

Armada Mortgage

3rd Quarter Newsletter 2023

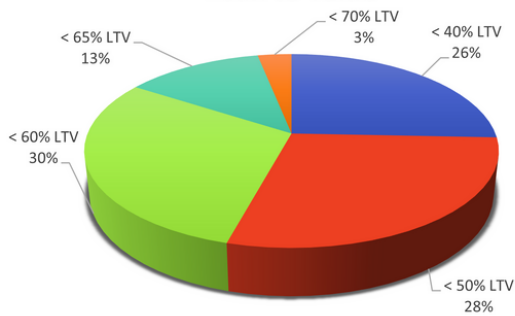
Manager's Report

The Bank of Canada left the prime rate unchanged at their latest meeting. Rates may decrease sooner than expected as Bond market interest rates fell after data was released reporting a negative shift in employment. The mortgage portfolio interest-weighted average has increased from 10.44% to 10.82% over the last quarter and the average mortgage size has fallen by \$12,873. There has been an uptick in the amount of 60-day arrears due to inflation, higher rates, and increased mortgage payments at renewal time. However, we are actively assisting clients with make-up payments or deferrals where possible. The board has prudently voted to keep the monthly dividend at 7.25% in recognition of the present market conditions, retaining current earnings. The majority of borrowers have substantial equity as the portfolio is positioned at a conservative 45% LTV (mortgage loan amount to value of home). Therefore, shareholders can expect a larger year-end top-up as part of the 2023 final Net Yield.

Management is pleased to report that an updated newsletter format will be distributed to shareholders next quarter to better service investor awareness and transparency. This new format will provide a longer form of company quarterly performance metrics, including size, composition, security position, arrears, and other pertinent data.

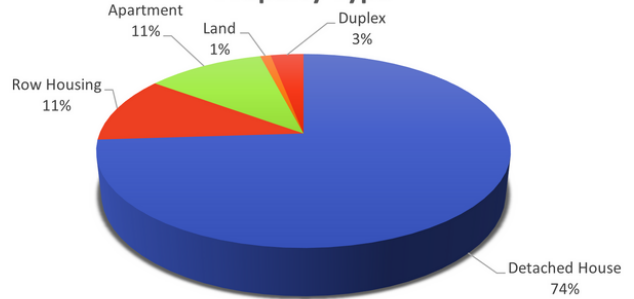
Portfolio Diversification

Loan to Value



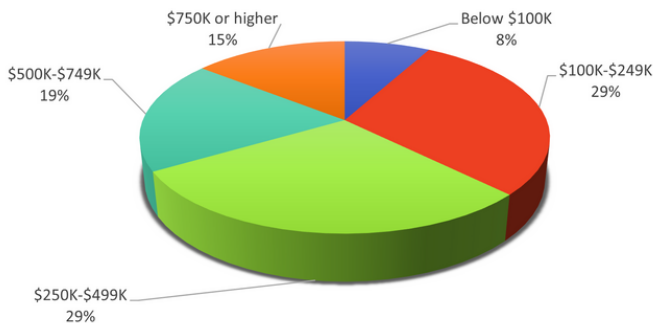
■ < 40% LTV ■ < 50% LTV ■ < 60% LTV ■ < 65% LTV ■ < 70% LTV

Property Type



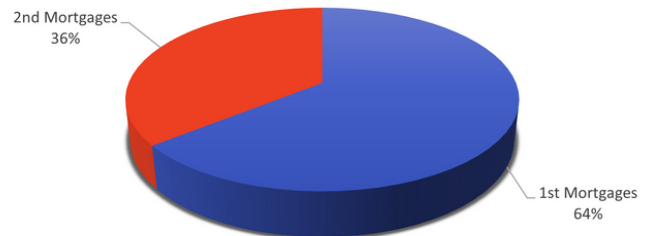
■ Detached House ■ Row Housing ■ Apartment ■ Land ■ Duplex

Balance by Volume



■ Below \$100K ■ \$100K-\$249K ■ \$250K-\$499K ■ \$500K-\$749K ■ \$750K or higher

Mortgage Type



■ 1st Mortgages ■ 2nd Mortgages

QUICK FACTS:

- Portfolio Weighted Average LTV: 45%
- Targeted 2023 Run Rate: Above 8%
- Average Mortgage: \$228,648
- Current Monthly Dividend: 7.25%

A Few Recent Fundings

We funded \$5.5M in new mortgages in the last quarter

<i>Principal</i>	<i>Position</i>	<i>Location</i>	<i>LTV</i>
\$550,000	1st	Calgary	50%
\$55,000	2nd	Maple Ridge	25%
\$350,000	1st	Vaughn	32%
\$100,000	2nd	Leduc	48%
\$400,000	1st	Surrey	57%
\$125,000	2nd	Barrie	65%

Portfolio Distribution as of September 2023

Region	# of Mortgages	1st Mortgage	2nd Mortgage	Total Mortgage Value	Average LTV
Central Vancouver Island	4	\$565,000	\$140,000	\$705,000	38.37%
Fraser Valley	48	\$7,207,240	\$3,848,354	\$11,055,594	41.54%
Kamloops	3	\$379,000	\$206,686	\$585,686	61.06%
Kelowna	8	\$115,207	\$801,734	\$916,941	44.50%
North Fraser	10	\$108,493	\$1,119,653	\$1,228,146	46.43%
North Shore	6	\$2,322,632	\$594,190	\$2,916,822	46.07%
Penticton	0	\$ -	\$ -	\$ -	0.00%
Richmond/Delta	8	\$775,500	\$1,034,985	\$1,810,485	46.65%
Surrey/White Rock	30	\$5,833,060	\$2,934,845	\$8,767,905	46.57%
Vancouver	8	\$1,156,000	\$370,705	\$1,526,705	34.84%
Vernon	0	\$ -	\$ -	\$ -	0.00%
Victoria	9	\$1,501,860	\$846,225	\$2,348,085	48.33%
Alberta	22	\$4,394,280	\$498,725	\$4,893,005	48.38%
Hamilton	10	\$1,165,300	\$720,150	\$1,885,450	45.84%
Kitchener-Waterloo	2	\$312,000	\$140,485	\$452,485	46.03%
Ontario Other	12	\$1,728,762	\$1,366,596	\$3,095,358	55.21%
Ottawa	12	\$1,707,787	\$687,195	\$2,394,982	50.34%
Toronto CMA	35	\$4,052,960	\$3,267,464	\$7,320,424	43.29%
Total	227	\$33,325,081	\$18,577,992	\$51,903,073	45.00%



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In the long run, it's not just about how much money you make that will determine your future prosperity. It's how much of that money you put to work by saving it and investing it.

- Peter Lynch

Contact Us Today

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