

# AMUR

---

# CAPITAL

H I G H Y I E L D F U N D

INVESTOR PRESENTATION

SEPTEMBER 30, 2023

A SIMPLER APPROACH TO INVESTING

## IMPORTANT DISCLOSURE

The following presentation is for discussion purposes only. It is intended to give potential investors a brief overview of Amur Capital High Yield Fund Inc. ("ACHYF"). Neither the information nor any opinion expressed in this document constitutes an offer to sell securities or financial instruments or provide any investment advice or service. The historic returns discussed in the document are not necessarily indicative of future returns. If a potential investor is interested in ACHYF, he / she should review this product with their financial advisor or discuss with a Amur Capital Dealing Representative. There are restrictions on eligibility of investors to invest in this product. This product is only eligible for sale to Accredited Investors in British Columbia or Alberta, not for sale in Ontario. All investments carry risk, including ACHYF so please discuss with your financial advisor. The data in this presentation, including but not limited to, any guidance on future results, has not been audited and may be management's "most reasonable estimate". Leverage comes with increased risk to the shareholders. Two of the Directors of ACHYF have a controlling and financial interest in Amur Financial Group ("AFG") and are directors of other companies that are subsidiaries and related to AFG.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:** This presentation includes information, statements, beliefs and opinions that are forward-looking information and forward-looking statements under applicable Canadian securities laws (collectively, "forward-looking statements"), and that reflect current estimates, expectations and projections about future events. Forward-looking statements are often, but not always, identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could".

While the information contained herein is believed to be accurate and reliable, neither of ACHYF nor its affiliates, officers, directors, agents and representatives make any representation or warranty, expressed or implied, as to the accuracy of such forward-looking statements or any other written or oral information communicated in connection with this presentation, and ACHYF, its affiliates, officers, directors, agents, representatives and advisors disclaim any responsibility or liability in connection therewith or arising therefrom. ACHYF disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. The forward-looking statements may not be appropriate for other purposes. The forward-looking statements contained in these materials are expressly qualified by this cautionary statement.

Although ACHYF believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because ACHYF can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature such statements involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks that affect the operations of ACHYF and the distributable cash generated by ACHYF. These include, but are not limited to, (i) uncertainties associated with mortgage loans, including but not limited to costs of operation and financing and fluctuating demand for developed real estate; (ii) risks associated with mortgage loans, including but not limited to in respect of credit, liquidity, mortgage insurance, declines in property values, default, impaired loans, priority in the event of default and losses; (iii) competition in the mortgage loan industry; (iv) the impact of any changes in government regulations; (v) the effect of general economic conditions, local real estate markets, demand for leased premises, fluctuation in occupancy rates and operating expenses and various other facts; (vi) the availability of suitable investments and the amount of mortgages available; (vii) any changes in Canadian federal and provincial tax laws, proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of same; (viii) natural disasters, terrorist acts, health crises and other disruptions or dislocations; and (ix) loss of business and disruptions to our business plans and operations due to the ongoing coronavirus (COVID-19) global pandemic.

The British Columbia Financial Services Authority ("BCFSA") regulates the mortgage brokering and lending activities of Mortgage Investment Corporations ("MICs") under the Mortgage Brokers Act (BC). The Registrar and the Mortgage Brokers Act do not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation. Amur Capital Management Corporation ("Amur Capital") is a selling party and a related entity, and is registered under the securities laws of the Provinces of British Columbia and Alberta to act as ACHYF's exempt market dealer ("EMD") to sell its Preferred Shares in those jurisdictions pursuant to exemptions from the prospectus requirements. If you are interested in purchasing Preferred Shares in ACHYF please contact your financial advisor or Amur Capital Investor Relations to better understand the risks and your suitability for the product. There are restrictions on eligibility to purchase this product, contact your financial advisor or Amur Capital Investor Relations to learn more.

## AMUR CAPITAL OVERVIEW

---

- Amur Capital Management Corporation (“Amur Capital”) is focused on providing investors with a simpler approach to investing
- Amur Capital is part of Amur Financial Group Inc. (“AFG”) which has been operating in the Canadian mortgage lending industry for over 50 years and is one of the largest privately-held near-prime residential mortgage lenders in Canada with nearly \$1 billion of assets under management
- Our investment alternatives provide both individual and institutional investors with access to residential mortgage funds that have demonstrated track records of delivering stable returns across a variety of risk/reward objectives
- Our vision is to be a leader in innovation, prudent governance and relentless pursuit of excellence for our stakeholders

## THE AMUR FINANCIAL GROUP ECOSYSTEM

- Amur Capital High Yield Fund Inc. (“ACHYF”) is managed by AFG, a vertically-integrated mortgage originator, administrator and fund management firm that has underwritten over \$3 billion of home equity loans through strong origination in every major population centre across Canada
- Mortgages originated by AFG are sold immediately and primarily to AFG’s mortgage investment funds

### The Amur Financial Group Ecosystem

#### Mortgage Origination

- Nationally-recognized brands originating over \$600M in mortgages annually
- Licensed to lend in British Columbia, Ontario, Alberta and Quebec



Direct to consumer channel



Broker to broker channel



Full service brokerage

#### Fund Management & Mortgage Administration

- Responsible for delivering annual returns in alignment with fund objectives across three risk/reward return profiles
- A dedicated team that administers and services in excess of 7,000 mortgages
- Comprised of over 20 team members



#### Investor Relations

- Registered Exempt Market Dealer (“EMD”) with the BC Securities Commission and the Alberta Securities Commission
- Oversees all investor relations and capital raising activity



## ACHYF OVERVIEW

- ACHYF was established in 2017 as 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
- All of Amur Capital’s funds focus on Canadian residential mortgages
- ACHYF’s investment objective is to achieve long-term capital appreciation through mortgage investments that offer high return potential

## AMUR CAPITAL’S GROUP OF FUNDS<sup>1</sup>

Fund	Fund Size	Fund Objective	% Portfolio in 1 <sup>st</sup> / 2 <sup>nd</sup> Mortgages <sup>2</sup>	Yield Target	LTV	Risk Profile
<b>Amur Capital Conservative Income Fund</b>	<b>\$168 Million</b>	<b>Conservative</b>	<b>80% / 20%</b>	<b>+7.0%</b>	<b>47%</b>	<b>Medium</b>
Amur Capital Income Fund	\$740Million	Balanced	32% / 68%	+9.5%	52%	Medium
Amur Capital High Yield Fund	\$20 Million	Growth	100%	+13.0%	73%	High

Notes:

1) As of 30 Sept 2023.

2) % of Portfolio by total dollar value of mortgage exposure. Each fund also includes a proportion of non first and second mortgages that are included in the 2<sup>nd</sup> mortgage category as either a 3<sup>rd</sup> charge or inter-alia on multiple properties.

## ACHYF INVESTMENT OBJECTIVES & POLICIES

---

### INVESTMENT OBJECTIVES

- To earn the preferred shareholders a net return of 13.00%
- Maintain a weighted average LTV of not greater than 80% of the total mortgage portfolio (current loan to value is 74%)

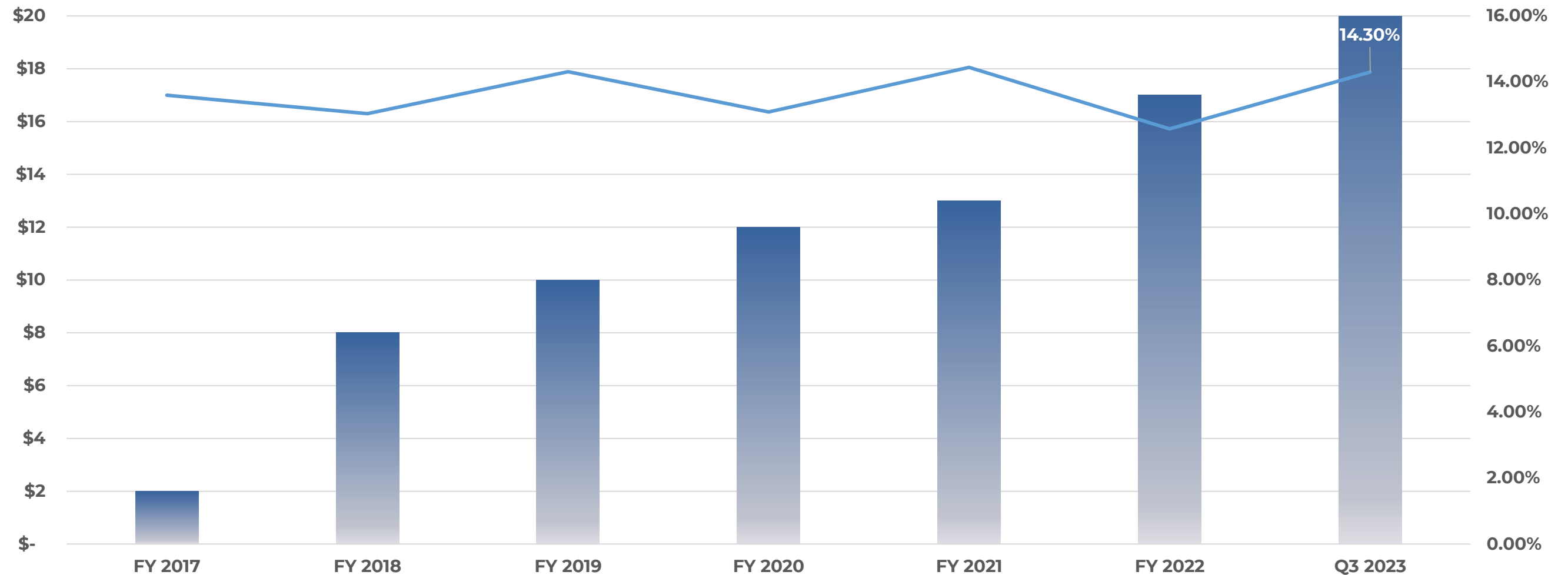
### KEY INVESTMENT GUIDELINES

- Loans are to be on client's primary residence
- Home ownership length to be a minimum of 2 years
- The term on any mortgage is not to exceed 5 years, amortizations not to exceed 15 years
- Credit history to determine (i) size of loan and (ii) LTV maximum
- Verification of income is required



## ACHYF ASSETS MANAGED & ANNUAL YIELD

- Since inception in 2017, ACHYF has consistently provided its shareholders with a positive yield ranging from 12.31%<sup>2</sup> to 14.44%



Notes:

\* Unaudited annualized yield is projected to be 14.30%, YTD as of September 30th, 2023, is 10.72%.

\*\* 5 Year average yield for the period from fiscal year 2018 to 2022.

## 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 third-party mortgage brokers to source their mortgages.
- ACHYF's strategy is unique in that it bypasses the "middle man" and lends directly to borrowers via its financial services providers Alpine Credits and Sequence Capital, which are part of AFG
- AFG has been involved in the private mortgage market since 1969
  - Recognized brands with significant advertising budget focused exclusively on private mortgages
  - Proprietary IT & business systems
  - Over 120 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

**The relationships with Alpine and Sequence provide ACHYF with a distinct competitive advantage over other private mortgage funds.**



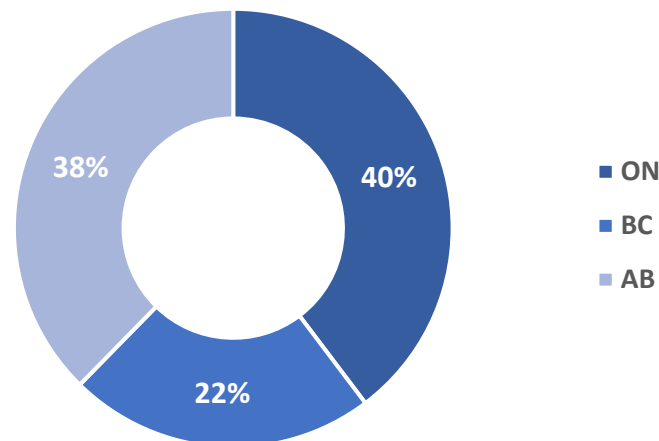
## PORTFOLIO COMPOSITION

- 100% of the mortgage portfolio is secured against residential real estate
- The fund concentrates predominantly on second mortgages that have higher LTVs than our other funds, but at much smaller mortgage sizes with shorter terms

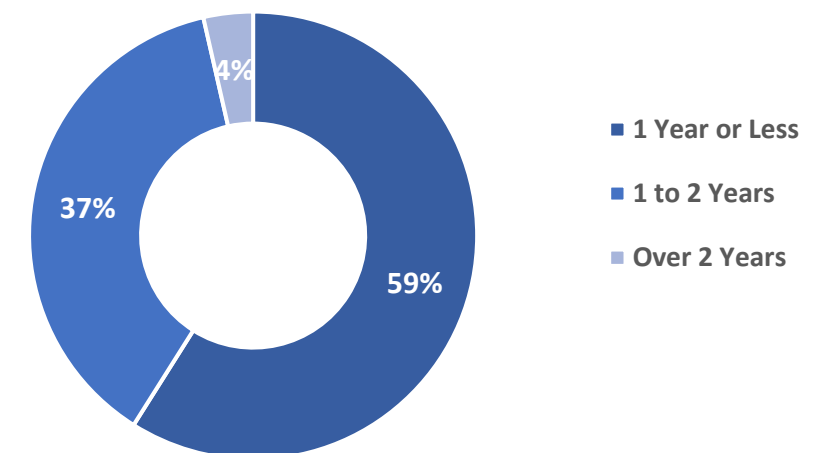
### PORTFOLIO LTV & AVERAGE EXPOSURE PER LOAN

Position	# Files	Total Value <sup>1</sup>	LTV	Average Exposure	Average Yield
First Mortgages	1	\$0.11M	59.03%	\$50,975	15.83%
Second Mortgages	293	\$14.94M	73.75%	\$57,307	14.55%
Other	48	\$2.9M	65.53%	\$60,360	14.88%
<b>TOTAL MORTGAGES</b>	<b>342</b>	<b>\$17.95M</b>	<b>72.33%</b>	<b>\$52,472</b>	<b>15.66%</b>

### GEOGRAPHIC COMPOSITION



### MORTGAGE MATURITY



Data as of 30 Sept. 2023.

1) Total value of mortgages in the portfolio, excludes cash balance.

## KEY FUND PERFORMANCE METRICS

- ACHYF has incurred minimal loan losses and maintains a conservative loan loss provision

Year	Mortgages Held	Yield	Loss Provision <sup>1</sup>	Loss Provision as % of Portfolio	Actual Losses Incurred <sup>1</sup>	Actual Losses Incurred as % Portfolio
2017	\$3.6 Million	13.60%	\$30,800	2.05%	-	0.00%
2018	\$7.5 Million	13.04%	\$184,200	2.46%	\$29,000	0.39%
2019	\$10.0 Million	14.31%	\$361,700	3.60%	-	0.00%
2020	\$11.2 Million	13.09%	\$564,700	5.05%	\$34,700	0.31%
2021	\$11.9 Million	14.44%	\$481,700	4.04%	\$3,500	0.03%
2022	\$16.5 Million	12.58%	\$576,100	3.75%	\$18,700	0.11%
<b>Sept 2023</b>	<b>\$20.3 Million</b>	<b>14.30%<sup>2</sup></b>	<b>\$672,957</b>	<b>3.75%</b>	<b>\$15,300</b>	<b>0.01%</b>

Notes:

1) Loss Provision and Actual Losses Incurred are rounded to the nearest hundred.

2) Unaudited annualized yield is projected to be 14.30%, YTD as of September 30th, 2023, is 10.72%.

## CAPITAL STRUCTURE, REGULATORY & GOVERNANCE

- As of 30 June 2023 there are approximately \$19.7 million of ACHYF common shares outstanding
- ACHYF has a very simple capital structure:
  - (i) 1 Common Share = \$1.00 = 1 Vote
  - (ii) Common Shares receive 100% profits
- Management is subject to quarterly board reviews, and beginning in 2022, an annual financial statement audit (MNP LLP)

### REGULATORY OVERSIGHT

Province	Investors	Mortgage Lending Activities
BC	BC Securities Commission	British Columbia Financial Services Authority
AB	Alberta Securities Commission	Real Estate Council of Alberta
ON	Ontario Securities Commission*	Financial Services Regulatory Authority of Ontario

\* Amur Capital is not registered as an Exempt Market Dealer (“EMD”) in Ontario. Please contact Investor Relations at Amur Capital for a reference to a CIRO Investment Dealer that is able to sell Ryan Mortgage Income Fund.

## ACHYF FUND SUMMARY

---

<b>Established:</b>	2017
<b>Type of Fund:</b>	Mortgage Investment Corporation (MIC)
<b>Investment Focus:</b>	Canadian Residential Mortgages
<b>Taxation:</b>	Flow Through Investment (taxes paid at the personal level as interest income)
<b>Funds Under Management:</b>	\$20.35 million (includes \$17.17 million in mortgages and \$3.18 million in cash)
<b>Most Recent Return:</b>	14.30%*
<b>5 Year Average Return:</b>	13.49%
<b>Capital Structure:</b>	1 share = \$1.00 = 1 vote
<b>Insider Holdings:</b>	21.3% of total shares

## BOARD OF DIRECTORS

---

### **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 ACHYF'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.

### **WADE NESMITH, DIRECTOR**

Wade co-founded Creation Capital Corp. in 2018 and led that company through its acquisition of Greenlane Biogas in 2019, with the resulting company, Greenlane Renewables Inc., being listed on the TSX Venture Exchange. Greenlane is now listed on the main board of the TSX and Wade chairs the company. Wade founded Primero Mining Corp. in 2008, acting as CEO until 2010 and Chairman until 2018. He was founding Board member of Westport Innovations Inc. and Silver Wheaton Corp. and was previously Superintendent of Brokers (Executive Director) of the British Columbia Securities Commission (1989 – 1992), and then a senior partner, specializing in securities law with Lang Michener LLP (now McMillan LLP) (1993 to 1998). He has been a director of more than 20 companies since 1993. Wade obtained his LLB from Osgoode Hall Law School.

**For more information on Amur Capital High Yield Fund Inc. and how to invest,  
please contact your financial advisor or Amur Capital Investor Relations:**

**1-866-888-4139**

**[invest@amurcapital.ca](mailto:invest@amurcapital.ca)**



## TERMINOLOGY

**MIC:** Mortgage Investment Corporation (“MIC”) as defined by the Canadian Revenue Agency (CRA).

**Loan-to-Value:** Loan-to-value (“LTV”) is 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 1<sup>st</sup> mortgage of \$300k and a 2<sup>nd</sup> mortgage of \$100k. The LTVs would be as follows:

$$\begin{aligned} \text{1st Mortgage LTV: } & \frac{\$300,000}{\$750,000} = \mathbf{40.00\%} \\ \text{2nd Mortgage LTV: } & \frac{(\$300,000 + \$100,000)}{\$750,000} = \mathbf{53.33\%} \end{aligned}$$

**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).

**Annualized:** To annualize a number means to convert a short-term calculation or rate into an annual rate.