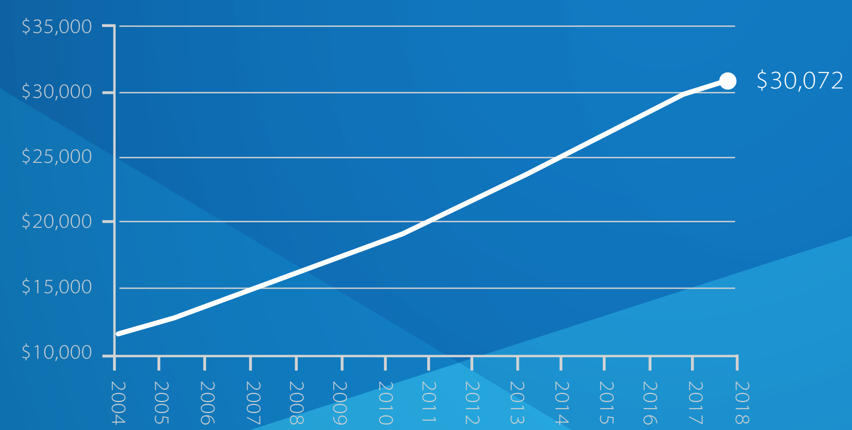
ANTRIM BALANCED MORTGAGE FUND

HISTORIC RETURNS*

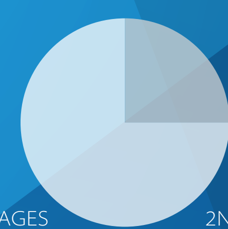
Growth of $10,000 since July 2003



Fund Performance Class A (PERCENT RETURN)

1YR	3YRS	5YRS	10YRS	SINCE INCEPTION
6.28%	6.23%	6.26%	7.08%	8.12%

Target Asset Allocation



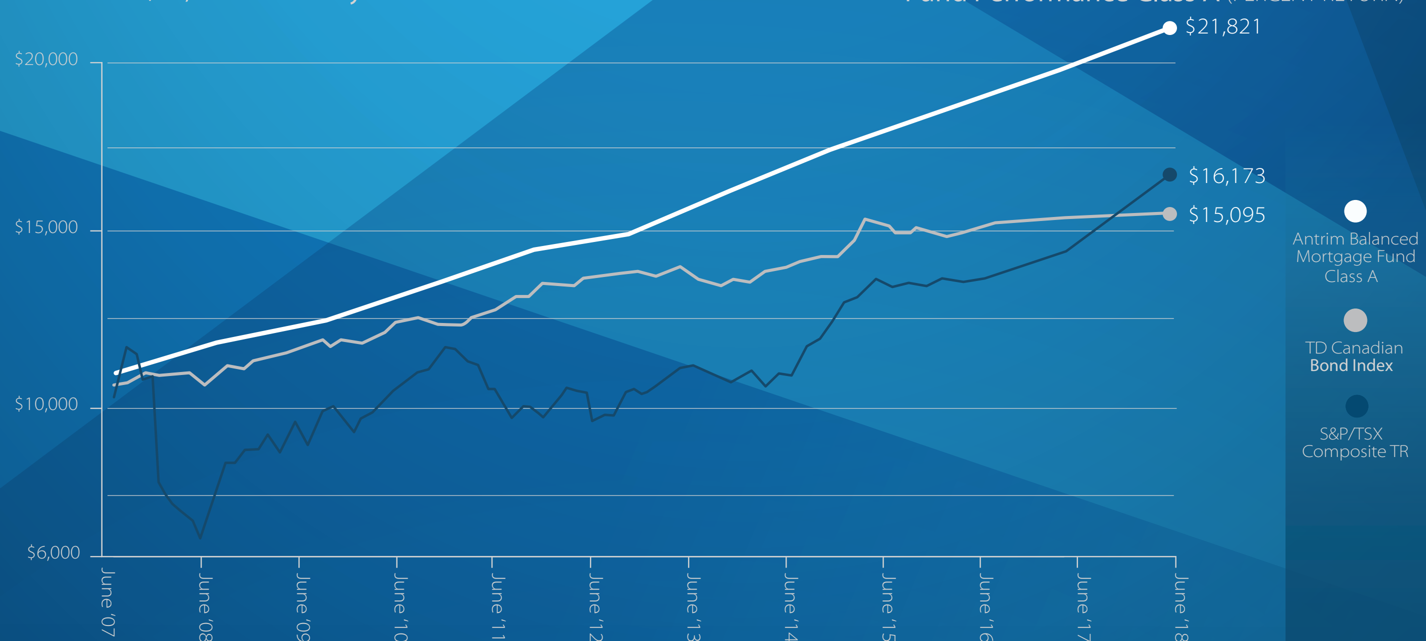
ANNUAL RETURN %

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
8.57%	8.95%	7.65%	8.23%	10.12%	9.59%	8.45%	7.86%	7.04%	6.60%	6.60%	6.00%	6.15%	6.27%	6.28%

RETURN vs. BENCHMARK

Growth of $10,000 since July 2007

Fund Performance Class A (PERCENT RETURN)



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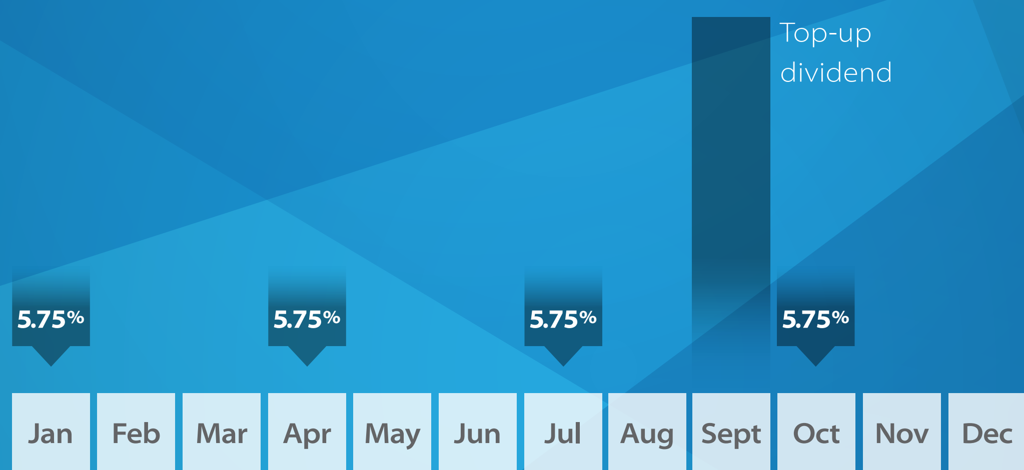
*2004 – 2007 returns relate to a private Mortgage Investment Corporation not available for distribution. 2008 – 2018 returns relate to Antrim Balanced Mortgage Fund Ltd. Class A.

ANTRIMINVESTMENTS.COM

12/2018

Earn 5.75%* or more...

Quarterly Dividends now Available



Antrim investors also receive a "top-up" dividend each September/October. The purpose of this dividend is to increast the investors return beyond the **5.75%** quarterly dividend and match the actual yield earned by the Fund. The amount of this dividend will be determined by the Fund's auditors.

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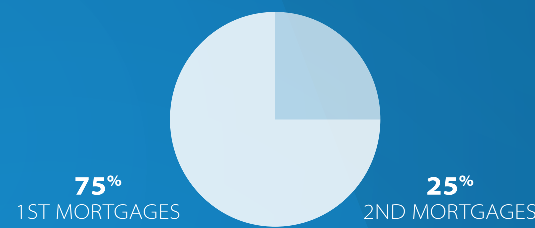
BALANCED MORTGAGE FUND

Fund details

FUND TYPE	Mortgage Investment Corp
SECURITIES OFFERED	Preferred **Series A** ($1 Par)
FUND MANAGER	Antrim Investments Ltd.
MANAGEMENT FEES	**1.5%**
EXPECTED GROWTH	**6.26%** [1]

TARGET ASSET ALLOCATION



What does the Fund invest in?

INVESTMENT OBJECTIVES

The fundamental objective of the Fund is to provide a steady stream of interest income by investing in a diversified portfolio of residential first and second mortgages. It may invest in conventional 1st and 2nd mortgages located in British Columbia and Alberta with a loan-to-value (LTV) not to exceed 75% of appraised value.

TAX TREATMENT

According to section 130.1 of the Canadian Income Tax Act, the fund must distribute 100% of its annual net income before taxes to shareholders in the form of a dividend. Dividends are expressed as a percentage (%) and treated as regular income for income tax reporting.

DISTRIBUTION POLICY

The fund distributes dividends on quarterly basis. Shareholders may choose to take their dividend in cash or reinvest in additional shares.

LIQUIDITY

To achieve the investment objectives outlined above, the Fund Manager must be fully invested and maintain a low cash position except in times of scheduled dividend distributions. Investors may redeem and purchase shares whenever they wish subject to the Funds cash position at the time.

INVESTMENT STRATEGIES

Target asset allocation is 75% in residential 1st mortgages and 25% percent in residential 2nd mortgages. The Fund will not maintain a cash position and will remain fully invested except in times of scheduled dividend distributions.

LEVERAGE

The Fund will maintain a line of credit with the Toronto Dominion Bank. The credit facility serves three important functions: 1) Ensures the Fund is fully invested at all times, 2) Increases liquidity, and 3) Increases returns through financial leverage.

Target leverage is conservative being 5 – 10% of mortgage receivables.

GEOGRAPHIC LENDING AREA

The Fund will focus on lending in major centres of British Columbia and Alberta that exhibit active and liquid real estate markets.

WHO SHOULD INVEST IN THE FUND?

The Fund may be suitable for medium to long-term investors who are:

- Seeking a high-quality income investment
- Seeking a regular income stream
- Seeking an alternative to traditional Real Estate Investments
- Contributing to the income component of a diversified portfolio

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ANTRIM
BALANCED MORTGAGE FUND

2019 Outlook

Fall 2018

Management's direction and focus for the Fund remains the same; continue to lend on residential properties, in high quality locations, at conservative loan-to-values.

Financial Statements for the year ending June 30th 2018 show an increase in the rate of return for all share classes. This is the third year in a row that investors return on investment has increased.

The portfolio has grown to $500 million with first mortgages still comprising the vast majority of our holdings. The asset mix remains consistent at 80% first mortgages and 20% second mortgages; a bias towards safety is prudent as we see the housing market start to soften.

We have over 1400 mortgages in the Fund at this time with only 8 of these in foreclosure. Consequently, loan losses this year have been lower than the previous year once again.

Mortgage-lending rule changes, enacted by Ottawa, continue to have a major effect on our business. Banks underwriting guidelines, especially on self-employed individuals, continue to tighten. As self-employed individuals represent our largest borrower class, Antrim has experienced a noticeable increase in quality mortgage applications due to the new rules.

Demand for mortgages from Antrim and other alternative lenders remains at elevated levels. So much so that most residential lenders simply do not have enough capital to meet the demand. We expect this will cause interest rates to rise further over the next year.

The Bank of Canada continues to warn borrowers that interest rates are on the rise. This should help slow down the rapid price growth of real estate in Canada; a move welcomed by most lenders. It has allowed us to increase rates to borrowers marginally as well.

In BC, the effects of new provincial non-resident tax and speculation taxes combined with tighter mortgage rules is definitely slowing the real estate market down. The average number of sales on a monthly basis in the greater Vancouver area has slowed considerably (now below the 10 year average) and home prices are starting to show signs of weakening. Average priced single detached homes in greater Vancouver are holding up relatively well as demand still outstrips supply. However, it is taking longer to sell than previously. Higher end properties are proving very hard to sell as new immigrants (primarily from China) affected by the non-resident tax are looking to other areas to invest.

The portfolios average loan-to-value is approximately 55% based on current prices. This underscores the reason why loan losses are so low and why management is not concerned at this time with a relatively small price drop in our market. From a macro perspective, it is very unlikely government intervention will be able to fix the supply problems we have in the next few years. Meanwhile, people keep moving to BC to find work or retire. It looks like therefore for the short term anyway, housing prices in our lending areas will remain high relative to other parts of the country.

We expect the portfolio to continue to offer excellent levels of security to investors over the next 12 months. Foreclosures remain at very low levels with no reason to expect them to rise. The weighted average mortgage rate on the portfolio currently stands at approximately 8% (before expenses); once management fees, write-downs due to foreclosure (if any), legal and accounting costs are deducted it is reasonable to project a net rate of return to investors in the 5%-6%[1] range for the fiscal year ending June 30, 2019.

Will Granleese CIM, FMA, M.B.A.
Director I Portfolio Manager
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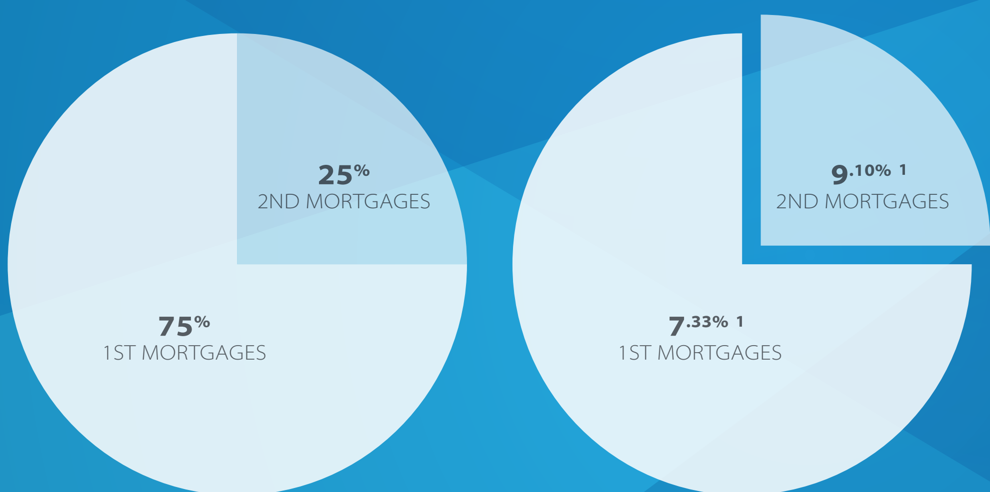
The 2018 Fund Outlook does not constitute an offer to purchase which is made only under an offering memorandum available from our office. Please read the offering memorandum before investing. Mortgage investments are not guaranteed, their value may fluctuate and past may not be repeated.[1]

ANTRIM BALANCED MORTGAGE FUND

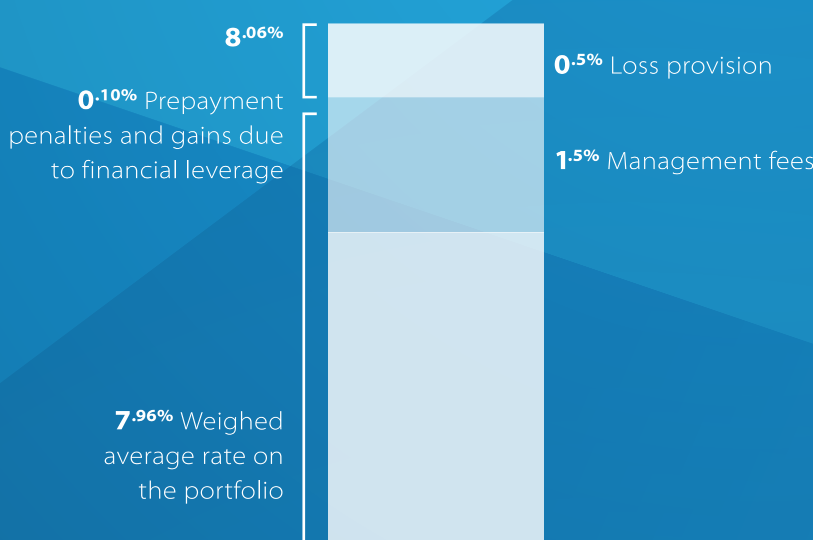
We make it easy.

TARGET ASSET ALLOCATION

AVERAGE INTEREST RATE ON MORTGAGES



Weighted average rate of return on mortgage portfolio before expenses 7.96% [2]



6.26%[3]
Projected return

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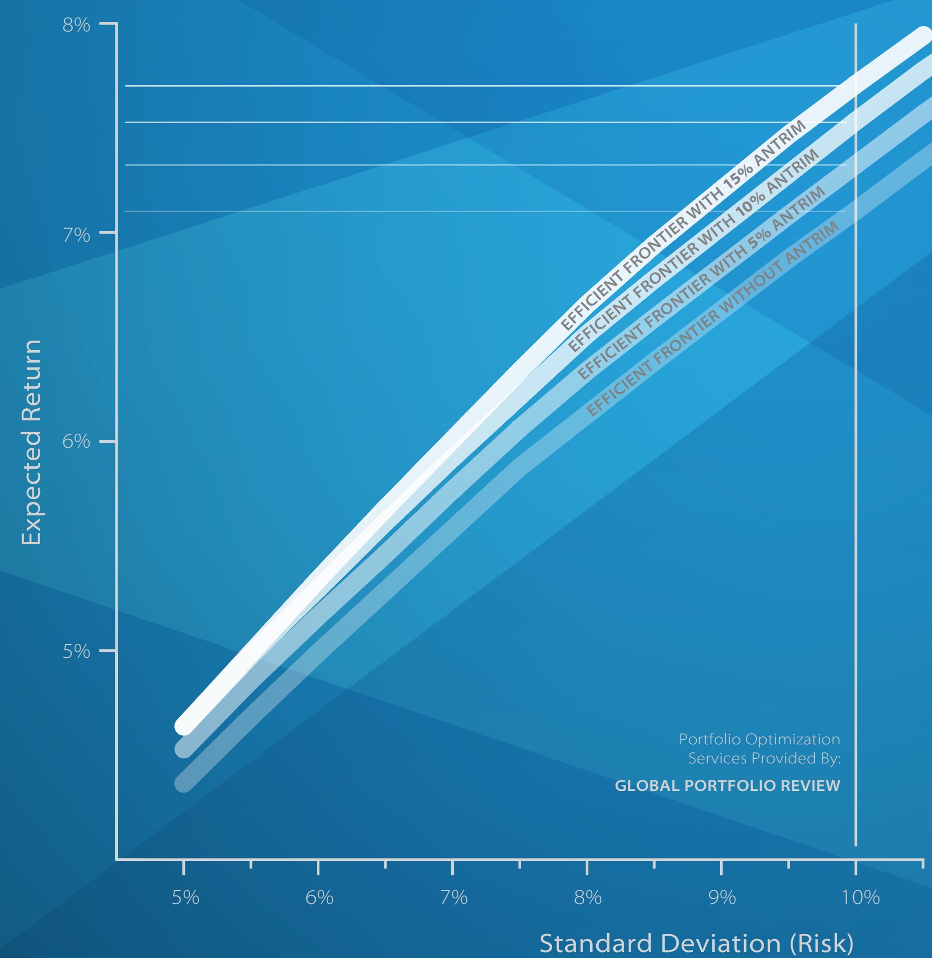
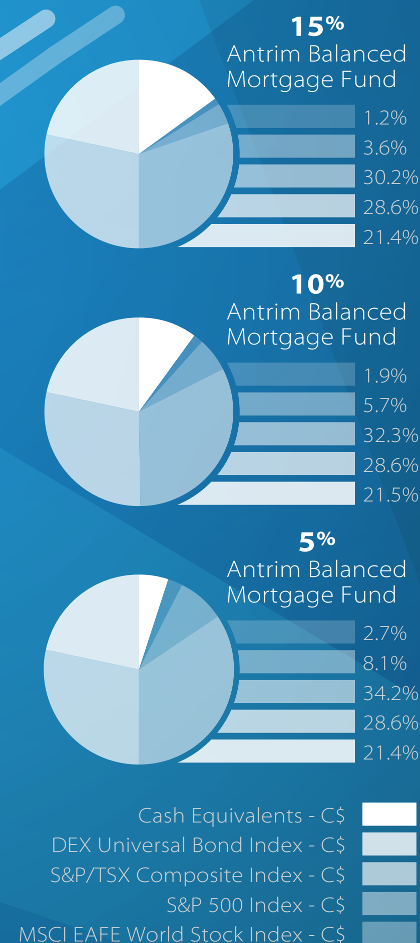
ANTRIM BALANCED MORTGAGE FUND

12/2018

Is your portfolio fully diversified?

Increasing empirical evidence suggests that portfolios simply comprised of Cash Equivalents, Common Stock, and Corporate Bonds are not fully diversified. Data indicates that Canadian Mortgage Investment Corporations (MICs) have similar historic returns to common stock and lower risk. Furthermore, MIC returns also appear to have low levels of correlation with corporate bond returns. The low correlations between other asset classes indicate that significant diversification benefits would result from including MIC investments in your portfolio.





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