



April 2023

Welcome to our Liahona Capital Q1, 2023 newsletter!

Real Estate Market View

There were two recent legislative changes which are outlined below.

First, the federal foreign buyer ban, which was put into law on January 1st 2023 has already undergone a few changes that lighten its impact. The Minister of Housing and Diversity and Inclusion announced three changes:

1. Work Permit holders will now be able to purchase a primary residence.
2. Non-residents can now purchase raw land that has been zoned for residential development.
3. The corporate foreign control threshold was increased from 3% to 10%

Second, the budget attempts to codify assistance for distressed borrowers with new proposed guidelines from the Financial Consumer Agency of Canada. The FCAC proposal can be read here: <https://www.canada.ca/en/financial-consumer-agency/corporate/transparency/consultations/mortgage-loans.html>

Will these changes affect Liahona MIC?

The first change does not really affect our client base as we do not lend to foreign borrowers, but it does indicate that demand will not be quite as depressed as originally thought, the end result is that our portfolio is less risky given that we expect demand to rise and prices to be stable.

The second change could help us greatly. This is because the banks will be able to help clients who are struggling instead of pushing them on to the 'B' lenders and ultimately down to the MICs. This may sound like a negative as there may be fewer people looking for financing from MICs, but it also means that there may be fewer enforcements that lead to power of sale and ultimately distressed properties, which has the impact of dragging prices lower.

We are seeing the volume pick up this spring and are excited for the coming changes as we continue to find the right deals to further strengthen our already healthy mortgage portfolio.

Health of the MIC

We currently have a solid \$50+ million mortgage portfolio and have not seen an increase in mortgages falling into enforcement. Our underwriters are keeping on top of industry news, including by geographic location to make sure that we invest in areas and properties that will hold their value for the term of our agreements. We continue to see profitable deals and significant deal flow as the spring market has begun to come alive.



First Step in Financial Planning

Written By Brandon Renault

Financial planning simply means taking charge of your finances. This comprises a breakdown of your income, expenses, assets, and liabilities, as well as your financial objectives. Following that, you establish a financial portfolio and invest in various avenues to achieve your objectives. With rising inflationary costs and the rising cost of living, insurance should come to the forefront.

Insurance is essential for protecting your family from financial stress while you are away. Insurance serves as a safety net, and now could be a good time to think about getting a policy.

Insurance is a product that can help you protect your finances. Here are some of the reasons why insurance should be a vital component of your financial portfolio:

1. Risk protection

Insurance is a risk management tool. As a result, it prepares you and your family for any unforeseen financial loss, such as death or hospitalization.

2. Financial stability

Insurance plans provide financial security by paying for losses incurred during an emergency. You can rest assured that if an emergency occurs, insurance coverage will cover the loss. This

allows you to arrange your budget and save for your goals. It also assures that the intended corpus is safe and will not be used in an emergency.

3. Different plans for different needs

There are several insurance policies available to cover the various types of dangers that you may face. Life insurance products protect against the chance of death, whilst health insurance policies protect against medical emergencies. Similarly, auto insurance plans cover the danger of car theft or vehicle accidents, while travel insurance plans cover trip-related risks.

You may select different plans based on the dangers you face and establish a 360-degree layer of financial protection for yourself.

4. Tax advantages

Some insurance plans are also tax-deductible. Life insurance premiums are tax-deductible; however, health insurance premiums are not.

Furthermore, the death benefit from a life insurance policy is totally tax-free.

5. Mindfulness

Insurance products provide you with the peace of mind that your funds will not be jeopardized in the event of an emergency. This provides you and your family with financial independence and security.

Working with an insurance professional can help you find the right policy for your situation. Contact us today at clientrelations@liahonainsurance.ca

What's New?

We are thrilled to introduce two new individuals to our Liahona Dealing Representative Team! Please join us in welcoming Chris Molder and Levi Renault! More details about each of them can be found [here](#)

Fund Updates

To keep you informed about the various investments Liahona Capital offers, we are happy to share some recent Fund updates with you. This quarter we will highlight MakeSpace and Greybrook.

MakeSpace

We launched MakeSpace on our shelf back in 2020 and have been very pleased with how the Fund has performed thus far and notably how the Fund has been managed. The goal of this Fund was to raise \$30 million for the purpose of buying and running 15-20 storage investments which was executed precisely. The final close for the Fund was in March 2023 at which time they had raised over \$42 million and held 18 storage investments. They have worked hard to put the right mix of investments in the portfolio to provide targeted returns to investors. Their job now is to operate the storage investments at a high level to prepare for the Fund's exit which is anticipated anytime over the next 3-4 years. If you didn't get the opportunity to become an investor in this Fund, there are discussions of another potential opportunity by MakeSpace in late 2023 or early 2024!

Greybrook

Liahona has now taken part in 11 Greybrook projects and has been pleased with the type of investment opportunities being offered. Greybrook is somewhat different than the other Funds you see offered on our shelf and can be a great diversifier to the right investor's portfolio. These investments are project based, are a buy and hold investment that does not typically pay a distribution and usually has a targeted annual return upwards of 20%! If your investment objective is in line with a buy and hold type investment, contact your Dealing Representative today to get more information and to see when the next project will be available.

For information on our products, or to make any investment, please contact your Liahona Dealing Representative!

Robert Rumley



Brandon Renault



Adam Gignac



Doug Edwards



Eric Anderson



Chris Molder



Levi Renault





Summary

We appreciate your continued interest and investment with us. For additional information visit our website at www.liahona.ca

As always, we welcome your feedback.

Sincerely,

The Liahona Team

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email: investorrelations@liahona.ca