

Alitis Private Mortgage Fund

ALITIS
ASSET MANAGEMENT

Asset Manager

Alitis Investment Counsel Inc.

Objective

To generate a high level of income with relatively low volatility.

Investment Strategy

The underlying holdings will be primarily made up of MICs, REITs, and other pooled investments, and purpose-built limited partnerships containing mortgages sourced and managed by third-party managers. All foreign currency exposure will be hedged back to Canadian dollars as closely as possible using standard currency futures contracts. The Manager and the Portfolio Advisor seek to gain exposure to a diversified range of mortgage types, geographic regions and management expertise.

Fund Assets

\$68,917,453

Details

Unit Price \$10.4989
Launch Date Jan 15, 2014
Fund Code ALI400 Class D

Fees

Management Fee 0.00%
Performance Fee 17.5% over a hurdle rate of 7.0%
Administrative Costs 0.23%

Investing in the Fund

Frequency Monthly
Minimum Initial Investment \$5,000

Distribution Details

Net income quarterly
Capital gains annually
Yield (12 month trailing) 7.0%

Redemptions

Minimum Hold Period None
Frequency Monthly
Short-term Trading Fee 3% within 6 months
Redemption Requests 30 days notice

Historical Taxable Distributions

| | Other Income | Capital Gains |
|------|--------------|---------------|
| 2014 | \$0.67 | \$0.01 |
| 2015 | \$0.73 | \$0.01 |
| 2016 | \$0.70 | \$0.01 |
| 2017 | \$0.75 | \$0.02 |
| 2018 | \$0.73 | \$0.01 |
| 2019 | \$0.77 | \$0.02 |
| 2020 | | |

Class D Units ¹

Target Return 7% - 8%

October 31, 2020

Annualized Returns

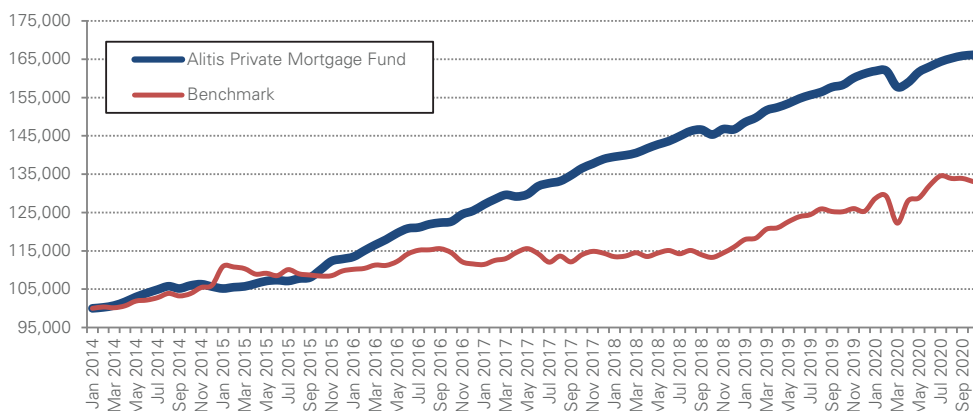
| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|------------------------------|---------|----------|----------|--------|---------|---------|----------|-----------------|
| Alitis Private Mortgage Fund | 0.15% | 1.09% | 4.54% | 4.96% | 6.76% | 8.57% | | 7.81% |
| Benchmark* | -0.61% | -1.11% | 3.93% | 6.28% | 5.30% | 4.18% | | 4.32% |

*100% FTSE TMX All Corporate Bond

Monthly Returns

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------|--------------|--------------|---------------|---------------|--------------|---------------|--------------|
| January | | -0.47% | 0.51% | 1.29% | 0.44% | 1.25% | 0.44% |
| February | 0.25% | 0.33% | 1.40% | 1.10% | 0.28% | 0.82% | 0.02% |
| March | 0.49% | 0.20% | 1.32% | 0.88% | 0.43% | 1.30% | -2.58% |
| April | 0.95% | 0.68% | 1.18% | -0.34% | 0.83% | 0.50% | 0.73% |
| May | 1.25% | 0.65% | 1.40% | 0.46% | 0.74% | 0.66% | 1.72% |
| June | 0.97% | 0.19% | 1.04% | 1.63% | 0.60% | 0.83% | 0.87% |
| July | 0.89% | -0.18% | 0.22% | 0.59% | 0.91% | 0.60% | 0.79% |
| August | 0.82% | 0.58% | 0.70% | 0.40% | 0.91% | 0.50% | 0.54% |
| September | -0.55% | 0.25% | 0.34% | 1.13% | 0.26% | 0.82% | 0.39% |
| October | 0.75% | 1.94% | 0.23% | 1.36% | -0.88% | 0.37% | 0.15% |
| November | 0.32% | 2.00% | 1.54% | 0.87% | 0.98% | 1.14% | |
| December | -0.60% | 0.49% | 0.75% | 0.88% | -0.05% | 0.71% | |
| Total | 5.67% | 6.83% | 11.14% | 10.75% | 5.58% | 13.26% | 3.05% |

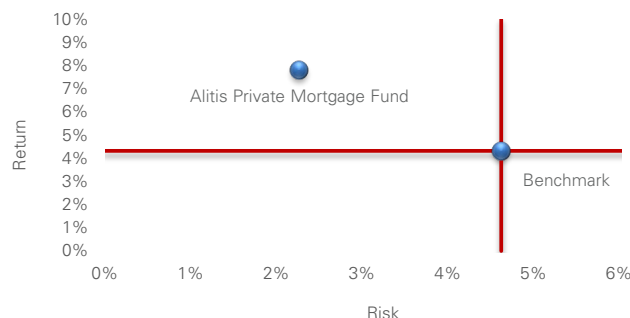
Growth of \$100,000



Risk/Returns

Best/Worst Returns

Best Monthly Return 2.00%
% Positive Months 90%
Worst Monthly Return -2.58%
Worst Drawdown -2.58%
Months to Recover 3



Standard Deviation - Annualized

| | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years | Since Inception |
|------------------------------|--------|---------|---------|---------|---------|-----------------|
| Alitis Private Mortgage Fund | 3.62% | 2.71% | 2.41% | 2.34% | 2.29% | 2.26% |
| Benchmark | 8.58% | 6.22% | 5.39% | 5.21% | 4.77% | 4.62% |

Alitis Private Mortgage Fund

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Top 10 Holdings

| | % of Fund |
|--------------------------------------|--------------|
| Timbercreek Real Estate Finance US L | 13.6% |
| Cambridge MIC | 12.7% |
| Ryan Mortgage Income Fund | 11.8% |
| Romspen Mortgage Investment Fund | 9.8% |
| Magenta III MIC | 9.1% |
| KV Mortgage Fund | 8.7% |
| Antrim Balanced Mortgage Fund | 7.6% |
| MCAN Mortgage Corporation | 5.9% |
| Kingsett Senior Mortgage Fund | 5.5% |
| Kingsett High Yield Fund LP | 5.0% |
| | 89.7% |

Fund Analysis

| | |
|----------------------------------|-------------|
| Number of Mortgages | 9151 |
| Average Term to Maturity Average | 1.02 |
| Loan-to-Value Leverage Employed | 62.0% |
| Currency Exposure | 41.2% |
| | 100% Canada |

Legal Status

| | |
|---------------------------|--|
| Fund Type | Open-ended trust |
| Fund Status | OM, Exempt Market, Continuous Offering |
| Available for Sale | BC, AB, SK, MB, ON, QC, NS, NB, PEI |
| Registered Plans Eligible | Yes |

Partnerships

| | |
|--------------------|------------------------------|
| Fund Administrator | SGGG Fund Services |
| Custodian | Credential Qtrade Securities |
| Trustee | BNY Trust Company of Canada |
| Auditor | KPMG |
| Legal Counsel | MLT Aikins |

Fund Codes

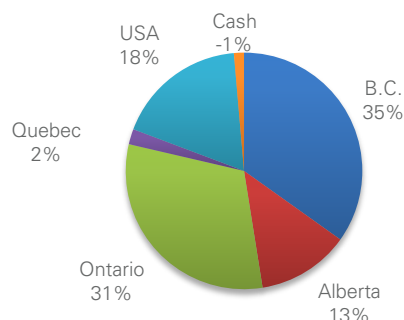
| | |
|---------|--------|
| Class A | ALI404 |
| Class F | ALI403 |

Class D Units

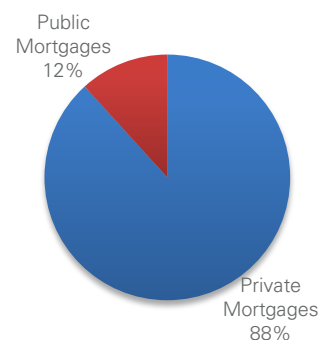
October 31, 2020

Mortgage Holdings

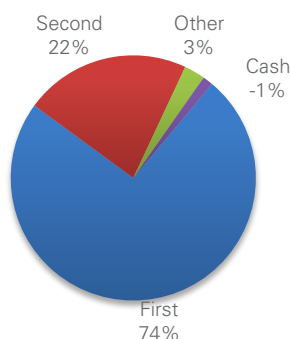
Regional Breakdown



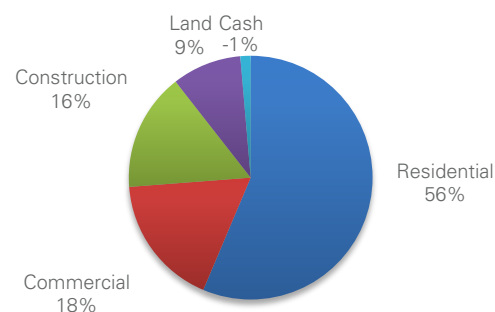
Investment Type



Mortgage Type



Sector/Exposure



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Fund analysis and asset allocation represent the approximate exposure and asset mix of the underlying investments as of the date of this report.

1. For Class D units, returns include administrative costs and performance fees and excludes management fees.

Benchmark may change over time. Benchmark is currently: 100.00% FTSE TMX All Corporate Bond

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