

Advanced

Mortgage Investment Corporation

.COM

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Welcome to the advanced group of companies

The Advanced Group of Companies focuses on the ongoing and increasing need for alternative financing options in the Canadian marketplace. Increased regulations and higher mortgage qualifying rates have made traditional lending guidelines more restrictive leaving many quality and credit worthy borrowers searching for alternative lending solutions.

These very restrictions created a significant need for alternative non-bank lenders like Advanced Mortgage Investment Corporation (AMIC).

AMIC was established in 2014 to offer alternative financing opportunities to qualified borrowers and in doing so opened the door to investors searching for a high-quality investment with consistent returns which are not directly correlated to the financial equity markets.

AMIC is open to both Accredited and Non- Accredited investors offering preferred shares in a pool of professionally underwritten alternative mortgages. It is a turnkey investment from which current shareholders continue to earn attractive monthly dividends while preserving capital and enjoying the peace of mind that comes with a diversified portfolio. What is also attractive to investors is that we fully administer the portfolio from start to finish meaning investors can sit back knowing that every dollar invested in AMIC is always working for them.

We are confident that investing with the Advanced Group of Companies will compliment your portfolio and bring you closer to achieving your financial goals.

Michael Hapke, President and CEO

What is a MIC?

A MIC is a corporation formed under the rules set out in the Income Tax Act, Section 130.1.

Simply put, a MIC is a company that pools shareholder capital, lends that capital out as mortgages, earns income via interest and fees and pays 100% of its net income (after management fees) back to the shareholders. MIC shares are RRSP, RRIF, LIRA, TFSA and RESP eligible.

Advanced Mortgage Investment Corporation, or AMIC, is a MIC (incorporated in the province of Ontario) that offers preferred shares for purchase by accredited investors or by non-accredited investors under certain prospectus exemptions. The company uses the pooled share capital to fund professionally underwritten and primarily residential mortgages in the Greater Ottawa Region of Eastern Ontario.

The MIC Alternative

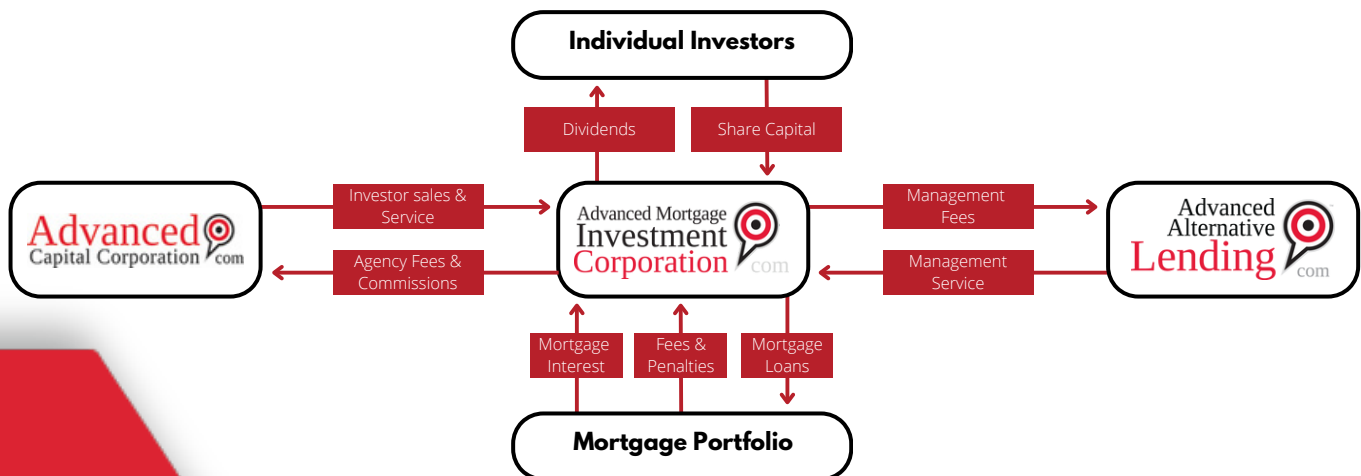
A MIC is considered an alternative investment. Alternative investments are investments that do not fall into one of the three traditional asset types: stocks, bonds and cash.

Alternatives are an established and growing industry. Because some alternatives can be complex in nature, in the past they were often held by institutional investors or by accredited investors only. With the introduction of some rule changes in the Exempt Market space, these investments are now available to a wider range of investors.

Alternative investments, including MICs, may generate a higher rate of return than traditional investments. Potential investors should carefully review the underlying risks and tax implications of any alternatives they want to add to their portfolio. Alternative investments can be an attractive option for some investors assuming the investment being considered is suitable based on each investor's level of risk tolerance, time horizon, understanding of the investment and need for liquidity. MICs typically offer an attractive rate of return based on the level of risk associated with the underlying asset.

What Advanced Does

AMIC's strategy is to make mortgage loans (secured by real estate) to borrowers who are under serviced by large financial institutions. In general, these mortgages will generate income through interest and fees. AMIC distributes substantially all of its net income (and any net realized capital gains, as determined under the Tax Act) as partial periodic dividends during each fiscal year. Top-up dividends are distributed within 90 days of its fiscal year end. Dividends are treated as interest income for tax purposes.



Advanced Investors are looking for:

Income

The Manager (AAL) strives to minimize AMIC's risk by being prudent in both its credit decisions and in assessing the value of the underlying real property offered as security. The Manager looks for near-prime borrowers in urban Ottawa and the surrounding areas and maintains a mix of mortgage types in its portfolio including first and second mortgages, primarily on residential real estate. When AMIC funds a mortgage, it generates income through interest, setup fees and servicing fees over the lifetime of the loan. The net income of the corporation flows to investors via dividends. Investors in the MIC can choose to have those monthly dividends paid out in whole or in part or can choose to have the dividends re-invested monthly.

Return

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Liquidity

As with certain other private company shares or exempt market products, AMIC shares are not traded on an exchange and there is no resale market. Share liquidity is linked to portfolio liquidity. The mortgage portfolio has an average term to maturity of fewer than 365 days (due to the short term nature or situational needs of AMIC's typical borrower). Because of this portfolio liquidity, AMIC is usually able to accommodate requests for redemption upon receipt of appropriate advance notice from the investor. It is AMIC's goal to always be fully invested in order to achieve the highest rate return for our investors while always working closely with investors to accommodate any unforeseen liquidity requirements. AMIC reserves the right to suspend the right to redeem shares in certain circumstances. See AMIC's Offering Memorandum for full details.

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- AMIC loans can vary in amount depending on the type of real estate and the priority of the mortgage, however it is expected that the weighted average portfolio loan-to-value will be between 70% and 75%, and that the typical property value will track the Ottawa Real Estate Board average.

Share Value

As a non-market-correlated asset, AMIC can be an excellent hedge against bond and stock market volatility in your investment portfolio.

AMIC's share value can only fluctuate when there is a loss of principal or when there are expenses in excess of the total annual income of the entire portfolio.

Portfolio risk (and reward) is shared proportionately by all AMIC investors. Through the application of strict underwriting policies, AMIC attempts to mitigate this risk before it results in loss of principal or share value.

If default occurs that could create a loss of income or principal, AMIC strives to protect its investment via foreclosure or power of sale proceedings. As with any mortgage recovery process, it is possible the total amount recovered may be less than the total mortgage, resulting in a possible loss of income and principal to AMIC shareholders.

Security

In Ontario, mortgages are a full-recourse debt. A full-recourse debt means that no matter what happens—be it illness, job loss, or death of the borrower—the mortgage lender has options to recover the debt. If a mortgage borrower fails to make a payment, the lender can move to the power of sale process 15 days after that missed payment.

Once the power of sale process is complete, and if the lender has not fully recovered the principal, interest and fees payable, the lender can go after the borrower's other assets (and their income, via judgment or garnishment) to collect the remainder of the debt. And if there is a co-borrower or guarantor, the lender can also exercise powers of recovery against them as well. In most cases these enforcement actions are not required and considered a last resort as AMIC is normally able to work closely with the borrowers to find solutions to bring the mortgage payments up to date or to encourage the sale of the property.

Since inception, and as of the end of Fiscal 2023, AMIC's returns have been achieved without loss of principal or income due to default. Past results are not indicative of future performance.

Regulation, Governance and Accountability

AMIC's distribution of shares is regulated primarily by the Securities Act, National Instrument 45-106 Prospectus Exemptions and by National Instrument 31-103 Registration Requirements and Exemptions. Other statutes (like the Interest Act, the Mortgage Broker's Act and Canadian AML laws) also govern AMIC, ACC, AAL and MBCI. Each company must perform its own duties with some overlap and duplication.

The Ontario Securities Commission is the regulator to non reporting issuers as well as exempt market dealers. AMIC as a non reporting issuer and ACC as an exempt market dealer have transactional, monthly, quarterly and annual reporting and audit obligations to the OSC as well as other sundry ongoing obligations.

The Financial Services Regulatory Authority of Ontario regulates the activities of AAL as a mortgage administrator, as well as the activities of all mortgage brokers (including MBCI). AAL is a licensed mortgage administrator in Ontario. AAL has sundry ongoing obligations related to this license and must undergo an annual audit for compliance with FSRA requirements.

While it is not a regulator, the Ombudsman for Banking Services and Investments serves to resolve disputes between investment firms (like ACC) and investor clients. If AMIC or ACC were ever to enter into a dispute with shareholders that could not be resolved in a satisfactory way by the parties involved, the shareholder has recourse to the OBSI to provide an impartial and independent opinion on how the dispute should be resolved. (Funds used to invest in AMIC shares are not covered by the CDIC.)

The Canadian Securities Administrators protect investors from unfair, improper or fraudulent practices and foster fair and efficient capital markets. The CSA tracks registration of firms and individuals and implements policies like the new CRM2 requirements for investor communications and statements.

What Is The Role of the Exempt Market Dealer?

In Canada, and specifically in Ontario, regulators have increased their scrutiny and oversight of alternative investments sold to investors by exempt market dealers. An exempt market dealer (EMD) is a category of securities dealer set out in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

It is the obligation of the EMD to review a potential investor's "Know Your Client" application to determine suitability of an investment for that investor.

Before opening an account with Advanced MIC, you will meet with a dealing representative from an EMD like Advanced Capital Corporation. Your dealing representative will review your financial goals and will help determine if an investment in AMIC shares is suitable for you.

Advanced Capital Corp. (ACC) is a registered exempt market dealer and acts as agent for AMIC. ACC is a related and connected company to AMIC by virtue of common ownership and control.

1.

Meet with your ACC Dealing Representative to review the risks and suitability of investing in AMIC. Your Dealing Representative will complete a "Know Your Client" process by meeting with you to collect information.

2.

Consult your legal and/or tax advisors to ensure that AMIC is in line with your time horizon, financial plan and family goals.

3.

To hold shares in a registered plan, have or open an account with a trustee. ACC can provide a list of trustees and can review trustee fees with you.

4.

Once you have made your decision to invest, your ACC Dealing Representative will complete the subscription process with you.

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