



HARBOUR PARK
CAPITAL PARTNERS



Tri City Fund Management Ltd.

Riding the Interest Rate Wave

April 2023



Dear Investor

There has been some news about the failure of several US and Swiss banks. There will likely be a few more before the year is over. Is this the sign of a banking crisis?...

We need to distinguish between issues related to poor risk management at the micro level vs. sector hazards inherent at the macro level. In the case of Silicon Valley Bank (SVB) and Credit Suisse (CS), the high-rate environment exposed their weak investment management and risk controls (fixed income for SVB;

hedge fund credit for CS). Those problems were more related to company-specific strategies than to any macro market conditions. It does however, point to the likelihood that a higher interest rate environment will almost certainly lead to more poorly-managed banks failing in the near future. That is going to be bad news for the short term as it will cause more market volatility and sentiment. But it is going to be good news for the long term as it removes weak and compromised institutions from taking in further investor and depositor capital. For there to be a widespread banking collapse would require the failure of much larger and less concentrated commercial banks operating more conventional lending businesses; something that does not look very likely in the near term (if the equity and bond markets are any indication).

There was a very interesting Op-Ed in the **Globe and Mail** some weeks ago that questioned the fairness and wisdom of the banking situation and bailouts. If you are curious, feel free to click on the link below:

[We should have let Silicon Valley Bank fail and let these tech bros feel the pain.](#)



What does this mean for Tri City Group Monthly Income Mortgage Trust (TCGMIMT or the Trust) and your investment?

For now, not much. TCGMIMT has cash management relationships with only the largest Canadian banks, which thus far, have mostly avoided the depositor confidence issues south of the border. In terms of the business environment, unsurprisingly, the high-rate environment has actually led to an increase in demand for private capital loans. This has allowed the Trust to continuously push up its lending rates to meet the market equilibrium. As TCGMIMT's older 2022 lower

rate loans continue to payout, they are being replaced with newer, higher yielding loans. This will aid in the rebalancing of lending yields more effectively in the coming months which should help deliver better returns to you. It is akin to riding the “interest wave” direction with TCGMIMT.

If you are looking for ways to boost your “disposable” income in this inflationary environment, one of the best ways to do this is through your **Tax-Free Savings Account (TFSA)**. Using the TFSA to generate tax-free income is an extremely powerful tool, whose benefits will only increase each year as limits are increased. If you set up a TFSA account and make an investment in TCGMIMT through one of the Trust Companies we deal with (i.e. - Olympia Trust, Pacific Western), you can set up the account (for a small fee) to transfer TCGMIMT’s monthly distributions directly into your personal bank account. The TFSA is a powerful “gift” from the Federal government.



Catch a Wave and You're Sitting On Top of the World

Tri City Group Monthly Income Mortgage Trust is still taking in new investments. Your investment represents a belief in residential real property as a long-term growth asset. With high inflation still persistent and a recession imminent, we believe it is critical for investors to keep BOOSTING income and cash flow. With the Top-Up Bonus, TCGMIMT A-3 Units delivered a 7.6%* return in 2022 and is expecting to surpass that number for 2023 (if current financial conditions persist).

Have a terrific spring and don't fall for the quick buck.

Jim Wall, CCO and Dealing Representative
Harbour Park Capital Partners Ltd.
Suite #214 – 131 Water Street
Vancouver, B.C. V6B 4M3

(604) 569-2015 (EXT 228)

jimwall@hpcpl.ca

Sandy Oh, Dealing Representative, Harbour Park
Capital Partners



Jim Wall

CCO, Harbour Park Capital Partners Ltd.

Jim@hpcpl.caca

L: 604-569-2015 ext 228

M: 604-726-7950



Sandy Oh

President, Tri City Fund Management Ltd

Head of Loans Approval Committee

sandy@tricitygroup.ca

L: 604-569-2015 ext 238

M: 604-836-7095



Michael Goodman

Director and Chairman, Tri City Fund Management Ltd

michael@tricitygroup.ca

L: 604-569-2015 ext 222

Harbour Park Capital Partners Ltd.

Suite 214 - 131 Water Street

Vancouver, BC V6B 4M3

(604) 569-215 (ext 228)

www.hpcpl.ca

**E. & O. E. Past returns are not indicative of future returns. All returns quoted are annualized and calculated assuming reinvestment of distributions.*



HARBOUR PARK
CAPITAL PARTNERS

Share

Tweet

Share

Forward

Harbour Park Capital Partners Ltd,
Ste 214 - 131 Water Street
Vancouver, BC - British Columbia V6B 4M3
604-569-2015 (ext 228)
jimwall@hpcpl.ca

[Unsubscribe](#)