



ALL ISLAND EQUITY MIC

Q2 2022/23 (Oct, Nov, Dec) Investor Newsletter

Historical Returns

Q2 Annualized Return	6.99%
1 year	7.15%
3 year	6.72%
5 year	6.45%
10 year	4.99%

Portfolio Weighted Avg. Loan-to-Value	49.56%
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Management Contact

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Fund information

Total Assets	\$53.8M
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 31, 2022 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 6.99% for Q2 2022/23. During the quarter, the mortgage portfolio increased to \$53.8M, with the overall loan-to-value decreasing to 49.56%. New mortgage fundings totaled \$5.072M, with \$3.2M in commitments issued at the end of the quarter.

The quality of mortgage applications remains strong. Management continues to maintain stringent underwriting standards, reporting an average loan-to-value of 43.49% for newly funded mortgages. Interest rate and fee revenues have increased steadily in keeping up with market pricing. With Institutional lenders increasing rates and tightening policies, more borrowers are turning to alternative lenders looking for creative and timely financing solutions. All Island Equity MIC is well positioned to benefit from this shifting lending landscape.

Management reported low delinquency throughout the quarter. The administration team continues to actively monitor the loan portfolio, taking steps to address any potential issues in a timely manner. There has been a moderate increase in loan payouts compared to previous quarters. This has provided the necessary liquidity to allow management to redistribute funds at terms congruent with higher portfolio returns. Additional cash flow is provided by a recently expanded loan facility, as well as strategic capital raises. Liquidity has proven to be a distinct competitive advantage in the current lending environment.

During the quarter, the board voted to add \$65,000 to the future allowance for bad debts account, increasing the total to \$440,000. At the direction of the board, management is targeting 1% of total assets to be set aside in this account. This is considered a prudent strategy given the nature of the market at this time. If these funds are not necessary, they will be paid out in future dividend payments.

The board would like to acknowledge the appointment of Brad Rembold as CEO and Margaret O'Connor as COO of All Island Equity MIC. Both have managed the day-to-day operation of the MIC since 2017 and 2020 respectively. Pat Sullivan has stepped down as President but remains an active board member.

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.