

Real Estate Debt Fund XIV (REDF XIV)

IMC INSTITUTIONAL
MORTGAGE
CAPITAL

About the Fund

REDF XIV is a closed-end fund that invests in a well-diversified portfolio of Canadian commercial mortgages and targets a gross yield in excess of 10%. The objective of the fund is to deliver a consistent and attractive long-term income stream to investors, while controlling portfolio risk.

REDF XIV has \$177 million of committed capital and is seeking an additional \$125 million.

REDF XIV Portfolio Characteristics¹

As at June 30, 2022

Yield to Maturity	10.8%	Duration (Years)	0
Loan to Value	70.9%	Average Annual Turnover	23%
First Mortgages	66.7%	Recourse	100%

IMC's Active Approach Enhances Returns

- We utilize both fixed and floating rate mortgages.
- We structure mortgages to target the desired exposure within the debt capital structure.
- We opportunistically participate in the secondary market.
- We construct the portfolio across four key real estate subsectors – stabilized, transitional, construction and pre-development – to optimize risk-adjusted returns.
- We service each loan internally, resulting in a seamless mortgage monitoring process.

The Benefits of REDF XIV

Experienced Team – Over 20 years of managing commercial mortgage portfolios, with strong expertise in the high-yield market

Relationship Driven Sourcing – 80% of mortgages with repeat borrowers

Conservative Positioning – The average loan to value ratio is 71% and 100% of the loans have recourse¹

Focus on Generating Income – Over 99% of the fund's return is generated by income

Low Interest Rate Risk – Our short duration portfolio, with a high allocation to variable rate mortgages, provides downside protection in a rising rate environment

Disciplined and Proven Underwriting – Focused on credit quality and capital preservation

Stable and Attractive Long-Term Returns – Each of our 8 prior high-yield funds has generated a gross return in excess of 10%, across varying market environments²

¹Based on the aggregate characteristics of all loans in the REDF XIV on June 30, 2022

²Based on the IRR of each fund, as calculated, before investment management fees are deducted

Source: Institutional Mortgage Capital. As at June 30, 2022

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About IMC

Founded in 2009, Institutional Mortgage Capital Limited Partnership ("IMC") is an independently owned investment fund manager and commercial mortgage lender, serving institutional and private wealth clients across Canada. The investment team has originated and closed more than \$13.6 billion of commercial mortgages. The firm invests in all segments of the commercial mortgage market, including Core/Core+, High Yield and CMBS. In addition to fund management and lending activities, IMC has a fully operational commercial mortgage servicing company, rated by Fitch Ratings, with more than \$2.1 billion of Canadian commercial mortgages under administration.

Key Differentiators and Unique Sources of Value-Add for IMC Include:

Extensive Mortgage Experience – The senior members of the IMC team have been working together for more than 25 years. This experience results in a deep understanding of the entire commercial mortgage market and an ability to execute effectively throughout all market segments and market environments.

Strong Relationships – IMC has built long-standing and strategic relationships with borrowers, brokers, and bankers across Canada.

Strong Performance Results – Both the Core / Core Plus and High Yield funds have generated strong risk-adjusted returns and have consistently met or exceeded projected Internal Rate of Return ("IRR") targets.

Mortgage Structuring – IMC's extensive experience in Canadian commercial mortgage banking and structured finance allows it to source and actively structure accretive A/B note and Commercial Mortgage-Backed Security ("CMBS") opportunities.

Multiple Value-Add Levers – The IMC team employs several active strategies that generate strong and consistent risk-adjusted returns. The team's ability to participate in different segments of the market enable it to take tactical positions and respond to changing market conditions, thereby enhancing the performance achieved for its investors.



Senior Leadership Team: Paul Scholz, John Ho, Darren Schmidt, Bob Fitzpatrick

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Performance and risk measures are in CAD as at June 30, 2022. The returns calculated for the REDF XIV are before investment fees are deducted. This document has been issued by Institutional Mortgage Capital and may not be reproduced or distributed, in part or in full, without its prior authorization.

Assets Under Management are as at June 30, 2022 and include all invested and committed capital across all IMC-related platforms

