

Bancorp Growth Mortgage Fund II

HIGHLIGHTS

- Established October 2009
- More aggressive, higher risk fund focused on second mortgages
- Fund manager has a long-term proven track record
- Target yield is the yield on 2-year Government of Canada Bonds +7%

HISTORICAL YIELD



* The target rate for this fund was established in 2001 and is not applicable for prior years

INVESTMENT STRATEGY

The Fund provides financing by way of higher ratio first and second mortgages to finance the acquisition of land as well as the construction, development, redevelopment or renovation of residential, retail, office or industrial properties.

RISK/REWARD PROFILE

Higher ratio first and second mortgages have the potential to provide higher yields commensurate with the higher risk profile. Yields associated with this fund will also be more volatile than our other funds. This fund is suited for long-term investors looking for a higher return for a portion of their investment portfolio.

LENDING CRITERIA

- Loans do not exceed 85% of appraised value
- Maximum Loan to any one borrower is 15% of Capital
- Maximum Loan to any one property is 10% of Capital
- All Loans are made to arm's-length borrowers

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