



On May 10, 2023, City Council adopted the [Official Plan Amendment](#) and [Zoning By-law Amendment](#) to permit multiplexes citywide.

# Quarterly Report

As of June 30, 2024

**RealAlt<sup>®</sup> 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

# Message from the Trustee

## *Second Quarter 2024*

The second quarter of 2024 has experienced two interest rate decreases and we have yet to see any significant market movement. The Consumer Price Index report provided further evidence of easing inflation. Recent data suggests the labor market is cooling off. Household spending helped GDP grow by 0.4% in the first quarter compared with a flat fourth quarter in 2023.

Looking ahead, we observe several key trends affecting the economic environment. In Canada, interest rates are expected to decrease, and while unemployment rates are rising, another reduction in interest rates seems likely for the fall. Similarly, the U.S. is anticipated to lower its rates, potentially by up to 50 basis points, which would leave room for a possible decrease of 75 basis points in Canada.

These developments suggest a potential turning point for the real estate market, which has experienced a period of stagnation over the past year. Although the market is showing signs of bottoming out, there may still be a period of increased defaults as the economy transitions from a contractionary to a more expansionary phase. The Bank of Canada is expected to be cautious in managing inflation, which means any rate cuts will be gradual.

Overall, these changes signal the early stages of recovery, creating opportunities for investors, particularly in mortgages. Higher yields and positive risk-adjusted returns are anticipated in the current contractionary environment. For those interested in equity investments, an increase in defaults may present additional opportunities.

While many investors remain on the sidelines, this is likely to shift as large-scale investors recognize the reduced risk and enter the market. To capitalize on these opportunities, it may be advantageous to invest before this influx of capital drives up prices. The next six to twelve months could offer significant opportunities for early movers in the market.

At present, the Toronto condo market is experiencing a period of stagnation. There is a growing interest in smaller rental properties, such as five to ten-unit infill sites, which are more manageable and potentially more viable option for the small investor market. Smaller multi-family rental developments seem to be better prospects in the short to medium term. Investors may want to consider these types of projects if they are not already involved in the market.

[I recently published two educational Youtube videos on the state of the Market and a perspective on the focus on investing multi-family homes. These videos help explain my points above.](#)

In the third quarter of 2024, management will appoint Peter Freidman as a trustee of RealAlt® Investments. Currently, he is an external advisor to the Investment Fund.

Overall, the state of the real estate market is characterized by a continued shortage of housing and improving market conditions. Maintaining a broad, long-term perspective of the market, the emphasis remains on residential development as a crucially undersupplied asset class. As always, thank you for your valued support.

Sincerely,

Brian Dorr, Trustee, RealAlt High Yield Mortgage Trust

# 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 ~\$3 B in loans.

## Series A, F, O, B FUND DETAIL (As of December 31<sup>st</sup>, 2023)

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><b>Series A, F:</b> 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><b>Series B:</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



# New Loans

## 5662 19th Ave, Markham, Ontario - \$1,500,000

**Project Description** The subject property is located at 5662 19 Ave, Markham, ON L3P 3J3. The subject site is approximately 10 acres and can be developed into 22 residential lots. The subject property in its current state, is land parcel with 100.4M frontage and 407.8M depth improved with a custom built home.

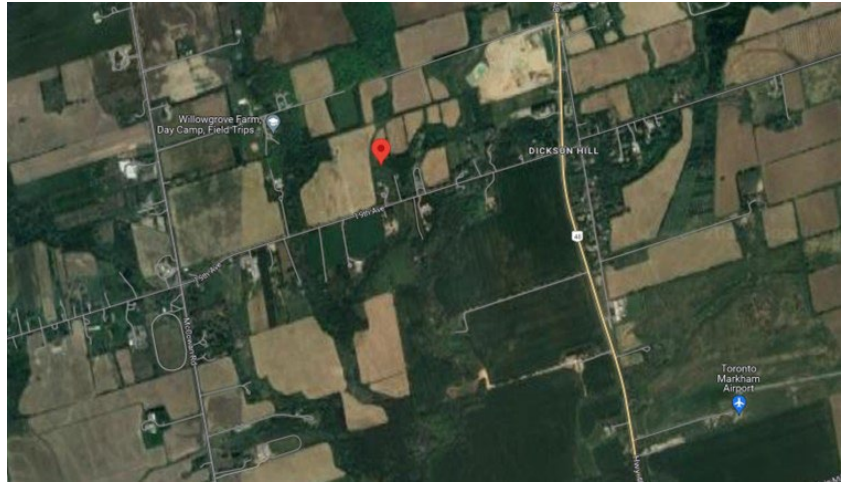
**Loan Facility** \$1,500,000 Second Mortgage Loan

**Real Alt Investment** \$1,500,000

**Term** 12 Months

**Appraised Value** \$9,500,000

**Loan to Value** 78.95%



## 107 Hadrian Drive, Etobicoke, ON - \$2,200,000

**Project Description** The subject property is located at 107 Hadrian Drive, Etobicoke, ON M9W 1V7. The subject site is approximately 0.13-acres and is being developed into a 5-plex.

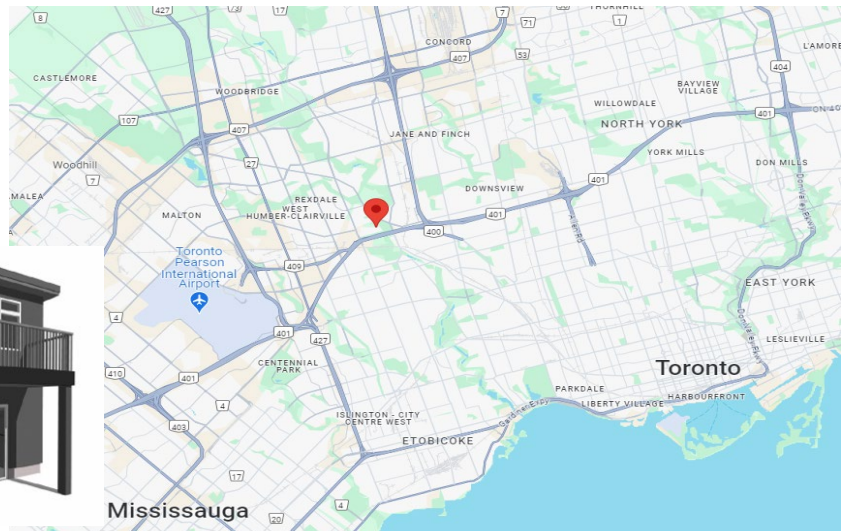
**Loan Facility** \$2,200,000 First Mortgage Bridge Loan

**Real Alt Investment** \$2,200,000

**Term** 6 Months

**Appraised Value** \$2,890,000

**Loan to Value** 76.12%



# Key Indicators and schedule of investments

## As of June 30, 2024

### As of June 30, 2024

Mortgage Amount	16.27M	YTD Redemptions	1.05M
Loan to Value (LTV)	68%	YTD Distributions	0.96M
Distribution YTD Yield	5.22%	Cash Distributions	70.44%
Net Asset Value	17.34M	DRIP	29.56%

### Current Schedule of Investments

Location	Loan Type	Position	Amount	Portfolio	Loan Size
Dundalk	Land	1	6,000,000	33.77%	12,000,000
Dundalk	Land	1	3,250,000	18.29%	3,750,000
Toronto	Construction	1	2,200,000	12.38%	2,200,000
Markham	Land	1	1,500,000	8.44%	1,500,000
Hamilton	Construction	1	965,000	5.43%	1,265,000
Mississauga	Land	1	930,280	5.24%	15,200,000
Lindsay	Land	2	702,222	3.95%	7,900,000
Melancthon	Land	1	620,000	3.49%	2,250,000
Dundalk	Land	1	700,000	3.94%	4,000,000
Lindsay	Land	1	497,778	2.80%	5,600,000
Dundalk	Land	1	250,000	1.41%	4,930,000
Toronto	Construction	1	150,000	0.84%	40,000,000
Markham	Construction	2	1,000	0.01%	7,900,000



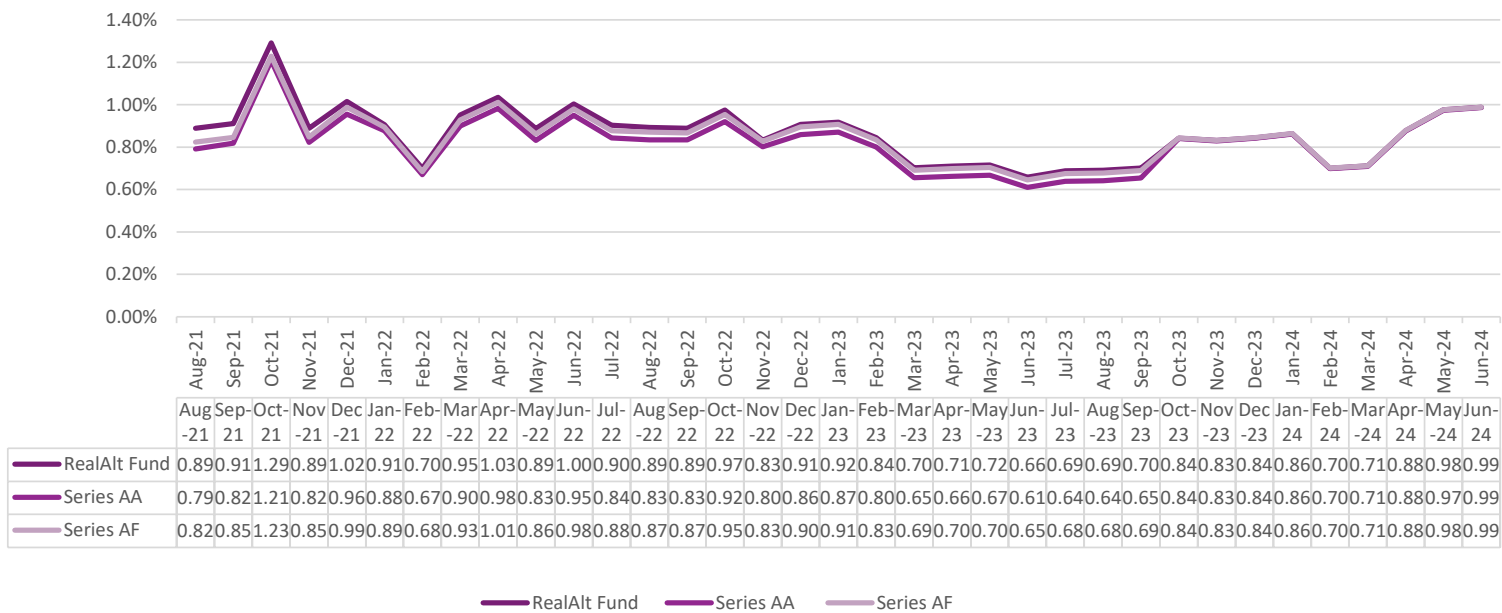
# Financial Highlights

## QUARTER TO QUARTER CHANGE

	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>
Current Loans	23.17	18.99M	14.07M	16.27M
Average Deal Size	17.79M	8.69M	18.22M	15.7M
Average Loan to Value	56%	52%	58%	68%
Numbers of Active Mortgages	15	13	19	13
Average Term (Months)	20 Months	23 Months	19 Months	19 months
Interest Payments (3 Months Annualized)	7.72%	7.59%	9.22%	11.53%

# Distribution History

RealAlt High Yield Trust Monthly - Distribution(ITD)

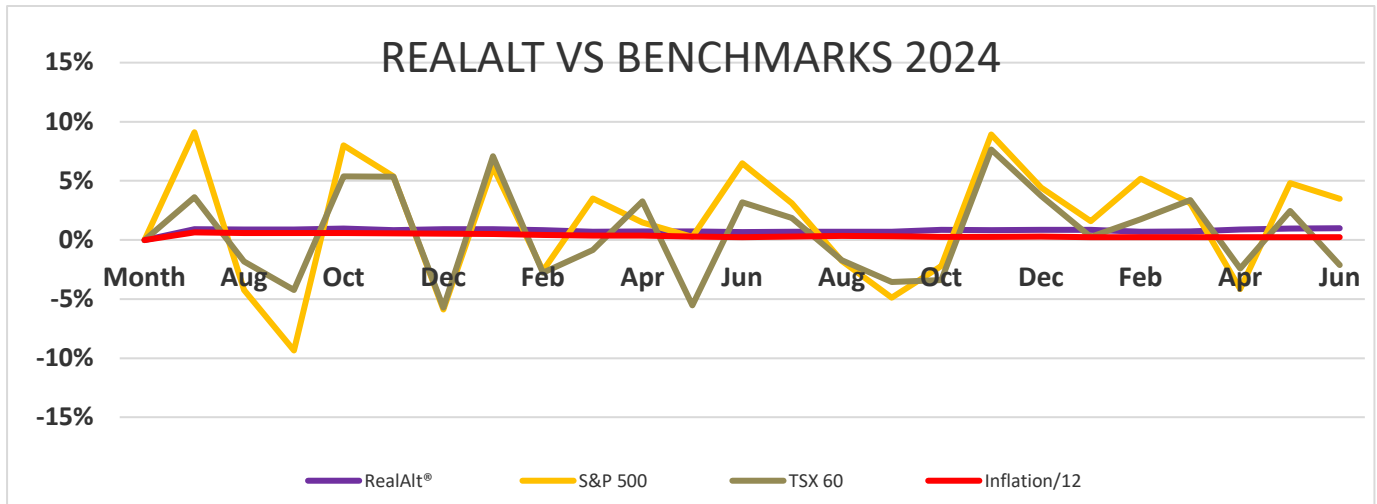
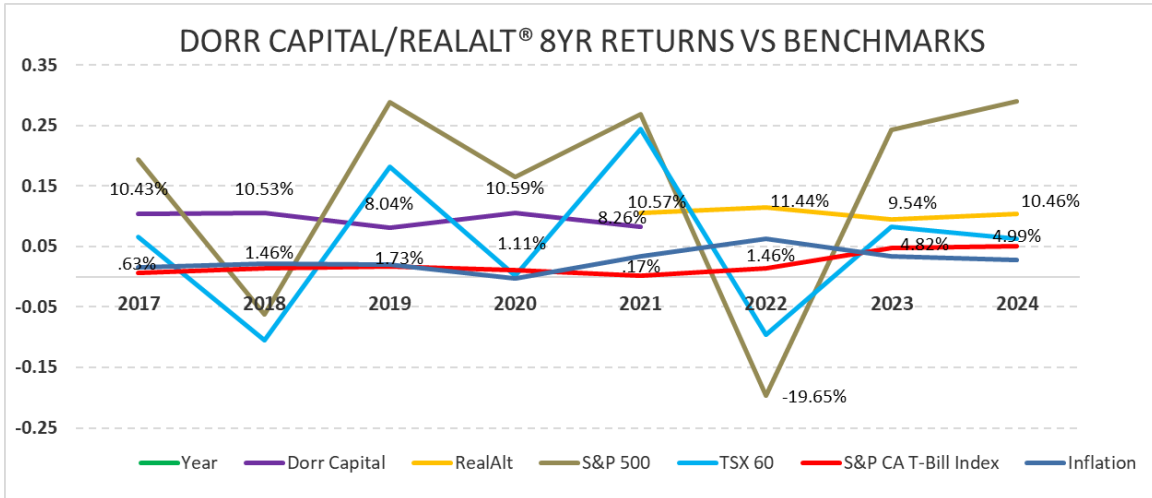




# Financial Highlights

(CONT 'D)

ROI REALALT® vs BENCHMARKS - AS OF June 30, 2024



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

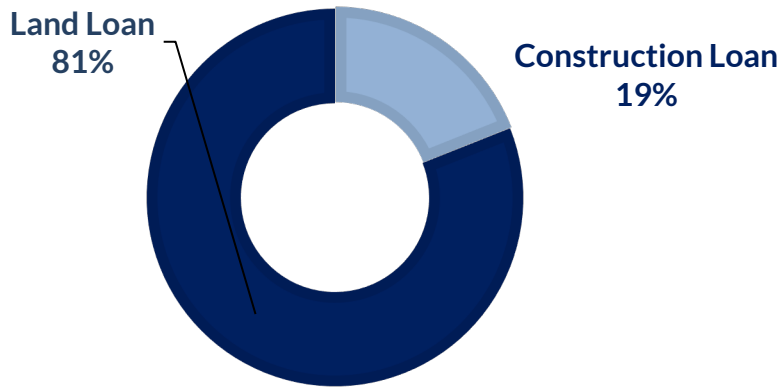
>T-bills are debt securities that are 100% guaranteed both principal and interest are backed by the government bodies

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

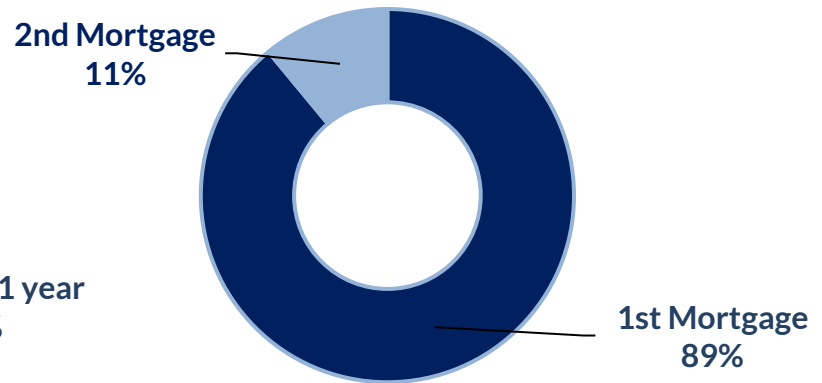
- S&P500 and TSX60 in relation to RealAlt returns is to provide investors information on their options and behavior of their investments
- T bills and Inflation along with RealAlt returns is to provide investors perspective on factors that affect their Investment value over time
- These comparable are 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, 2024)

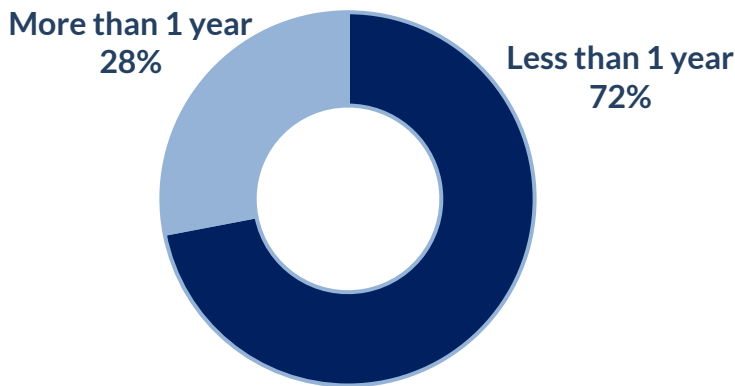
## TYPE OF LOANS



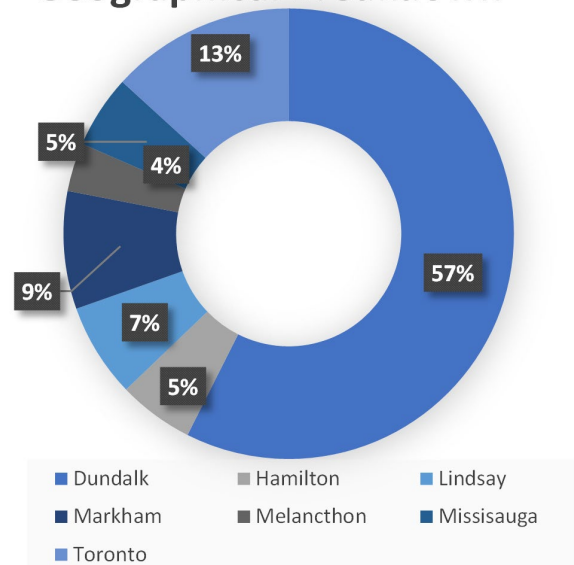
## MORTGAGE POSITION



## LOAN MATURITY



## Geographical Breakdown



# 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

## INVESTOR RELATIONS CONTACT/ TEAM MEMBERS

Harshil Meraiya

**Tel:** 416.484.9747

**Email:** [hmeraiya@dorrcapital.com](mailto:hmeraiya@dorrcapital.com)

**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

- ⇒ BLG Beyond AUM Law

## FUND ADMINISTRATOR

- ⇒ SGGG Fund Services Inc.

## 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](mailto: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.

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