Sustainable Mortgage Investments







What is a Mortgage Investment Company?

A Mortgage Investment Company is an investment and non-bank lending company designed for Mortgage lending within Canada.

Those who invest in an MIC contribute to a pool of funds which is then invested into a secured pool of mortgages. Profits are allocated between shareholders according to the percent of their investment.

MICs are often more attractive than other investment vehicles because they can provide faster than average returns and investments are secured by real property, lowering investor risk and stress.

Investments to an MIC are RRSP, RRIF, RESP, and DPSP eligible.

Why haven't you heard about MICs from your financial advisor?

Plain and simple; financial advisors do not collect commissions from the sale of MICs to their clients. Furthermore, the structure of an MIC may be too specialized for the average financial advisor to give advice on.

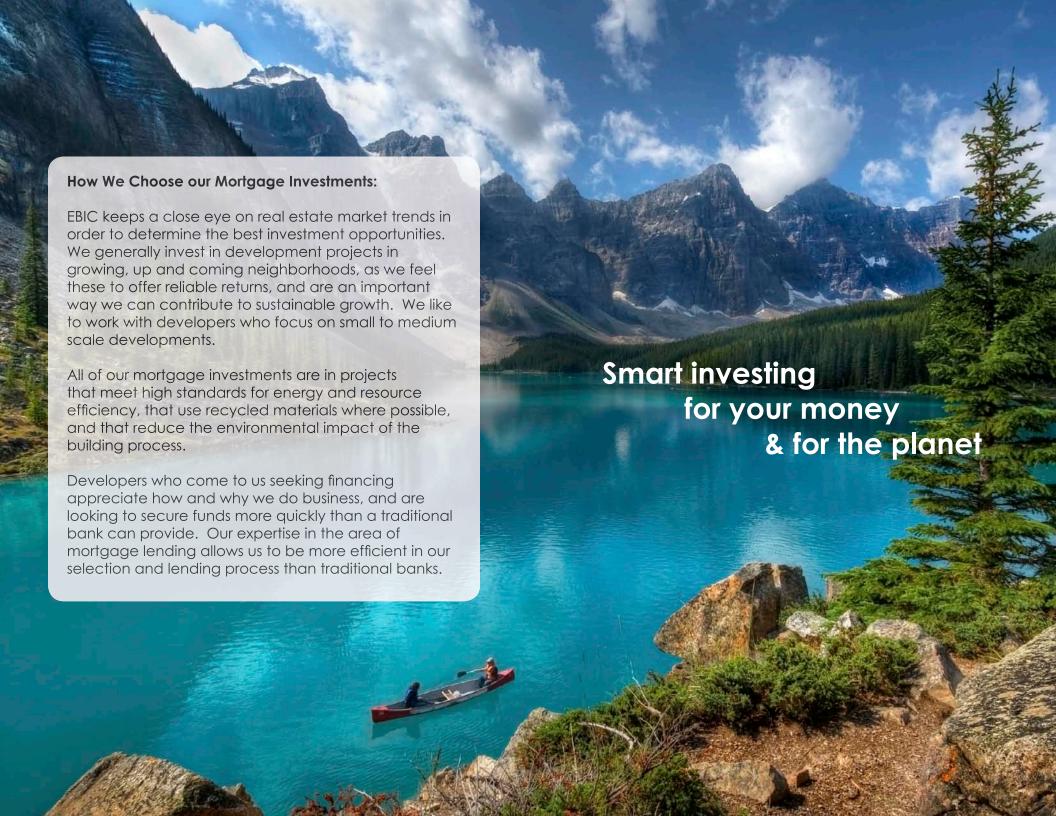
Realistically, an individual who wishes to gain reasonable returns but is seeking an investment option with conservative risk should consider an MIC. An MIC provides consistent investment income with minimal risk to the investment principal.

Rules of a Mortgage Investment Corporation (Section 130.1 of the Canadian Tax Act):

- 1. An Mortgage Investment Corporation must have at least 20 shareholders.
- 2. An MIC is generally widely held. No shareholder may hold more than 25% of the MIC's total capital.
- 3. At least 50% of an MIC's assets must be residential mortgages, and/or cash and insured deposits at Canada Deposit Insurance Corporation member financial institutions.
- 4. An MIC may invest up to 25% of its assets directly in real estate, but may not develop land or engage in construction. This ceiling on real estate holdings does not include real estate acquired as a result of mortgage default.
- 5. An MIC is a flow-through investment vehicle, and distributes 100% of its net income to its shareholders.
- All MIC investments must be in Canada, but an MIC may accept investment capital from outside of Canada.
- 7. An MIC is a tax-exempt corporation.
- 8. Dividends received with respect to directly held shares, not held within RRSPs or RRIFs, are taxed as interest income in the shareholder's hands. Dividends may be received in the form of cash, or additional shares.
- 9. MIC shares are qualified RRSP and RRIF investments.
- 10. An MIC may distribute income dividends, typically interest from mortgages and revenue from property holdings, as well as capital gain dividends, typically from the disposition of its real estate investments.
- 11. An MIC's annual financial statements must be audited.
- 12. An MIC may employ financial leverage by using debt to partially fund assets











Watch Your Investment:

At EBIC, we value transparency. We understand that people choose to invest with us because they want to know where their money is going, and what impact is has on the world where they live.

To help you understand where your money is, we offer quartly tours of the building projects where EBIC's money is invested, to give you peace of mind, and added security.



604-123-4567

www.ebic.ca