

Included in the 29 loans in our portfolio as of September 30, 2020 is still the one classed as impaired for some time now. Due to accounting rules, this loan is included on our financial records at \$912,256, whereas the actual book value for the loan is \$250,911 the difference being the total accumulated interest we could have earned at the contract rate and any costs we've incurred since mid-2011.

The property securing the loan was a 1.92 acre site in Salmon Arm that was successfully subdivided into two single-family building lots in April of 2019, over each of which we hold a first mortgage charge. These lots are presently listed for sale at \$169,900 each plus GST.

In our June 30, 2020 quarter-end reporting we had advised that there were 4 redemption requests totaling 36,913 shares (\$369,130) submitted for the December 31, 2020 Redemption Date. We are pleased to advise that 34,382 of those shares (\$343,820) have now been purchased, redemption for another 100 shares (\$1,000) was withdrawn and the remainder of 1,945 shares (\$19,450) will be redeemed early January 2021.

Another two redemption requests totaling 8,000 shares (\$80,000) had been submitted for the June 30, 2021 Redemption Date however, all of those shares have also all been purchased.

Of the \$121,516 in net earnings being distributed for this past quarter \$42,310 (35%) was reinvested by those Shareholders to purchase 4,231 additional shares of the Company.

Though we are continuing to work remotely during the uncertainty of COVID-19, we regularly check the office for mail and, as always, are available to you anytime by phone (250-558-1111) or email (Craig [craig@sierramortgage.ca](mailto:craig@sierramortgage.ca) or Rebecca [oac@telus.net](mailto:oac@telus.net)).

Sincerely,

On behalf of the Board of Directors of  
**Sierra Mortgage Fund Ltd.**

Craig Williams

cc: