

MAY 2010 NEWSLETTER

ALTA PACIFIC MORTGAGES & INVESTMENTS

www.altapacificmortgages.com

Vancouver • Fraser Valley • Edmonton

WHAT'S NEWS?

Alta Pacific welcomed 28 new investors into the fund in April 2010. For those new to our fund, Alta Pacific's 2009 audited yield to investors was 12.75%. Alta Pacific's unaudited return for the first 6 months of the 2010 fiscal year (the period of July 1, 2009 to December 31, 2009) reached our target return of 12% and we expect to continue this performance for the full 2010 year.

Whether you have invested registered funds (RSP, LIRA, TIF, RIF, TFSA) or an open investment, we're pleased to work with you in achieving solid returns for your portfolio. We invite you to consider the various options available to investors of Alta Pacific MIC. Contact your financial advisor or one of Alta Pacific's partners directly for more information.



NEW OPTIONS FOR ALTA PACIFIC INVESTORS

For investors that have been with us for some time, we have added new options for investors who wish to receive monthly cash-flow. An 8% per annum monthly cash dividend option is now available to investors of both open and registered funds.

A \$150,000 investment in Alta Pacific will pay \$1,000/month

Additional returns to investors are made in either cash dividends or through share re-investments (a choice made by each individual investor). For investors that have chosen the cash dividend option, dividend cheques or direct deposit are advanced in the first 3 business days of the month. For those who have chosen the share re-investment option, your investment is compounding. If you prefer to receive monthly dividends direct deposited, we ask that you speak to your financial advisor who will work with Alta Pacific's administrative staff to accommodate your needs.

FUNDED MORTGAGES IN APRIL

All mortgages funded in April were 1st position loans on properties in British Columbia. The terms of these mortgages were extremely favourable; each with a term of under 1 year, and Loan to Values (LTV) of under 50%. Our portfolio of mortgages is evenly balanced between 1st and 2nd mortgages on both residential and commercial properties in three provinces of Western Canada – BC, Alberta, and Saskatchewan. The total mortgage portfolio remains below 65% LTV - meaning that the value of the properties mortgaged exceeds the loans payable by the borrowers by a considerable margin. The lending committee of Alta Pacific draws from a vast network of professionals and selects only the best mortgage opportunities.

WHAT ELSE SHOULD YOU KNOW ABOUT ALTA PACIFIC?

In addition to operating Alta Pacific MIC, we offer full service mortgage and lending options from nearly every major lending institution in Canada are provided with assistance in refinancing, first time purchases, or the purchase of a rental property. Please contact us or visit www.altapacificmortgages.com

Speaking of the web, if you're connected... we welcome you to follow our regular updates to clients and investors on our blog; which can be found at <http://altapacific.wordpress.com>.

Weekly articles and opinions from Alta Pacific partners and mortgage brokers gives a wide range in topics from investing in mortgages, latest news on mortgage rates, what's happening in Canadian Real Estate, the latest news and opinions

on trends in the industry, and many other topics of interest to us and our clients.

We are active on Twitter with daily updates on news and trends that we feel are interesting and worth following... Find out what Alta Pacific's Brad Unrau is thinking and "tweeting" - visit [Twitter.com/AltaPacificMIC](https://twitter.com/AltaPacificMIC)



INVESTING IS MORE LIKE CHICKEN FARMING OR EGG FARMING?

Alta Pacific Partner Steve Froese shared a very interesting article written in the National Post in the early part of April (you can find the article on the Financial Post website @ www.financialpost.com/story.html?Id=2753577).

Here are Steve's thoughts on comparing egg/chicken farming and investing....

I think you can bring the comparison of chicken farming (eggs vs. chickens) over into real estate. Over the last decade, many financial firms in Western Canada have focused on the "Land Banking" aspect of syndicated real estate. There have been many that rode the last real estate wave and thought that the latest rise in prices would continue long enough for their investors to exit and make a return. While the increase in land price looks great on paper, you only really make money when a project exits. For some, they will never exit, as debt on those projects have forced the only asset into receivership.



While I truly believe these markets will come back, albeit eventually, if you are one of those unfortunate ones to get stuck in a Land Syndication that didn't exit, you probably can't get your money out even at a considerable discount. This is where a mortgage investment, while probably not promising the same high returns as the real estate investments, shows some considerable advantages. Like the chicken that keeps producing eggs, the mortgage investment companies keep paying dividends. So whether you like the gamble of massive returns, it may make sense to keep a few chickens around that lay some eggs. I know I will.

Steve Froese

Alberta Egg Producer (and Parter in Alta Pacific)

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