



RealAlt[®]

INVESTMENTS

Quarterly Report

Q3 2024



RealAlt[®] High Yield Mortgage Trust 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 a private mortgage real estate investment fund with a focus on land, new home developments and multi-family rentals in Ontario. Offering individuals the opportunity to invest in commercial real estate mortgage investments secured by capital (land and homes),.

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.

RealAlt[®] Trustee, 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.

Contents

4	Message from the Trustee
6	New Loans
7	Financial Highlights
9	Management, Trustees, Partners, unitholder information

Message from the Trustee

Third Quarter 2024

Overview

The third quarter of 2024 showcased our commitment to meticulous fund management amid a challenging economic environment that has significantly impacted the real estate industry. Through strong risk management, strategic liquidity oversight, and strong partnerships with investors, borrowers, and financing collaborators, we have successfully navigated these hurdles. Our selective investment strategy ensured that we prioritized the best opportunities for our investors' capital.

Overcoming 2023 hurdles

In October 2023, RealAlt® Investments adjusted the NAV by \$4.2MM, representing a 17.31% reduction. However, we are pleased to share that over the subsequent 12 months, from October 2023 to September 2024, we successfully recovered \$2MM, or 10.69%, through consistent monthly distribution interest payments.

For an impressive 45 consecutive months, the fund has delivered reliable monthly interest distributions to all investors. This steadfast performance highlights the importance of regular interest distributions in supporting recovery efforts and maintaining long-term investor confidence.

Currently, the fund boasts a YTD annualized distribution yield of 11.18%, reflecting our commitment to generating strong and consistent returns for our investors.

Another positive outcome, that is worth repeating, for the 2023 tax yearend, the investors received Return of Capital for all interest payments, which resulted in no tax liabilities for the interest distribution.

In 2023, a \$1.3M loan in Mississauga stopped performing. However, RealAlt® Investments, working closely with our industry partners, chose to take a loss provision while pursuing recovery efforts. Over 12 months, our diligent collaboration resulted in a full recovery of the loan, including missed interest payments. The loan's value increased to \$1.6M and is now paying monthly distributions, highlighting the effectiveness of our proactive approach.

This recovery reflects a \$370K reversal of the initial loss, \$276K in additional capitalized interest earnings, resulting in an ~4% increase in the NAV, as reflected in the October 31, 2024, NAV price. Combined with a total interest distribution of 10.69% and 1.53% loss reversal contributed to an impressive total recovery of 12.22%. Q3 2024 exemplifies the success of RealAlt® Investments' commitment to protecting and growing investor capital.

Trustee's success influences RealAlt®'s success

RealAlt® Investments 2024 performance, to date is attributable to the expertise of Dorr Capital Corporation whose robust due diligence processes and adaptive underwriting models have been instrumental in navigating a volatile market.

As a further example of results focus, Dorr Capital's leadership in managing distressed assets has positioned it as an industry leader. One notable example of this is Dorr Capital assisted some key lending partners with the revival of the Kitchener-Waterloo *Elevate* condominium project. This was reported in major media outlets such as [Bloomberg](#) and [Globe & Mail](#).

continued

Message from the Trustee

Continued

Economic Environment

As of October 2024, the Bank of Canada has reduced its policy interest rate several times, bringing it to 3.75%, with further reductions expected into 2025, with inflation remaining stable. These adjustments play an important role in supporting economic growth.

A recent [report](#) from the Parliamentary Budget Office (PBO), which assumes lower immigration numbers, estimates a housing gap of 658,000 units, which is still a significant housing shortage. While this presents challenges, the Financial Accountability Office of Ontario has [pointed out](#) that single-detached home construction is at a historic low, with 2024 projected to have the fewest annual starts since 1955—a 69-year record (which further contributes to the housing shortage). On a positive note, 77% of housing starts in Ontario this year have been for multi-unit dwellings, highlighting the growing demand for rental properties of all types including small multi-family rentals, which aligns with our current mortgage offerings.

Looking ahead to 2025, we anticipate promising opportunities in the real estate market. As the effects of recent rate hikes diminish, we will see pent up demand for housing sales take over. We are optimistic about the market's future growth and stability.

New Loans

Burlington, ON - \$250,000

Project Description	2.664 acres of mixed-use employment land improved with 20,565 sq ft and allowable up to 58,297 square feet, to be converted into residential 3 building comprising 722 units with GFA 493,299 square feet.
Loan Facility	\$7,000,000 First Mortgage Land Loan
Term	12 Months
Appraised Value	\$ 17,300,000
Loan to Value	40%



Markham, ON - \$1,810,000

Project Description	The Subject property is located in Markham, East of McCowan road and 19th Ave. It consists of a land parcel with an area of approximately 10-acres and can be developed into 22 residential lots. In its current state, it is a land parcel with a frontage of 100.4 metres and a depth of 407.8 metres.
----------------------------	--

Loan Facility	\$1,810,000 Second Mortgage Land Loan
Term	12 Months
Appraised Value	\$9,500,000
Loan to Value	82.2%



Financial Highlights as of September 30, 2024

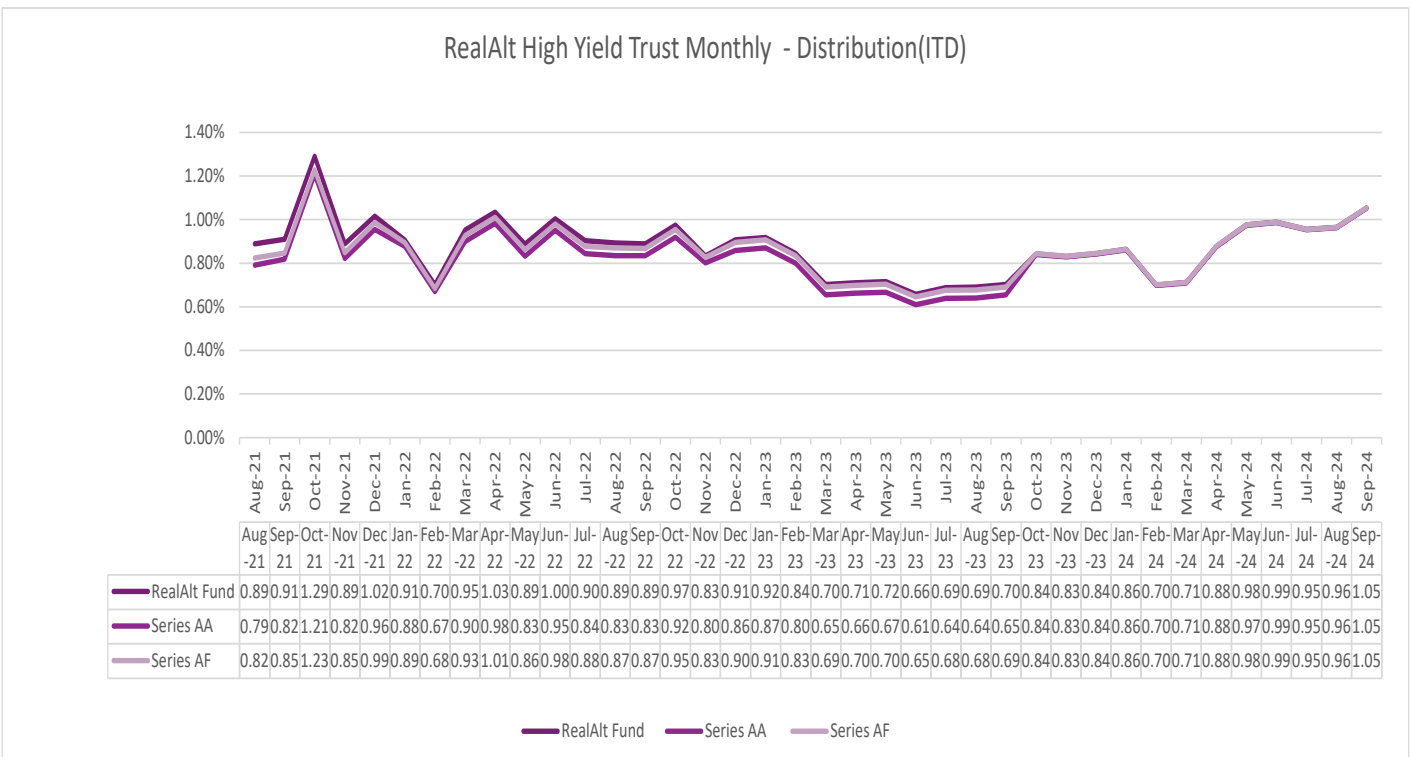
As of September 30, 2024

Mortgage Amount	16.83 M	YTD Redemptions	1.06M
Loan to Value (LTV)	68%	YTD Distributions	1.48M
Distribution YTD Yield	8.38%	Cash Distributions	70.50%
Net Asset Value	17.41 M	DRIP	29.50%

Quarter to Quarter Change

	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>	<u>Q3 2024</u>
Current Loans	18.99M	14.07M	16.27M	16.83 M
Average Deal Size	8.69M	18.22M	15.7M	15.1 M
Average RealAlt Participation	1.86M	1.28M	1.25M	1.2 M
Average Loan to Value	52%	58%	68%	68%
Numbers of Active Mortgages	13	19	13	14
Average Term (Months)	23 Months	19 Months	19 Months	19 Months
Interest Payments (3 Months Annualized)	7.59%	9.22%	11.53%	12.20%

Distribution History



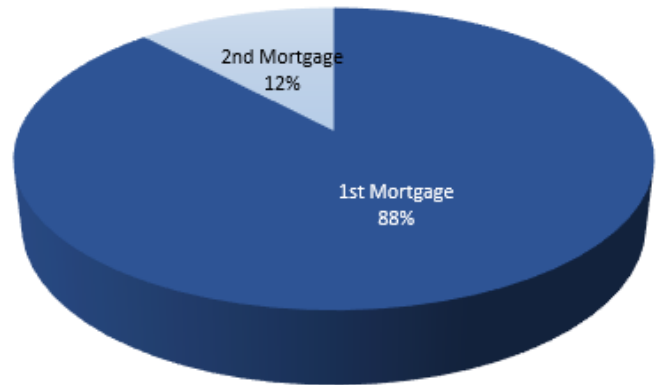
Key Indicators

as of September 30, 2024

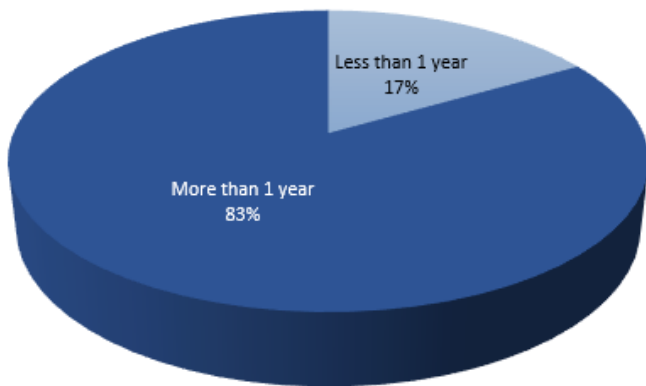
Types of Loans



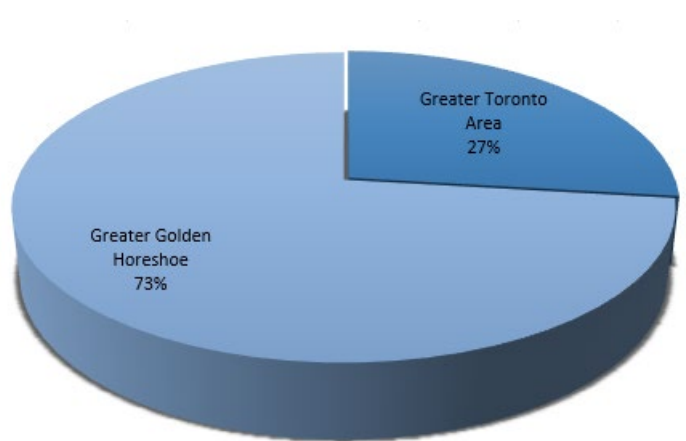
Mortgage Position



Loan Maturity



Geographical Breakdown



Management, Trustees, Partners, Unitholder information

EXECUTIVE TEAM

- ❖ Brian Dorr, President and CEO
- ❖ Judy Wong, Senior Vice President of Underwriting and Loan Servicing
- ❖ Shezan Mukadam, Chief Financial Officer
- ❖ Tracey Dorr, Senior Vice President Marketing & Communications

TRUSTEES

- ❖ Brian Dorr
- ❖ Riccardo Plati

INVESTOR RELATIONS

- ❖ Jack Donovan
- ❖ 416.484.9747
- ❖ jack@belcopc.com
- ❖ jdonovan@dorrcapital.com

EXEMPT MARKET DEALER

- ❖ Belco Private Capital Inc.

REGISTER ACCOUNT ADMINSTRATOR

- ❖ Olympia Trust Company

SECURITIES LAWYER

- ❖ BLG Beyond AUM Law

FUND ADMINISTRATOR

- ❖ SGGG Fund Services Inc.

AUDITOR

- ❖ Segal LLP

FUND DETAIL (As of September 30, 2024)

YTD Distribution Yield*	11.18% (annualized)
Minimum Investment	Series A,F,B: \$25,000
Eligibility	Accredited Investors/Minimum Investment/ OM
Registered Status	Registered Account Eligible
Redemption	<p>Series A, F: Amount 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 (NAV), 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 is 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	<p>Series A: 1.25%</p> <p>Series F: 0.85%</p> <p>Series B: 1.75%</p>
Trailer Fees	Series B: upto 1% fee
Trade Date	Open ended Fund, Trades accepted throughout the month

* net of all fees and expenses at the fund level



For further information, please visit us at realaltinvestments.com or contact Investor Relations 416-484-9747 or email info@realaltinvestments.com

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 Jack Donovan, a registered dealing representative with Belco, at jack@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.