



Quarterly Report

As of June 30, 2023

RealAlt[®] High Yield Mortgage Trust

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Our Mission, Vision & Values

Our Vision

To be the best Real Estate alternative investment in Canada. Investing in Canada and supporting local communities. Being committed to making a positive difference to all our employees and investors.

Our Mission

RealAlt® investments provides a mortgage fund to help investors reach their financial goals through bespoke mortgage financing.

Our Values

These core values drive us to innovate and find new ways to deliver exceptional results.

- ⇒ **Integrity:** We do the right thing
- ⇒ **Collaboration:** We believe in teamwork
- ⇒ **Accountability:** We take ownership and accountability.
- ⇒ **People focused:** We value people and treat them with respect.
- ⇒ **Excellence:** We give our best

Fund Overview

RealAlt® High Yield Mortgage Fund is designed to give investors the opportunity to participate in real estate mortgage investments that is secured in real estate. By investing in the fund, investors will gain exposure to the growing real estate market in Ontario. RealAlt® Investments is an opportunity to invest like high-net-worth Canadians. In its simplest term, a developer or builder requires millions of dollars to buy land, service the land and build homes. RealAlt® Investments provides mortgage loans and the loan is paid back with interest to RealAlt®. That interest payment becomes part of an investors monthly pay out. The Fund seeks to provide returns that have lower correlations to stock or bond market indices in the form of income and capital preservation with monthly distributions.

THE MANAGER

Dorr Capital Corporation is a private (non-bank) lender and commercial mortgage broker licensed by FSRA, with over 50 years of combined management experience, knowledge, and relationships. With a broad network of investors, lenders, developers, and brokers allowing them to secure quality deals with fair terms for all partners. Dorr Capital has placed mortgage loans to borrow as high as \$73.6M in land/property in a single transaction at the time of funding and in total have placed \$2.5B in loans.

Series A, F, O, B FUND DETAIL (As of December 31st, 2022)

YTD Return *	11.44% (Annually)
Minimum Investment	Series A, F, B: \$25,000
Eligibility	Accredited Investors/ Minimum Investment/OM
Registered Status	Registered Account Eligible
Redemption	<p>Series A, F: Amounts less than \$5M: 30 days notice with 2% early redemption charge if redeemed in first year of acquisition and 1% early redemption charge if redeemed in second year of acquisition</p> <p>Series B: Until the Fund reaches \$100MM Net Asset Value, the investors can redeem on demand, by providing 30 days' notice before the end of the quarter. When the Fund's NAV crosses \$100MM, the redemption will become annualized. The redemption notice window for the investors/advisors will be open from September 1 to November 30, with the redemption trade date of December 31 of the current calendar year. 2% of the aggregate Subscription Price of the Units if redeemed in the first 12 months of acquisition. 1% of the aggregate Subscription Price of the Units if redeemed in months 12-24 of acquisition.</p>
Distribution	Monthly (Cash/DRIP)
Management Fees	Series A: 1.25% fee Series F: 0.85% fee Series B: 1.75% fee
Trailer Fees	Series B: up to 1% fee
Trade Date	Open ended Fund, Trades Accepted throughout the month



*Net of all fees and expenses at the fund

Message from the Trustee

Navigating a Challenging Second Quarter

As we reflect upon the events of the second quarter of 2023, I am reminded of the importance of transparency, integrity, and resilience in our journey together. I am committed to sharing both the successes and the challenges that we face, and I am grateful for your unwavering trust in Real Alt® Investments.

Q2 2023 has undoubtedly been a period of turbulence, allow me to provide you with a comprehensive overview of the recent developments and the steps we have taken to navigate through these unprecedented times. In April 2023, we encountered an unexpected hurdle with one of our developers, Stateview Homes, who defrauded TD Bank of \$37M. This unfortunate event led to the halt of monthly interest payments as TD Bank seized all Stateview's accounts. Responding swiftly, Dorr Capital, took proactive measures to place these loans in receivership. While the typical timeframe for such a process is around three months, we managed to achieve this within a remarkable three-week period. The primary objective of the receivership was to safeguard and ensure the repayment of outstanding loans associated with Stateview, prioritizing these repayments over competing claims from creditors.

Through this strategic move, Dorr Capital (IM) worked diligently to guarantee that all mortgages tied to the properties would be honored first. Subsequently, all properties were listed for sale, currently undergoing a competitive bidding process. This approach not only safeguards the interests of our investors but also promotes transparency and fairness in the handling of the situation.

As we assess the economic landscape of Canada in the first half of 2023, it is evident that there are challenges beyond our portfolio. The Bank of Canada's decision to raise interest rates from 1.5% to 5.0% over the past 11 months, translating to a staggering 233% increase, has ushered in an era of economic uncertainty. This is reminiscent of the financial crisis of 2008. With slowed job growth and increasing unemployment rates, concerns over housing affordability have weighed down on the homeowner market, leading to a noticeable slowdown. The prevailing economic conditions have naturally curtailed spending across the board, projecting weakness for the remainder of this year.

Amid these trying circumstances, our financial partners, including KingSett Mortgage Corporation and Atrium Mortgage Corporation, have remained loyal supporters. The intricate nature of the Stateview situation necessitates a collaborative approach, and I am grateful for the united front our partners have shown in these difficult times. I am encouraged to share that the properties have garnered significant interest, with over 140 inquiries received. However, it's important to acknowledge that the elevated interest rates could impact the bidding process.

Conversely, as interest rates continue to rise, we have observed a surge in loan requests from reputable developers. We encourage more investments so we can grow our fund's size, enabling us to lend out funds at rates that exceed the industry average. This cycle not only bolsters our capacity to meet the demands of the market but also translates to above-average yields for our valued investors.

In closing, I want to extend my gratitude for your continued partnership and trust in RealAlt® Investments. The challenges we face are substantial, but our team is resolute in its commitment to overcome these obstacles and deliver strong returns for our investors. We look forward to working with you and building a strong future together.

Thank you for your continued support.

Sincerely,
Brian Dorr, Trustee, RealAlt® High Yield Mortgage Trust

Strategy and Investments Approach

Our fundamentals strategy for RealAlt Investments has been to invest in commercial mortgages in land, land development, construction, and mezzanine products in the province of Ontario Canada. As of June 30, 2023, our current portfolio loans are \$23.97M, with a minimum cash balance reserve for operating expenses and to avoid cash drag on the Return on Investments (ROE).

As of June 30, 2023, we have decided to add short term investments, which will include short term loans, Guaranteed Investment Certificates (GIC's), term deposit etc. These investments assist in maintaining a healthy return for our investors and will provide liquidity to the Fund.

As a percentage of the overall portfolio, non-performing loans were at 19% which reflects the continued slowdown and price uncertainty in real estate markets. We emphasize that non-performing loans do occur in the financing niche in which we operate and do not necessarily result in a loss. Therefore, to avoid a realized loss in the portfolio, we are currently in the process of converting these non-performing loans into equity deals, which we anticipate will mature within 3 to 5 years. Nevertheless, reducing the non-performing loans remains a key priority.

Another important factor to be considered in these unprecedented times, is the changing interest rates by Bank of Canada (BOC) to tame the inflation. We anticipate another 0.25 basis point increase by BOC, which we will surely know on September 6, 2023. In case, the interest rate increases, RealAlt investment is linked to the BOC interest rate, which will increase the return to our investors.

The IM remains focused on positioning the business to navigate through current headwinds that will persist for the coming quarters. Therefore, we have introduced several investment strategies in the Fund which will mitigate risk. Our primary focus will be on low Loan-to-value (LTV's), Borrower execution track record, borrower liquidity, and lending in those areas where the housing demand is increasing either through population changes and immigration.

The Fund has an opportunity to grow but it will be done in a prudent manner should the right risk reward opportunities arise.

Sincerely,

Riccardo Plati

Executive Vice President

Key Indicators and schedule of investments

As of June 30, 2023

As of June 30, 2023

Net Asset Value	24.05M	Cash Distributions	61.98%
YTD Net Subscriptions	1.12M	DRIP	38.02%
YTD Distributions	1.08M		

Current Schedule of Investments

Location	Loan Type	Position	Amount	Portfolio	Loan Size
Dundalk	Land	1	6M	25.03%	12M
Barrie	Land	2	3.5M	14.60%	37.5M
Dundalk	Land	1	3.25M	13.56%	3.75M
New Tecumseth	Land	1	2.85M	11.90%	15.2M
Mississauga	Land	2	1.3M	5.42%	34M
New Tecumseth	Land	2	1.7M	7.11%	5M
Richmond Hill	Construction	2	0.81M	3.36%	1.3M
Vaughan	Construction	2	0.7M	2.92%	9M
Lindsay	Land	2	0.7M	2.93%	7.9M
Dundalk	Land	1	0.7M	2.92%	4M
Melancthon	Land	1	0.62M	2.59%	2.25M
Vaughan	Construction	2	0.59M	2.46%	0.99M
Lindsay	Land	2	0.5M	2.08%	5.6M
Markham	Construction	2	0.35M	1.46%	89.09M
Dundalk	Land	2	0.25M	1.04%	0.6M
Toronto	Construction	2	0.15M	0.63%	40M

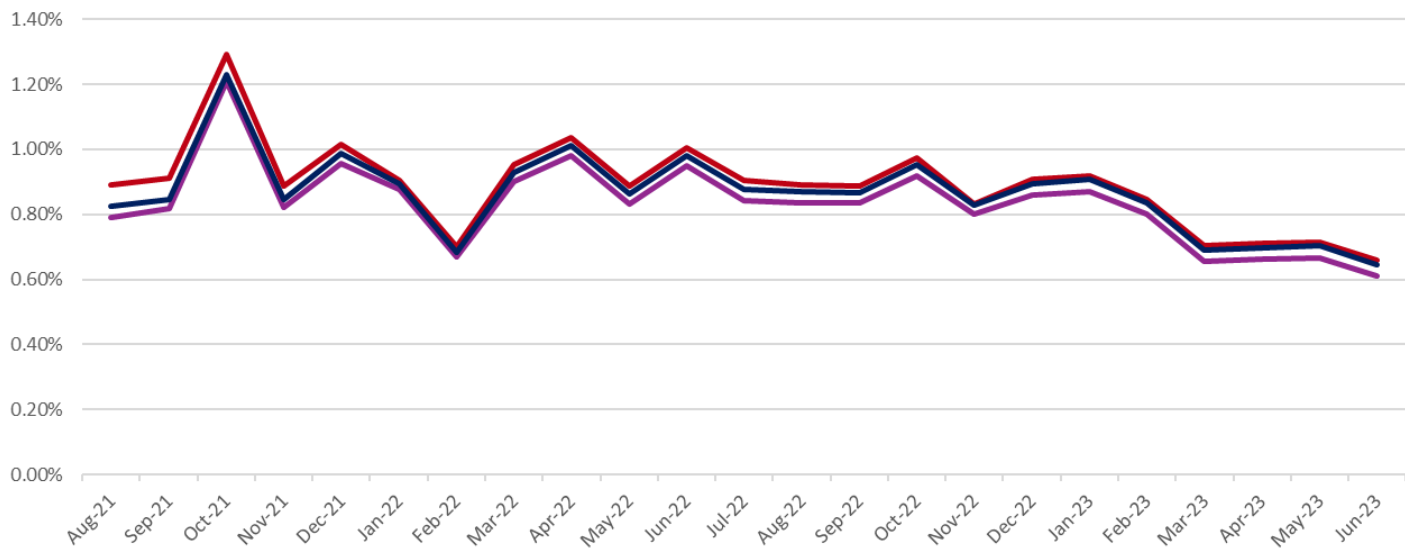
Financial Highlights

QUARTER TO QUARTER CHANGE

	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
Current Loans	13.19M	21.95	23.27	23.97
Average Deal Size	25.8M	18.71M	16.76M	16.76M
Average Loan to Value	61%	57%	58%	57%
Numbers of Active Mortgages	9	14	16	16
Average Term (Months)	14 Months	16 Months	16 Months	16 MONTHS
Interest Payments (3 Months Annualized)	11.19%	10.98%	10.08%	8.42%

Distribution History

RealAlt High Yield Trust - Performance(ITD)



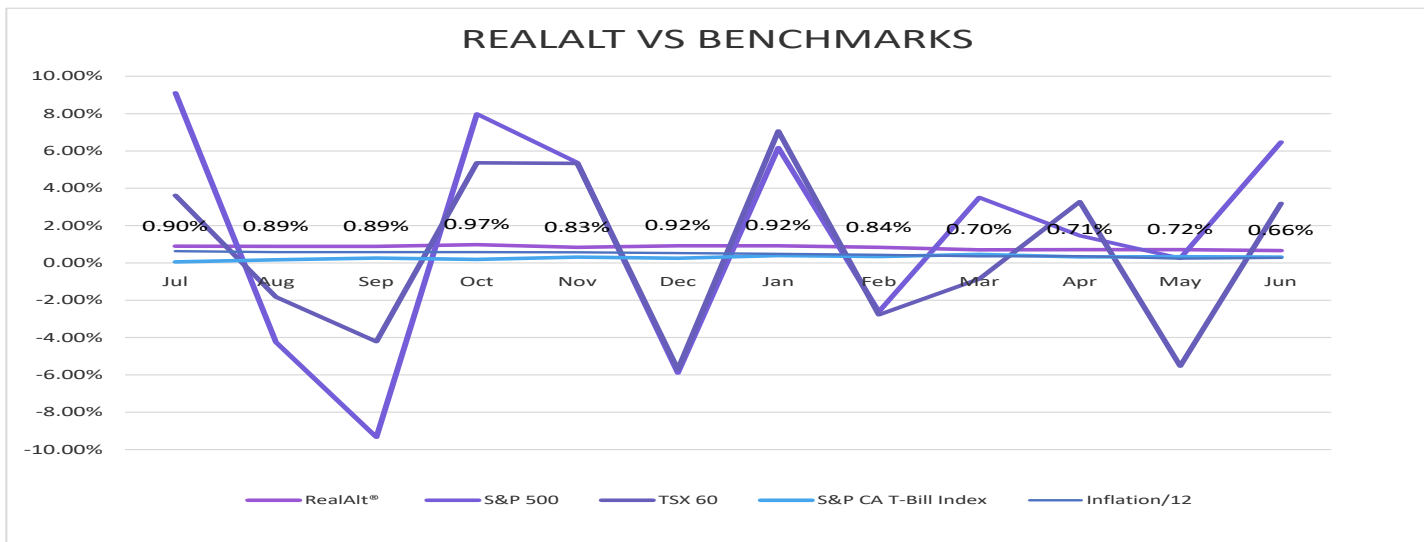
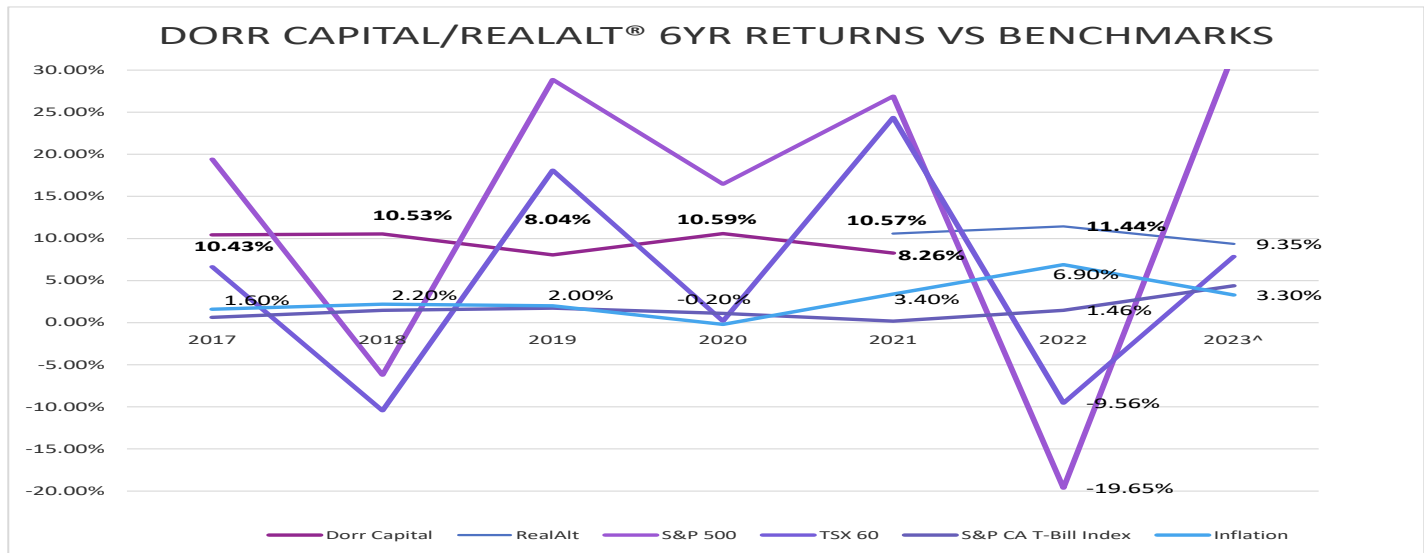
	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
RealAlt Returns	0.89%	0.91%	1.29%	0.89%	1.02%	0.91%	0.70%	0.95%	1.03%	0.89%	1.00%	0.90%	0.89%	0.89%	0.97%	0.83%	0.91%	0.92%	0.84%	0.70%	0.71%	0.72%	0.66%
Series AA	0.79%	0.82%	1.21%	0.82%	0.96%	0.88%	0.67%	0.90%	0.98%	0.83%	0.95%	0.84%	0.83%	0.83%	0.92%	0.80%	0.86%	0.87%	0.80%	0.65%	0.66%	0.67%	0.61%
Series AF	0.82%	0.85%	1.23%	0.85%	0.99%	0.89%	0.68%	0.93%	1.01%	0.86%	0.98%	0.88%	0.87%	0.87%	0.95%	0.83%	0.90%	0.91%	0.83%	0.69%	0.70%	0.70%	0.65%

RealAlt Returns Series AA Series AF

Financial Highlights

(CONT 'D)

ROI REALALT® vs BENCHMARKS - AS OF JUNE 30, 2023



Effective hedge against inflation | Does not see high volatility as Equity funds | Provides superior risk adjusted returns

SOURCES

<https://www.spglobal.com/spdji/en/indices/equity/sp-tsx-60-index/#overview> <https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview> <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-canada-treasury-bill-index/#overview> <https://www.rateinflation.com/inflation-rate/canada-historical-inflation-rate/>

*The S&P 500 is a stock market index of 500 largest companies listed on stock exchanges in the United States

**The TSX 60 Index is a stock market index of 60 large companies listed on the Toronto Stock Exchange

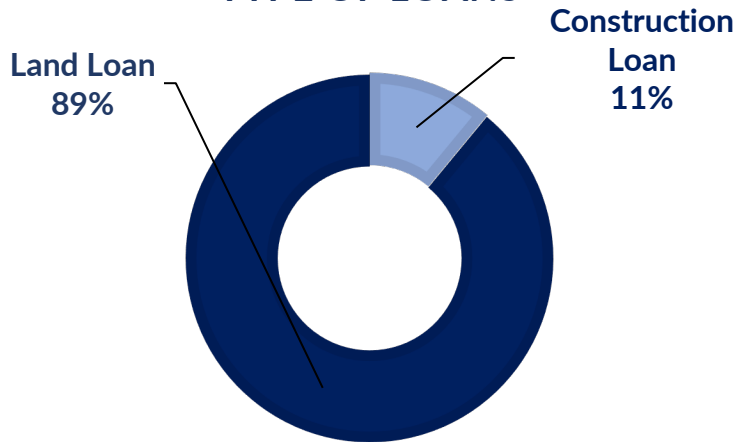
>T-bills are debt securities that are 100% guaranteed both principal and interest are backed by the government bodies

>Inflation is change in last 12 months in cost of a fixed basket of goods and services as experienced by Canadian consumers

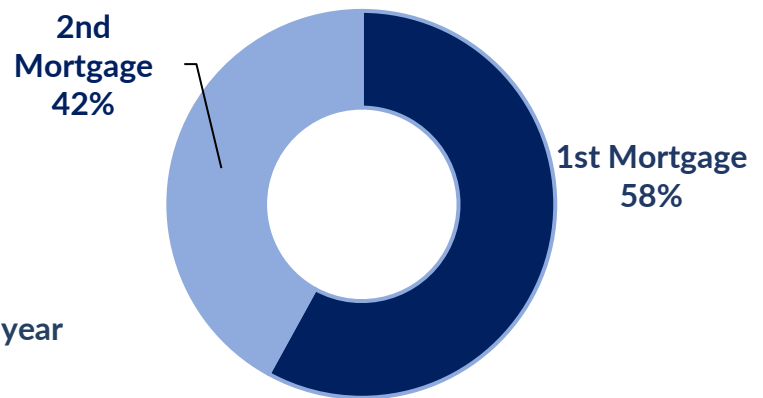
- S&P500 and TSX60 in relation to RealAlt returns is to provide investors information on their options and behavior of their investments
- T bills and Inflation along with RealAlt returns is to provide investors perspective on factors that affect their Investment value over time
- These comparable are provided to impart information on the scope of investments available to investors and its potential impact

Financial Highlights- Key Indicators of Investments (as of June 30, 2023)

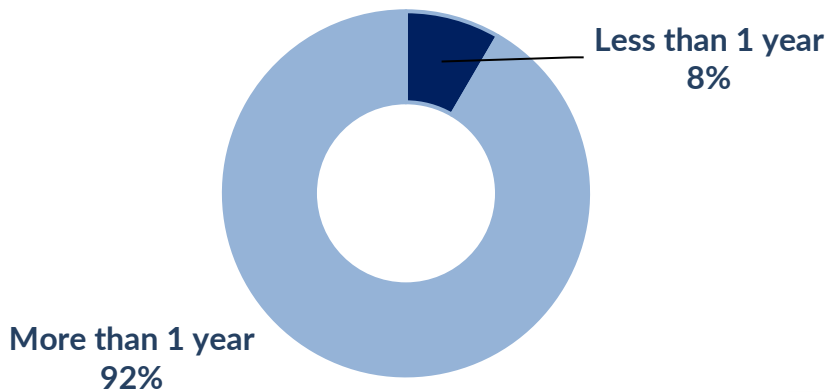
TYPE OF LOANS



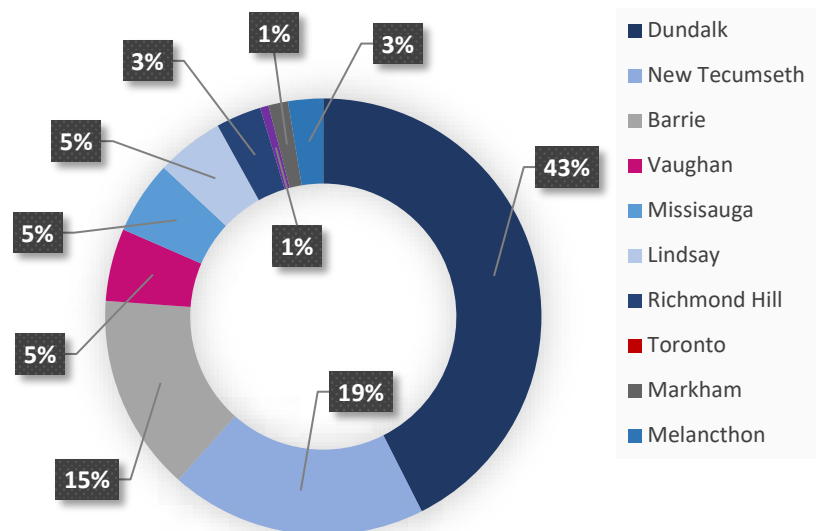
MORTGAGE POSITION



LOAN MATURITY



PORTFOLIO ALLOCATION



RealAlt® Investments Team

EXECUTIVE TEAM

- ⇒ Brian Dorr, President and Chief Executive Officer
- ⇒ Riccardo Plati, Executive Vice President*
- ⇒ Judy Wong, Senior Vice President of Underwriting *
- ⇒ Tracey Dorr, Senior Vice President of Marketing
- ⇒ Shezan Mukadam, Chief Financial Officer

*Trustees of the Fund

INVESTOR RELATIONS CONTACT/ TEAM MEMBERS

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Address: 41 Scarsdale Rd, Unit 6, Toronto, ON, M3B 2R2

EXEMPT MARKET DEALER

- ⇒ Belco Private Capital Inc.

REGISTERED ACCOUNT ADMINISTRATOR

- ⇒ Olympia Trust Company

SECURITIES LAWYER

- ⇒ AUM Law

FUND ADMINISTRATOR

- ⇒ SGGG Fund Services

AUDITOR

- ⇒ SEGAL LLP

DISCLAIMERS

The fund has retained Belco Private Capital Inc. ("Belco") as its exempt market dealer and investment fund manager. Introductions are permitted exclusively through registered exempt market dealers. If you are interested in investing in the fund, please contact Harshil Meraiya, a registered dealing representative with Belco, at hmeraiya@belcopc.com.

An investment in RealAlt® High Yield Mortgage Trust. Any offering is made only pursuant to the relevant offering memorandum together with the relevant subscription agreement, both of which should be read in their entirety. Neither the Ontario Securities Commission nor any other securities regulatory authority of any Canadian jurisdiction has passed upon the accuracy or adequacy of this information material, and any representation to the contrary is unlawful. The contents of this presentation are not to be construed as legal, financial or tax advice. Each individual should contact his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

Forward-looking information contained in this presentation is based on the current estimates, assumptions, expectations and projections, which are believed to be reasonable as of the current date. There is no assurance that these estimates, assumptions, expectations and projections will prove to have been correct. You should not place undue reliance on forward-looking information contained herein. Actual results may differ and are not guaranteed.