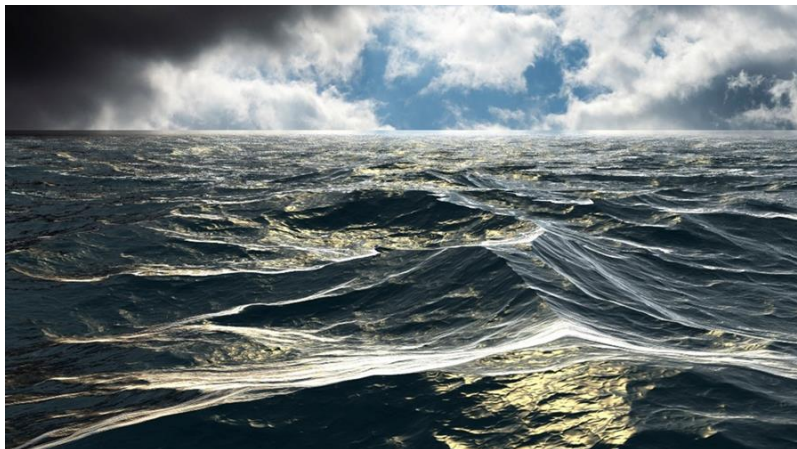




“STORM BEFORE THE CALM”



Dear Investor ,

With all the trouble going on in the markets (and around the world), it seems like a good time to step back and take a breath of fresh air in this incredible fall season. September 2022 had only 3 days of precipitation in Metro Vancouver, which is well below the 20-year average!



Sometimes it's good to take time to smell the roses. This is still a tremendous province and country we live in. Seize the moment and enjoy it. (Tri City's Chairman, Michael Goodman is taking advantage of the nice weather to take an extended sailing trip. What's your outdoor pleasure?)

[This year's newsletters will have a new look and include some new content. We will provide a mixture of select market news pertaining to the real-estate industry, mortgage fund updates and news about our business, and interesting anecdotes to bring a bit of humour to our lives. Our aim is to bring you up to speed on some of the salient factors affecting our business in a brief and entertaining way.]



We haven't forgotten there are storm clouds around us. Inflation on critical items such as food and fuel, remain very high and dangerously persistent. Interest rates are still marching higher. And we can expect continued tremendous volatility in the equity/bond markets.

Real Estate however, is moving to its own beat. Although transactional volumes are falling rapidly, prices however are declining much more slowly (i.e.- sticky). We can see this in the change in Benchmark prices for Greater Vancouver, which for September 2022, is still **UP** versus September 2021 (which itself was a tremendous gain versus 2020) across all product types (**+3.8% SFH; +6.2% apartment; +9.1% attached**)*. We see this same trend for other areas such as Capital Region (Victoria), Nanaimo and Interior (Kelowna)*.

Part of the reason is that supply is not growing rapidly. New listings for September 2022 in Greater Vancouver were down **18.2%** from September 2021 (while total listings are only up **8.0%** from last year). Another factor that supports “stickiness” is the population change factor. For the quarter ending April 1, 2022, total net migration into BC was 23,889 people, which was a record for BC. That was not a typo. This continued increase in population can only help bolster the demand for homes and help stabilize prices in the long run – *the calm after the storm*. This is why we choose to be in the real estate business in BC.



Tri City Group Monthly Income Mortgage Trust (“**TCGMIMT**”) is still growing and taking in new investments. Your investment in TCGMIMT and TCMIF represents a belief in real property as a long-term growing asset. Unlike complex/confusing financial instruments (*i.e. crypto, derivatives, etc.*), your Tri City units are based on mortgages secured over mostly residential properties (95%+ for TCGMIMT).

With inflation on fire and household expenses spiraling out of control, we believe it is critical for investors to keep BOOSTING income and cash flow to offset extra

costs (or capital market losses in other investments). TCGMIMT A-3 Units delivered its 7.0%* target return in 2021 and is expecting to surpass that number for 2022 with ***potential year-end bonus sharing.***



If you are looking to make an investment or have any further questions, please contact our Exempt Market Dealer, Harbour Park Capital Partners Ltd (contacts below).



Have a terrific fall and don't forget to smell the roses!



Michael Goodman
Founder, Tri City Mortgage Funds
Individual and Major Shareholder
Harbour Park Capital Partners Ltd
michael@tricitygroup.ca
L: 604-569-2015 ext 222
M: 778-895-5365

Permitted



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

** E. & O. E. Return figures are calculated using annual figures and assuming reinvestment of distributions. This newsletter does not represent an offering. Sales are subject to all applicable securities regulations and exemptions.*

The two trusts managed by Tri City Fund Management Ltd, the Tri City Mortgage Investment Fund Ltd and the Tri City Group Monthly Income Mortgage Trust, consist of separate mortgages. Funds are not commingled. Thus the performance of one is not related to the performance of the other. The same

individuals are responsible for managing both trusts and therefore share the same investment philosophies when picking the mortgages for both trusts. In order to save costs, expenses are shared by the management company.

**The distribution numbers expressed as an interest rate in these documents are based on all distributions being reinvested for one year. This is done in order to compare them to how the banks would speak about returns for a one-year GIC. Although in no way are these investments being compared to a GIC. Income not reinvested and paid out monthly would calculate out on a yearly basis in terms of a return, slightly lower. The distributions are not interest; rather, they represent income from a pool of diverse mortgages. Each series and class of units has different characteristics. Therefore, distributions and returns differ unit classes as well. This investment may only be bought through qualified registered investment advisors such as Harbour Park Capital which employs such advisors. The trust is sold via an offering memorandum (OM) exemption which allows it to be sold to the public. Past returns are not indicative of future returns. The business proposition is thoroughly explained in the OM. The communications materials speaking about the investment are simplified explanations of what can be a complicated field of investing. Have your trusted financial advisor go over the pluses and minuses of the investment. Management in the past has waived some of the fees entitled to it as described in the OM in order to provide better returns to investors and reserves the right to do so in the future.*

VIEW IN BROWSER

Harbour Park Capital Partners Ltd, Suite 5
Suite 214-131 Water Street
Vancouver BC. V6B 4M3
Office 604-428-9964
Mobile 604-368-4526
Info@hpcpl.ca

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