



## ALL ISLAND EQUITY MIC

### Q4 2021/22 (April, May, June) Investor Newsletter

#### Historical Returns

<b>Q4 Annualized Return</b>	<b>6.95%</b>
1 year	7.09%
3 year	6.61%
5 year	6.33%
10 year	4.90%
Portfolio Weighted	
Avg. Loan-to-Value	52.16%

#### Management Contact

Brad Rembold  
Office: 250-244-9700  
Direct: 250-729-9781  
brad@allislandequitymic.com

www.allislandequitymic.com  
450A Wentworth Street  
Nanaimo BC, V9R3E1

#### Fund information

Total Assets	\$49.3M
Min. Investment	\$25,000
Distributions	Quarterly
Price per share	\$10
Div. Reinvestment	YES
RRSP, TFSA, RRIF Eligible	

#### Selling Agent

Integral Wealth Securities Ltd.  
450A Wentworth Street  
Nanaimo BC

#### Auditor

MNP LLP  
345 Wallace St #400  
Nanaimo BC

Historical returns above based on compounding reinvested dividends. These materials are not to be distributed, reproduced, or communicated to a third party without the express written consent of All Island Equity MIC. These materials should be read in conjunction with the AIE MIC Offering Memorandum dated August 10, 2021 including the risk factors identified therein. This report has been provided for general information purposes only and is not intended to be a solicitation to purchase shares in AIE MIC or advice regarding the suitability of the investment for specific investors. Past results are not indicative of future performance.

Management is pleased to announce an annualized return of 6.95% for Q4 2021/22. During the quarter, the mortgage portfolio increased to \$49.3M, with the overall loan-to-value sitting at 52.16%. New mortgage fundings totaled \$9.59M, with \$2.35M in commitments issued at the end of the quarter.

The real estate market has continued to slow, primarily due to a sharp rise in institutional mortgage rates. As a result, there has been a substantial increase in active listings as well as average time on market. Although the market may become balanced in the short term, it's likely that the additional inventory will eventually cause values to decrease. Management remains confident in the performance of the mortgage portfolio and continues to monitor the effects of the market shift.

In addition to changing interest rates, OFSI regulations are making it increasingly difficult for borrowers to obtain financing through financial institutions. This has led to a strong demand for MIC financing. Many MICs are now short on funds and are unable to assist with new financing requests. With consistent loan turnover, All Island Equity MIC is well positioned to take advantage of this opportunity while continuing to adhere to stringent underwriting standards.

The fund currently has \$360,000 set aside for future allowance for bad debts. Management views this as a prudent strategy given the uncertainty in the market. As we move into the next stage of the market cycle, management may increase the allowance account out of an abundance of caution. This decision will be made between management and the Board of Directors. If these funds are not deemed necessary, they will be paid out in future dividend payments.

The MIC annual audit was completed early July. Financial statements for year end June 30, 2022 will be available for distribution in the coming weeks. If you would like a copy please send a request to [mortgages@allislandequitymic.com](mailto:mortgages@allislandequitymic.com).

As always, management thanks you for your continued business and trust. If you have any questions related to our operations please feel free to reach out to Brad Rembold at [brad@allislandequitymic.com](mailto:brad@allislandequitymic.com).