCO Mortgage Investment Corporation

PREFERRED SHARES  
**8.3%\***  
PER ANNUM  
FOUR-YEAR HOLD PERIOD

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



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






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## it's time to consider **THE ALTERNATIVES**

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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  
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Richmond Hill, ON L4B 3Y7

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