ALITIS
INVESTMENT COUNSEL

# Alitis Mortgage Plus Pool


## Pool Information

| | |
|---|---|
| RSP Eligible | Yes |
| Minimum Investment | $5,000 |
| Subsequent purchases<br>a) EFT or cheque<br>b) Monthly PAC | <br>$5,000<br>$100 |
| Subscriptions / Redemptions | Monthly |
| Redemption fee | None |
| Short-Term Trading Fee | 3% within180 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 |

The Alitis Mortgage Plus Pool 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 Pool.

The *Plus* in Alitis Mortgage Plus Pool is the flexibility to include income-paying equity investments. The Pool will consist primarily of mortgage based investments, but when financial markets present great opportunities, Alitis may tactically allocate up to 25% of the Pool 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 Pool,
- 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 Pool 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.

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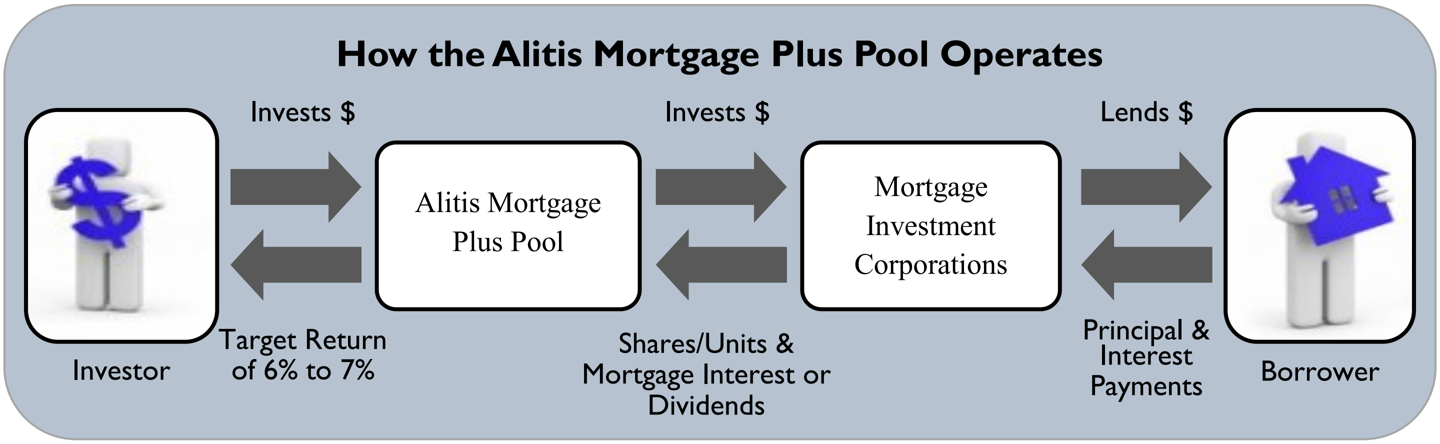


## Subscription / Redemption Privilege

The holdings of the Alitis Mortgage Plus Pool 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 Pool 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.

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***Disclaimers and Disclosures***

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*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.*

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