



**Manchester
Investments
Inc.**

Investor Presentation

March 2021

Important Disclosure

The following presentation is for discussion purposes only. It is intended to give potential investors a brief overview of Manchester Investments. The historic returns discussed in the document are not necessarily indicative of future returns. If a potential investor is interested in Manchester, he / she should review this product with their financial advisor prior to investing.

Terminology

MIC: Mortgage Investment Corporation as defined by the Canadian Revenue Agency (CRA)

Loan to Value (LTV): The primary risk metric in the mortgage industry. It represents the total loans owing divided by the value of the property (*at the time the mortgage was issued*). For example, assume a client has a property worth \$750k. The same client has a 1st mortgage of \$300k and a 2nd mortgage of \$100k. The LTVs would be as follows:

$$\text{1st Mortgage LTV: } \frac{\$300,000}{\$750,000} = 40.00\%$$

$$\text{2nd Mortgage LTV: } \frac{(\$300,000 + \$100,000)}{\$750,000} = 53.33\%$$

Loss Provision: The annual amount of profit held back in order to protect the portfolio from future losses.

Annual Return: Always net to shareholder (i.e. after our financial services fee).

Manchester Investments - Introduction

- Manchester Investments is managed by Amur Financial Group.
- The Amur Group has over 90 financial professionals focused on diversified financial products - Private Mortgages, Unsecured Loans, and Wealth Management.
- The Principals of Amur Financial Group have been involved in the private mortgage market since 1969.

Mortgage Origination



- Established in 1969.
- Licensed to lend in BC, Alberta and Ontario.
- Over \$2 Billion in loans since inception.

Mortgage Administration



- Currently administering in excess of 6,000 private mortgages.
- Other services include: bankruptcy & credit counselling, unsecured loans, and credit enhancement

Fund Management



- Over \$500 Million total assets under management including three funds with different risk/reward profiles.
- Over 1,300 investors.



Manchester Overview

- **Manchester** was established in 2009.
- It is a Mortgage Investment Corporation (MIC) as per the Canadian Income Tax Act.
- All MICs are “Flow Through Investments” in which 100% of profits are distributed annually to the participating shareholders.
- It is the 2nd largest of the three funds administered by Amur Financial Group.
- All of Amur Financial Group’s funds focus exclusively on low risk Canadian residential mortgages.
- Since inception, Manchester has consistently provided its shareholders with a positive yield ranging from 6.23% to 8.10%

Amur’s Group of Funds

Fund	Size of Fund	Primary Objective	Yield Target
Manchester Investments	\$94 Million	Capital Preservation, Stable Growth	6.75% to 7.25%
Ryan Mortgage	\$446 Million	Capital Preservation, Balanced Growth	8.75% to 9.25%
Blue Stripe Financial	\$11 Million	Aggressive Growth	Over 12%



Manchester Investments – Investment Objectives & Policies

Investment Objectives

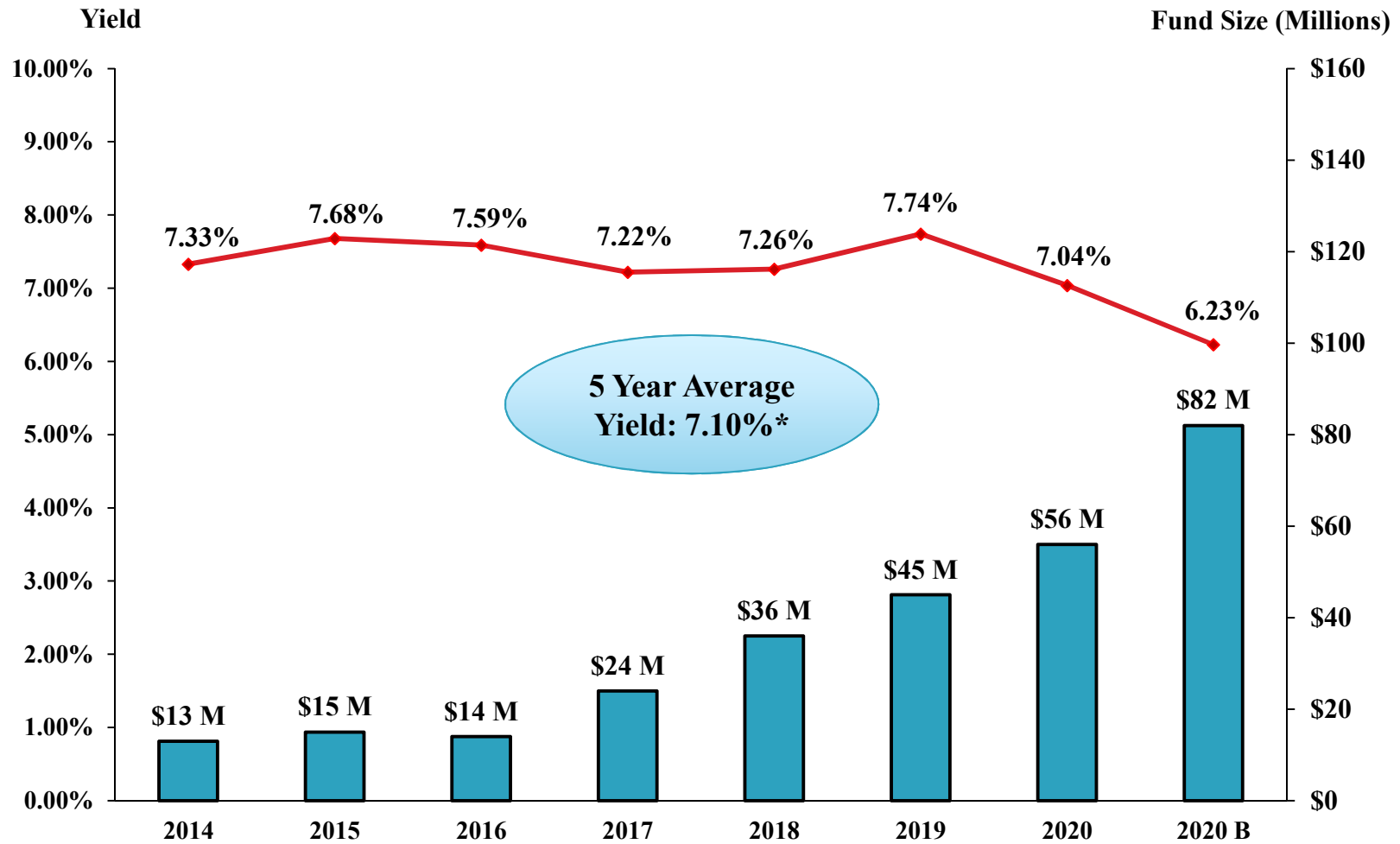
- Capital preservation.
- To earn the preferred shareholders a Net Return exceeding 7.00%.
- Maintain a weighted average loan to value of less than 50% of the total mortgage portfolio (current loan to value is 41.5%).

Key Investment Guidelines

- All investments must be secured by mortgages on Canadian real estate.
- For 1st mortgages, the loan to value on each individual mortgage can not exceed 75%.
- For 2nd mortgages, the loan to value on each individual mortgage can not exceed 65%.
- All mortgages require a recent independent property appraisal prior to investing.
- The term on any mortgage is not to exceed 2 years without board approval.
- No more than 10% of the portfolio can be invested in commercial properties.
- No investment shall be made on a non single family dwelling development property.



Manchester Investments – Assets Managed & Annual Yield



*2017-2020 B 5 Year Average



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Mortgage Origination Strategy

- Critical to any mortgage fund's success is its ability to source high quality loans. Most industry mortgage funds rely on its relationship with 3rd party mortgage brokers to source their mortgages.
- Manchester's strategy is unique in that it bypasses the "middle man" and goes direct to borrowers via its Financial Services providers: Alpine Credits & Sequence Capital.
- Alpine Credits has been involved in the private mortgage market since 1969.
 - Recognized brand with significant advertising budget focused exclusively on private mortgages.
 - Proprietary IT & business systems.
 - Over 90 employees in a central location allowing for economies of scale to administer a very large volume of loans.
 - "Geographically Agnostic" marketing strategy - allowing Alpine Credits to shift markets based on current market conditions:
 - Advertising can be used in any province.
 - Loans officers are licensed in multiple provinces.

These relationships with Alpine and Sequence provides Manchester with a distinct competitive advantage over other Private Mortgage funds.



Portfolio Composition

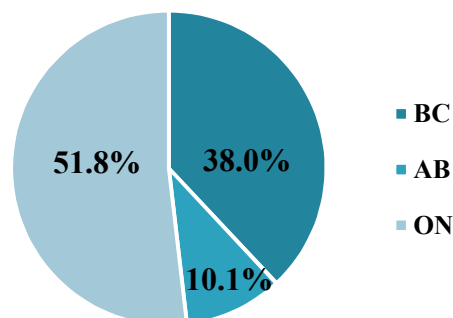
- 100% of the portfolio is secured against residential real estate.
- The fund concentrates on first mortgages and lower LTV second mortgages.

Portfolio LTV & Average Exposure Per Loan (as of March 1st, 2021)

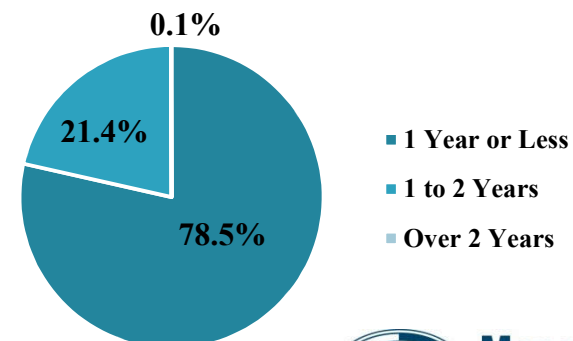
Position	# Files	Total Value	LTV	Average Exposure	Average Yield
First Mortgages	443	\$74.0 M	41.8%	\$167 K	6.39%
Second Mortgages	66	\$8.6 M	36.8%	\$130 K	8.03%
Other	22	\$11.5 M	42.2%	\$523 K	6.12%
TOTAL	531	\$94.1 M	41.5%	\$177 K	6.51%

- Manchester maintains a well balanced geographic diversity and all mortgages mature within 2 years.

Geographic Composition



Mortgage Maturity



Regulatory & Governance

- There are approximately \$68 Million preferred shares outstanding (~ 55 shareholders).
- The Company has a very simple capital structure:
 - (i) 1 Preferred Share = \$1.00 = 1 Vote
 - (ii) Preferred Shares receive 100% profits
- Leverage is employed with an operating line of credit of \$35 Million priced at Prime + 0.75%
- Management is subject to Monthly Bank Audits, Quarterly Board Reviews & an Annual Financial Statement Audit (MNP LLP).

Fund Performance – Key Metrics

Since inception (2009) Manchester’s portfolio has always been profitable with minimal loan losses. Its returns have ranged from 6.23% to 8.10%.

Year	Portfolio Size	Yield	Losses Incurred	Losses Incurred as % Portfolio
2012	\$11 Million	8.10%	\$0	0.00%
2013	\$11.5 Million	7.65%	\$791	< 0.01%
2014	\$12.5 Million	7.33%	\$11,011	0.09%
2015	\$14.8 Million	7.68%	\$578	< 0.01%
2016	\$14.1 Million	7.59%	\$289	< 0.01%
2017	\$24.2 Million	7.22%	\$18,256	0.08%
2018	\$35.4 Million	7.26%	\$0	0.00%
2019	\$45.1 Million	*7.74%	\$3,126	< 0.01%
2020	\$56.6 Million	*7.04%	\$0	0.00%
**2020 B	\$81.5 Million	*6.23%	\$135,746	0.17%

**Assuming reinvestment of monthly dividends.*

***2020 B represents 7 month period annualized to a 12 month year. Manchester’s year end was changed from May 31st to December 31st in 2020.*



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Manchester Investments – Summary

Established:	2009
Type of Fund:	Mortgage Investment Corporation (MIC)
Investment Focus:	Canadian Residential Mortgages
Taxation:	Flow Through Investment (taxes paid at the personal level as interest income)
Funds Under Management:	\$94.1 Million
Line of Credit:	\$25.9 Million
Most Recent Return (2020 B):	6.23%
5 Year Historic Return:	7.10% (high: 7.74% low: 6.23%)
Capital Structure:	1 share = \$1.00 = 1 vote
Insider Holdings*:	25.8% of total shares

*Directors, Officers & their families.



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Manchester Investments – Board of Directors & Officers

Kurt Wipp, President & Director

Kurt has over 20 years of experience in finance, marketing and business operations including roles involving private equity investments, structured finance, capital allocation and investment banking. He holds an MBA from studies at the University of British Columbia and Universita Bocconi (Italy), a Joint Honors degree in Economics and Business from Simon Fraser University and has studied at various world class business schools including the Wharton School of Business, Columbia University, Chicago School of Business and the Oxford Said Business School (UK).

Brent Wipp, Director

Brent has been involved in the Western Canadian private mortgage market and consumer finance business since 1983 and has been on Manchester's board as a director since its inception. He holds a mortgage broker's license in Alberta and British Columbia and received his Diploma of Technology from Selkirk College.

Kevin Budd, Director

Kevin is President of Pacific Southshore Ventures & Monashee Capital. Kevin manages multiple investments in private business and provides M&A advisory and general corporate finance advisory. Prior to this, Mr. Budd was a Senior Officer and Vice President of Methanex Corporation whose responsibilities were leading transaction and capital markets activities. He holds an MBA from studies at the University of British Columbia and the London Business School (United Kingdom). He is a professional engineer and received an honors degree in Mechanical Engineering from Waterloo University.

Victor Yates, Director

Victor Yates has 46 years of financial, appraisal, real estate, building and development experience. He was a mortgage manager/appraiser for The Royal Trust Company before starting his own appraisal and development company. He is a retired AACI appraiser and is currently a director of Inter-Continental Mortgage Corporation, Continental Appraisals Ltd. and Hycroft Realty Limited. He is an entrepreneur having experience in the financial, building and development fields of residential and multifamily, manufactured homes, care facilities, commercial and tourist facilities throughout the province of British Columbia. He presently sits on the board of a publicly traded TSX exchange company.

Contact: Investor Relations 1-866-888-4139 or invest@amurgroup.ca



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