

November 2020

Dear Valued Shareholder:

Re: September 30, 2020 Quarter-End Results and Dividend Distribution

The end of this past calendar quarter marks the end of our 26th fiscal period since our inception, for which KPMG has begun their annual review of our financial records.

Financial results for the quarter-ended September 30, 2020 have been calculated, a snap-shot of which we are pleased to provide as follows (with comparative figures for the preceding quarter are provided in brackets):

	<u>September 30, 2020</u>	<u>June 30, 2020</u>
Net Income (3 months):	\$121,516	(\$123,968)
Net Annualized Yield:	4.75%	(4.83%)
Share Capital:	\$10,157,580	(\$10,300,680)
Mortgage Loan Portfolio:	\$6,957,704 (29 loans)	(\$7,038,513) (29 loans)
Cash on-hand:	\$3,987,585	(\$4,031,316)

Results for the entire fiscal year-ended September 30, 2020 (with comparative figures for the previous fiscal year provided in brackets) are summarized as follows:

	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Net Income (12 months ended):	\$535,599	(\$609,264)
Net Yield (actual over the past 12 months):	5.22%	(6.05%)
Share Capital:	\$10,157,580	(\$10,185,870)
Mortgage Loan Portfolio:	\$6,957,704 (29 loans)	(\$7,285,238) (34 loans)
Cash on-hand:	\$3,987,585	(\$3,619,395)

The net annualized yield of 4.75% generated this past quarter is off slightly from the 4.83% earned for the previous three months ended June 30, 2020, reflecting the amount of cash we continue to hold due to the high turnover rate in our loan portfolio leaving us holding large amounts of cash from time to time, notwithstanding our on-going efforts to put all of our funds to work for the benefit of all of us.

The actual annual net return for the 12 months ended September 30, 2020 was 5.22%, down from the 6.05% earned in the previous year-ended September 30, 2019 – again a reflection solely due to the high rate of turnover in our portfolio. Our historical net average annual return over the past 26 years is 6.64%.

Since January of this year we have reviewed, in-depth, no less than 82 lending opportunities. Out of these opportunities 31 of them met our criteria and we extended offers to lend. Of these, we funded 13 (10 firsts, 2 inter alia first/seconds and 1 second) representing a total committed amount of \$5,041,000.

Six (6) of those committed firsts are construction loans totaling \$3,000,000, of which we've already been repaid a total of \$1,325,000 on 3 of those loans and on the other 3 there is still another \$880,000 committed but not yet advanced, on which we are earning standby fees averaging 4.20% to hold onto these funds to be released as construction progresses.

In addition to the foregoing activity, another 3 loans totaling \$1,230,000 have been committed (1 first construction and 2 seconds) which will fund this month and another 3 loans (2 firsts of which one is construction and 1 inter alia first/second) together which total \$525,000 offers to lend have been extended and we are waiting to hear back.