



October 2025

Welcome to our Liahona Capital Q3, 2025 newsletter!

Liahona MIC News/Real Estate Market View

Ontario Residential Real Estate & Mortgage Market – Fall '25 Snapshot

Ontario's housing market has shifted in favor of buyers this fall, with rising inventory, softening prices, and easing interest rates shaping a more balanced environment. Here's a quick look at the latest trends and data—all facts, no forecasts or advice.

Market Overview

- **Inventory Surge:** Active listings are up ~30% year-over-year, pushing months of inventory to 6.0—firmly in buyer's market territory.
- **Price Trends:** The average resale price in Ontario is ~\$805,000, down ~2% YoY. In the GTA, prices have dropped ~25% from early 2022 peaks.
- **Sales Activity:** September 2025 saw 12,196 home sales across Ontario, down ~8% from last year.

Mortgage & Interest Rates

- **Bank of Canada Rate:** Now at 2.50% (Oct 2025), down from 5.00% in 2023.
- **Mortgage Rates:** 5-year fixed rates are in the mid-4% range; variable rates around 3.6%.
- **Affordability Boost:** Monthly mortgage payments have dropped ~30% from late 2023 highs.

What's Driving the Market

- **Condo vs. Detached:** Condos face higher inventory and softer prices; single-family homes remain more resilient.
- **Delinquencies:** Mortgage arrears in Ontario are at ~0.12%, still historically low.
- **Rental Demand:** Strong rental demand continues, with average Toronto two-bedroom rents >\$3,200/month (+17% YoY).

Broader Signals

- Regional Trends: Calgary and Atlantic Canada show stability; Ontario and B.C. continue adjusting.
- Construction Slowdown: Building permits are at multi-decade lows, signaling potential future supply constraints.
- Immigration & Employment: Population growth and moderate unemployment (~6.7% in Ontario) support long-term housing demand.

Outlook

Experts expect a gradual recovery into 2026. Falling rates, strong fundamentals, and stabilizing prices suggest Ontario's housing market may be near its bottom. For investors, the current environment offers a chance to monitor key indicators like inventory levels, sales-to-new-listing ratios, and interest rate movements.

As Ontario's real estate landscape continues to evolve, staying informed and agile remains key. Whether you're buying, selling, or simply observing, understanding the data behind the market helps you make confident, informed decisions.



“Riders” That Give You Your Money Back

Understanding the Return of Premium Benefits on Critical Illness Insurance

When most people think of **Critical Illness Insurance**, they envision a lump-sum payout in the event of a serious diagnosis—such as cancer, heart attack, or stroke. But what many don't realize is that, when structured strategically, these policies can also return your premiums—even if you never make a claim.

Return of Premium at Death

If the insured passes away without ever receiving a critical illness benefit, many policies include a *Return of Premium on Death* rider. This feature refunds **100% of the premiums paid (less any claims)** to the estate or a named beneficiary.

It's a powerful way to ensure your investment in protection doesn't go to waste—providing peace of mind that your contributions will still benefit your loved ones.

Return of Premium at Maturity or Cancellation

Some plans also offer a *Return of Premium on Surrender or Maturity*, typically available after the policy has been in force for 15 years or more (depending on the insurer). This means if you decide you no longer need the coverage, you can **cancel the policy and receive most—or even all—of your premiums back.**

Real-World Example

A 35-year-old female non-smoker can secure \$100,000 in Critical Illness coverage for just **\$73.71/month**, protecting her income and family in the event of a serious illness. By adding two optional riders, she significantly enhances the policy's long-term value:

- **Return of Premium on Death:** For an additional **\$2.97/month**, all premiums are refunded to her estate if no claim is made.
- **Return of Premium at Maturity or Surrender:** For **\$43.56/month**, she can cancel the policy after 15 years or at maturity and receive most or all of her premiums back.

In essence, these riders turn a traditional insurance policy into a flexible financial tool—offering protection during your working years and a potential refund if you remain healthy.

At **Liahona Insurance**, we often refer to these riders as “*peace-of-mind multipliers*.” They not only safeguard your financial future but also preserve capital and create options for the years ahead.

Want to learn more?

Connect with a Liahona Insurance Advisor today at clientrelations@liahonainsurance.ca

Did You Know?

Private market investing is no longer just for institutions—individual investors are increasingly accessing private credit, real estate, and infrastructure through exempt market offerings.



Mortgage Investment Corporations (MICs) are uniquely positioned to thrive in tight credit environments, often stepping in when banks pull back on lending.

You can hold **private market investments** in registered accounts like RRSPs and TFSAs, offering both **tax advantages** and **portfolio diversification**.

Real assets—such as real estate and infrastructure—are increasingly used as **inflation hedges** and long-term income generators.

Alternative investments typically have **low correlation** to public markets, helping reduce overall portfolio volatility during economic uncertainty.

Issuer Spotlights



Liahona Mortgage Investment Corporation (LMIC)

Sector: Mortgage Lending

Key Highlights:

- **Historic Annual Return:** 7.70% since inception (2006)
- **Portfolio Composition:** 89% residential, 11% commercial; 87% first-position mortgages
- **Average Loan-to-Value (LTV):** 63%, reflecting conservative underwriting
- **Assets Under Management:** \$77.6 million with 405 investors
- **Redemption Flexibility:** Monthly redemptions with tiered early redemption fees

LMIC continues to thrive by focusing on disciplined lending and strategic pricing, offering investors stable returns and capital preservation in a shifting real estate market.



Invico Diversified Income Fund (IDIF)

Sector: Diversified Income

Key Highlights:

- **Fund AUM:** ~\$464 million (Class B)
- **Target Distribution Rate:** ~8% annually, paid monthly
- **Portfolio Composition:**
 - 38% energy working interests
 - 36% private lending
 - 19% equity yield strategies
- **Historical Return (Class B):** 7.7% annualized since inception
- **Liquidity:** Quarterly redemptions with 45-day notice
- **Tax Efficiency:** Distributions may include return-of-capital components

IDIF provides consistent monthly income and portfolio diversification through a blend of energy assets and private credit, backed by active management and rigorous due diligence.



Centurion Apartment Real Estate Investment Trust (REIT)

Sector: Multi-Residential Real Estate

Key Highlights:

- **Assets Under Management:** \$7.8 billion (as of Feb 2025)
- **Annualized Return Since Inception:** 12.36% (Class A Units)
- **Portfolio:** Income-producing apartments, student housing, and mortgage/equity investments across Canada and select U.S. markets
- **Distribution:** Monthly, with DRIP available at a 2% discount
- **Tax Efficiency:** Distributions may include return-of-capital treatment
- **Liquidity:** Monthly redemptions with 30-day notice

Centurion REIT offers investors stable income, geographic diversification, and long-term growth potential through a disciplined approach to residential real estate.

Reach out to your Liahona Dealing Representative today to learn more about these investors and the others we have available on our shelf!

Dealing Representatives

Robert Rumley



Brandon Renault



Adam Gignac



Doug Edwards



Eric Anderson



Chris Molder



Levi Renault



Linda Hilton





Summary

We value your ongoing support 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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