

ALITIS

INVESTMENT COUNSEL

The Mortgage Plus Fund



Pool Information

RRSP and TFSA Eligible	Yes
Minimum Investment	\$5,000
Subsequent purchases	
a) EFT or cheque	\$5,000
b) Monthly PAC	\$100
Subscriptions / Redemptions	Monthly
Redemption Fee	None
Short-Term Trading Fee	3% within 180 days
Performance Fee	17.5% of excess returns over a hurdle
Highwater Mark	Yes
Target Return (net)	6% to 7%
Distributions	Paid quarterly
Unitholder Recordkeeping	SGGG Fund Services Inc.
Custodian	Qtrade Securities
Trustee	BNY Trust Company of Canada
Auditor	KPMG LLP

The Alitis Mortgage Plus Fund is designed to yield higher returns than traditional fixed income investments. This innovative portfolio combines the stability of private mortgage-based investments with the liquidity of publicly-traded mortgage investment corporations (MICs) and other asset-backed investments. The target return is **6% to 7%**, net of fees.

A key distinction of this portfolio from other mortgage investments is the inclusion of over eight mortgage-based investments and other high-yielding securities in one solution. Alitis has hand-picked a select group of leading alternative mortgage managers to create the Alitis Mortgage Plus Fund.

The *Plus* in Alitis Mortgage Plus Fund is the flexibility to include income-paying equity investments. The Fund will consist primarily of mortgage based investments, but when financial markets present great opportunities, Alitis may tactically allocate up to 25% of the Fund to these under-valued assets. These may include dividend paying stocks, real estate investment trusts and other private and public income equity securities.

Investor Advantages

- Diversified portfolio of mortgage-based investments
- Exposure to both public and private mortgage-based investments,
- Actively managed daily, with the ability to buy under-valued securities,
- In-depth manager due-diligence and ongoing monitoring by Alitis,
- Monthly liquidity that is not tied to the maturity date of a private mortgage,
- Quarterly distribution of accrued interest,
- Monthly PACs and SWPs.

Diversification - The Key to Improved Safety

- At least ten Mortgage Investment Corporations (MICs) within the Fund,
- An excellent mix of private MICs, publicly-traded MICs, and other income-oriented securities,
- Underlying mortgages consist of a blend of residential, commercial, and development mortgages issued from across Canada,
- Conservative loan-to-value, typically in the 60% to 70% range for the core portfolio,
- Average term of the portfolio will typically be less than 1 and a half years.

Compliance

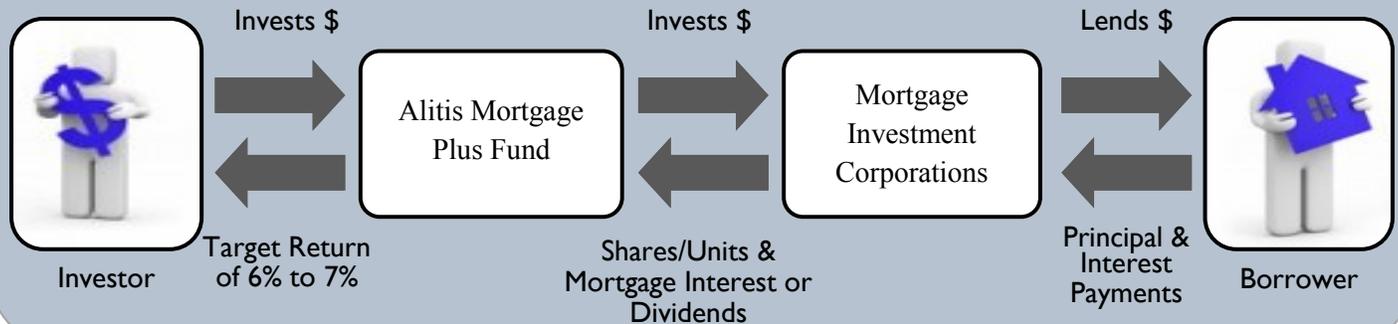
We consider the Alitis Mortgage Plus Fund to be a medium risk investment. Although it has monthly liquidity, with a minimum 30 days notice, we do not recommend its use for investment time horizons less than four years.



ALITIS

INVESTMENT COUNSEL

How the Alitis Mortgage Plus Fund Operates



Subscription / Redemption Privilege

The holdings of the Alitis Mortgage Plus Fund have reduced liquidity and as such, subscriptions and redemptions will take place monthly, on the last business day of each month. Redemption requests must be received at least 30 days in advance of the month-end in which you wish to redeem.

Provinces where Available

Units of the Alitis Mortgage Plus Fund are available through Alitis Investment Counsel to residents of British Columbia, Alberta, Saskatchewan, and Manitoba - the jurisdictions where Alitis is licensed to do business.

About Alitis

Alitis' investment approach is to deliver reliable, risk-adjusted returns utilizing a very broad range of traditional and alternative asset classes. We endeavor to design our portfolios to deliver solid returns with significantly less risk than portfolios made up solely of traditional investments.



Victoria

#106-1990 Fort St
Victoria, BC
V8R 6V4
250.386.4933

Campbell River

#101-909 Island Hwy
Campbell River, BC
V9W 2C2
250.287.4933

Satellite Offices

Vancouver
Nanaimo
Edmonton
Calgary

Disclaimers and Disclosures

This report is provided, for informational purposes only, to customers of Alitis Investment Counsel Inc. ("Alitis") and does not constitute an offer or solicitation to buy or sell any securities discussed herein to anyone in any jurisdiction where such offer or solicitation would be prohibited. Opinions expressed in this report should not be relied upon as investment advice. This report does not take into account the investment objectives, risk tolerance, financial situation or specific needs of any particular customer of Alitis. Each individual's investment objectives, risk tolerance, financial situation and specific needs should be evaluated before making any investment decision.

Unless otherwise noted, the indicated rates of return are the historical annual compounded returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable by any security holder that would have reduced returns. The investments are not guaranteed; their values change frequently and past performance may not be repeated. Unless otherwise noted, risk refers to the annualized standard deviation of returns for the period indicated.

Neither Alitis nor any director, officer or employee of Alitis accepts any liability whatsoever for any errors or omissions in the information, analysis or opinions contained in this report, nor for any direct, indirect or consequential damages or losses arising from any use of this report or its contents.

© 2018 Alitis Investment Counsel Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure, in whole or in part, or in any form or manner, without the prior written permission of Alitis is prohibited by law.

