



Understanding Bedrock Mortgage Investment Corp:

A GUIDE TO MORTGAGE INVESTMENT CORPORATIONS IN ONTARIO

In the realm of real estate financing, Mortgage Investment Corporations (MICs) play a significant role, offering an alternative investment option for individuals seeking to diversify their portfolios. One such MIC based in Ontario is **Bedrock Mortgage Investment Corp.** In this article, we will delve into what a Mortgage Investment Corporation is and how it operates, as well as explore the specifics of Bedrock Mortgage Investment Corp.

What is a Mortgage Investment Corporation (MIC)?

A MIC is a Canadian financial institution specializing in mortgage lending. MICs are designed to pool investor capital and use those funds to provide mortgages to borrowers, primarily in the real estate sector. They are similar to real estate investment trusts (REITs) but have some key differences.

Key Characteristics of MICs:

1. **Mortgage Lending:** MICs primarily invest in residential and commercial mortgages. They lend money to borrowers and generate income through interest payments.
2. **Diversification:** MICs often have a diversified portfolio of mortgages to mitigate risk. They may hold mortgages on various types of properties in different geographic areas.
3. **Passive Investment:** Investors in MICs are typically passive and do not have an active role in managing the corporation's operations.
4. **Tax Benefits:** MICs are structured to distribute a significant portion of their income to investors, which can result in tax advantages for shareholders.

Now, let's take a closer look at **Bedrock Mortgage Investment Corp:**

Overview

Bedrock Mortgage Investment Corp is a well-established MIC headquartered in Ontario. Like other MICs, it operates by raising funds from investors and using those funds to provide mortgages to borrowers. Here are some key aspects of Bedrock Mortgage Investment Corp:

1. **Investment Opportunities:** Bedrock Mortgage Investment Corp allows investors to participate in the mortgage market without directly owning physical properties. This allows for diversification and reduced exposure to individual property risks. **Our minimum investment amount is \$75,000.00.**
2. **Mortgage Portfolio:** Bedrock Mortgage Investment Corp maintains a carefully curated portfolio of mortgages. These mortgages can include residential mortgages, commercial mortgages, and construction loans. Presently, all our mortgages are only on residential properties. Our portfolio is currently 89% first mortgages and the remainder in second mortgages. Our average loan-to-value, based on the appraisal done at the time of funding, is 52% as of December 31, 2025.
3. **Income Distribution:** One of the key attractions of investing in Bedrock Mortgage Investment Corp is its income distribution policy. MICs like Bedrock are required to distribute a significant portion of their income to shareholders, which can result in consistent dividend payments to investors.

4. **Risk Management:** Bedrock Mortgage Investment Corp employs risk management strategies to minimize losses and protect investors' capital. This may include careful underwriting of mortgage applications and maintaining a diverse portfolio.
5. **Regulatory Compliance:** MICs in Ontario are subject to regulations and oversight by the Ontario Securities Commission (OSC) and the Financial Services Regulatory Authority of Ontario (FSRA). Bedrock Mortgage Investment Corp complies with all relevant regulations to ensure investor protection.

To invest in a Mortgage Investment Corporation like Bedrock, you must typically meet specific criteria set by securities regulators to be considered an accredited investor. An *Exempt Market Dealer* must approve all investments. Bedrock currently has a relationship with an outside firm, Robson Capital who must approve all investments (initially and ongoing). These criteria often include:

1. **Income Level:** A certain minimum annual income for the past 2 years. \$200,000 for an individual or \$300,000 combined with spouse/partner.
2. **Net Worth:** Possessing a minimum net worth of \$1 million excluding the value of your primary residence.
3. **Investment Experience:** Demonstrating a level of investment experience and knowledge.

The designation as an accredited investor is intended to ensure that those who invest in MICs have the financial knowledge and resources to understand and manage the associated risks. It also determines whether the asset mix of their portfolio is in line with their financial profile. Robson Capital will require a complete Know Your Investor form as a first step in the process.

Consulting with a financial advisor, such as an accountant or other financial professionals, is advisable to determine if you meet the criteria and if Bedrock Mortgage Investment Corp or similar MICs align with your investment goals and risk tolerance. Making informed investment decisions that align with your financial circumstances and objectives while adhering to regulatory requirements for investing in MICs is essential.

Rates of Return

Bedrock pays out its dividends 4 times a year. Funds can also be reinvested through our DRIP (Dividend Reinvestment Program). In 2025, our target rate of return was 7.25%, and we achieved 7.49%. Our target rate for 2026 is set at 6.85%. Since 2016, our rate of return has ranged from 6-7.9%.

Past performance is not a guarantee of future results and prospective investors should not assume that the future performance of Bedrock Mortgage Investment Corporation will equal or better the performance of the current or prior Bedrock Mortgage Investment Corporation offerings generally or that the investment objectives of Bedrock Mortgage Investment Corporation will be achieved. Investment losses may occur, and investors could lose some or all of their investment. See "Item 9 - Risk Factors" in the Offering Memorandum.

RRSP, RIFF, and TFSA Eligible

Investors looking for diversified options within their retirement savings plans have an intriguing opportunity with Bedrock Mortgage Investment Corporation. By leveraging self-directed Registered Retirement Savings Plans (RRSPs) and Tax-Free Savings Accounts (TFSAs), individuals can invest directly in the real estate market through mortgage investments, adding a valuable layer of diversification to their portfolio.

The process involves transferring funds from an existing RRSP, TFSA, LIRA, or RRIF into a self-directed account that allows for investment in a Mortgage Investment Corporation (MIC) like Bedrock. Bedrock uses Olympia Trust Company as the trustee. This move not only broadens the investment horizon but also taps into the potential of the real estate market without the need for direct property management.

A noteworthy aspect of this investment strategy is its adaptability through different phases of an investor's financial lifecycle. When the time comes to convert RRSPs into a Registered Retirement Income Fund (RRIF),

the investment in Bedrock MIC can remain intact, ensuring continuity and stability in the investor's retirement planning strategy. This seamless transition underscores the flexibility and enduring value of including MICs within a retirement portfolio.

For those concerned about the complexities of managing such investments, the self-directed plan's structure simplifies the process, allowing investors to benefit from the expertise of mortgage professionals while retaining control over their investment choices. This approach not only mitigates risk but also enhances the potential for returns, making it a compelling option for savvy investors aiming to optimize their retirement savings.

Bedrock Management

The Bedrock Management team comprises three distinguished professionals, each bringing a wealth of experience and expertise to the corporation. Gary Meger, a 40-year mortgage industry veteran, has been recognized for his pioneering work and dedication as a mortgage broker. Don Stoddart, another team pillar, brings 36 years of invaluable experience in the mortgage industry, underscoring the management's depth of knowledge and expertise. Jim Forsyth, a well-established entrepreneur and businessman, adds a dynamic element of entrepreneurial spirit and business acumen to the team.

This trio is not just at the helm of managing the corporation but also invested in it, collectively representing just over 20% of the total funds in the Mortgage Investment Corp. This significant stake underscores their confidence in the corporation's potential and aligns their interests closely with those of their investors.

Bedrock Mortgage Investment Corp relies on Powell Jones, a reputable accounting firm based in Barrie, to manage its day-to-day operations efficiently. With over 65 years of experience, Powell Jones has established itself as a foundational pillar in the Barrie community, offering a wide range of accounting services tailored to meet the specific needs of businesses and individuals alike. Their team of skilled professionals is adept at delivering comprehensive accounting solutions, including the preparation for auditing of financial statements, which are essential for meeting regulatory requirements annually. This partnership underscores the commitment of both organizations to uphold the highest standards of financial integrity and operational excellence.

Understanding the inherent risks in investing, the Bedrock Management team is committed to mitigating these risks on behalf of its investors. Their combined experience in the mortgage industry and business world equips them to navigate the challenges and opportunities of managing a Mortgage Investment Corporation, ensuring that they are well-positioned to support their investors' goals and aspirations.

Conclusion

Mortgage Investment Corporations like **Bedrock Mortgage Investment Corp** offer unique investment opportunities for individuals seeking exposure to the real estate market through mortgage lending. Understanding the criteria for becoming an accredited investor is crucial for those considering MIC investments, as it ensures that investors have the financial knowledge and resources necessary to navigate this specialized investment landscape. By consulting with financial advisors, including accountants and other professionals, individuals can make informed decisions regarding their investment goals and risk tolerance while adhering to regulatory guidelines.

Bedrock Mortgage Investment Corp, with its commitment to income distribution and risk management, stands as an example of a well-established MIC in Ontario, providing investors with a viable avenue for real estate investment.

Thank you for considering investing in Bedrock.

Gary Meger
President

Don Stoddart
Vice President

Jim Forsyth
Director

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Additional information can be found on our website at www.bedrockmic.ca

This website is intended for information purposes only and does not constitute an offer to sell or a solicitation to buy securities. No securities regulatory authority or regulator has assessed the merits of the information herein or reviewed this website. Further, the contents of this website should be read in conjunction with the offering memorandum of Bedrock Mortgage Investment Corporation dated April 30, 2025 (the "Offering Memorandum"), a copy of which may be made available to you by contacting us.

If you are a prospective investor, please note that this guide is not intended to assist you in making an investment decision regarding purchasing securities. Rather, Bedrock Mortgage Investment Corporation has prepared an offering memorandum for delivery to prospective investors, describing certain terms, conditions and risks of investment and certain rights you may have. This guide is not intended for delivery to any person without the accompanying offering memorandum. If you did not receive an offering memorandum, please get in touch with us to obtain one. You should review the offering memorandum with your professional advisors before making any investment decision. This guide and the accompanying offering memorandum are intended for delivery only to, and participation in the investment is restricted to investors to whom a certain prospectus exemptions apply, as described in the offering memorandum.