

Mortgage Investing

IN CANADA



Morex Capital™

Profiting from Mortgages

Morex Capital is a MIC (Mortgage Investment Corporation) that offers Canadian investors steady income by investing in high-yielding, short-term first and second residential mortgages. Investors gain exposure to Ontario's remarkably strong and stable mortgage market in an environment of rising house prices coupled with historically low interest rates.

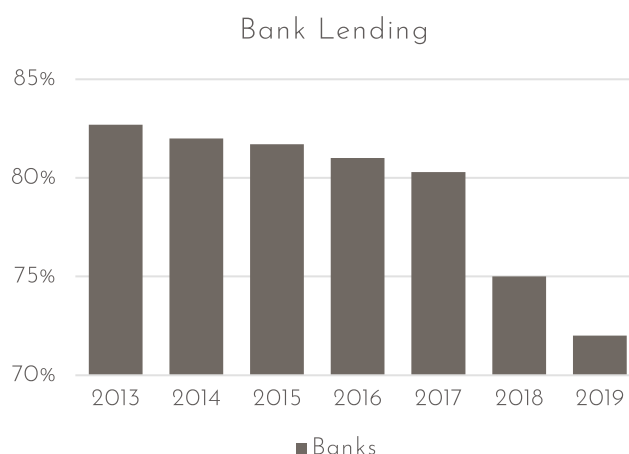
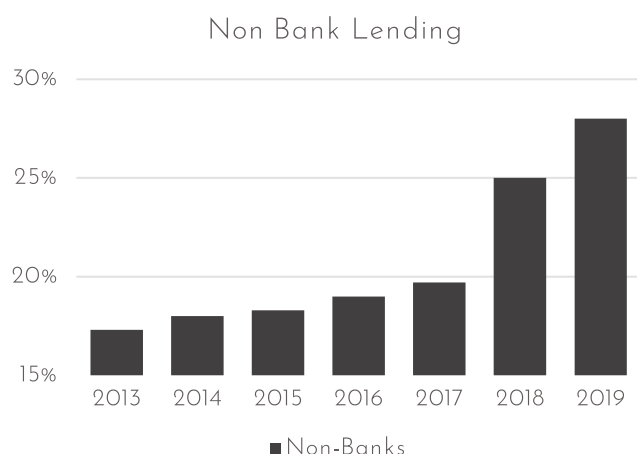
Morex helps investors diversify their portfolio with a stable, uncorrelated source of income.



Mortgage lending in Canada

Demand for non-bank, private mortgages has been increasing – especially since 2018 when banks were forced to impose tighter borrower qualifications.

Non-Bank Mortgage Lending on the Rise

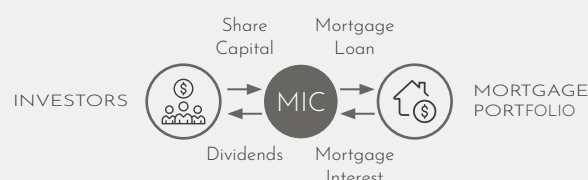


With bank-lending criteria becoming more stringent, homebuyers are seeking alternative sources of financing, even when they have the means to pay their mortgage.

Demand for private mortgages has also risen due to (i) immigration, (ii) business owners minimizing personal income while maximizing business income, as well as (iii) the broad transfer of wealth that is underway due to changing demographics, which is creating opportunities for individuals who may not necessarily qualify for traditional financing.

What is MIC?

A Mortgage Investment Corporation (MIC) uses a pool of investors' capital to issue private mortgages to qualified borrowers. MICs are exempt from tax under section 130.1 of the income tax act. 100% of the net earnings are distributed to investors as regular, quarterly distributions. MICs offer additional security as the loaned capital is secured by a registered lien on residential property.





Investing with Morex

Investors in Morex Capital have enjoyed consistent, high rates of return since our inception in 2012, thanks in part to our conservative and rigorous approach to risk management. The partners are invested alongside you, with the same goals: attractive returns while protecting capital.

Understanding Risk

Illiquid Properties:

MICs issue mortgage loans, and although they are secured by real estate, in the event of default, some property types can take longer to sell.

Morex Risk Management: we focus on highly marketable residential properties within the Greater Toronto Area and urban centres in Southern Ontario.

Property Values

If real estate values fall and borrowers begin to default, a MIC may not be able to recover all of the money owed.

Morex Risk Management: we issue short-term mortgages (12 months or less) to ensure we can react swiftly to trending home prices. We also value properties conservatively, using independent, licensed property appraisers.

Borrower Credit Quality

A MIC's borrowers do not qualify for bank financing and can present a higher risk of default.

Morex Risk Management: our Credit Committee checks the credit score of each borrower and incorporates that into the risk analysis before approving a mortgage.

Like any investment, interested investors should be aware of the risks, and understand how Morex Capital seeks to manage and reduce these risks.

Managing Risk

Short Portfolio Duration

We focus on short-term financing – 12 months or less – resulting in more turnover and a reduced exposure to fluctuating interest rates and real estate prices.

Moderate Loan-to-Value (LTV) ratio

We maintain a modest, average LTV between 65%-75%, to ensure a sufficient cushion to absorb any potential decline in home prices.

Property Type

We focus on lending to homeowners of highly marketable properties to ensure properties can be liquidated within 90 days.

Mortgage Quality

We focus primarily on 1st mortgages, which carry the least amount of risk, giving us first priority in case of a default.

3 reasons to invest in a MIC



Higher Yields

With their fast approval process, flexible lending criteria and mortgage terms, MICs can charge higher interest rates. Investor returns may range from 6% to 10%, compared to less than 2% for a five-year Guaranteed Investment Certificate (GIC).



Diversification

As a fixed-income asset with no correlation to traditional asset classes (like stock markets), MICs can help offset the volatility of equities, while providing consistent income in today's persistently low-yield environment. By investing alongside others, you will own shares in a much larger and more diversified real estate portfolio than you could hold on your own, with the benefit of a professional management team.



Broad Eligibility

Your investment in a MIC can be held in your Registered Retirement Savings Plan (RRSP), your Registered Retirement Income Fund (RRIF), or your Tax-Free Saving Account (TFSA), providing the opportunity for tax-sheltered growth.

Proven track record of returns. Call us to learn more about mortgage investing.



Call or email us to learn more:

(905) 896-2642
1 (866) 963-2642 toll-free
info@morexcapital.com

5025 Orbitor Drive,
Building 2, Second Floor
Mississauga, Ontario
L4W 4Y5



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