

MIC Fast Facts

SHAREHOLDER BASE

- 635 investors (100% Canadian)
- 57.64% investors choose 8% per annum (pa) monthly dividend
- 42.36% investors choose to re-invest dividends
- 75.75% investing with registered funds (RRSP)
- 24.25% investing with open funds

LOAN TO VALUES (LTV)

- Target LTV for fund - 65%
- Current LTV for fund - 58.96%
- Average LTV residential - 58.79%
- Average LTV commercial - 61.87%

MORTGAGE POSITIONS

- 1st mortgages - 31.57%
- 2nd mortgages - 68.43%
- 3rd mortgages - 0%

MORTGAGE PROPERTIES

- Residential mortgages - 97.28%
- Commercial mortgages - 2.72%
- BC mortgages - 28%
- Alberta mortgages - 68.30%
- Saskatchewan mortgages - 3.70%

MORTGAGE FORECLOSURES

- Foreclosure as a percentage of assets under management - 1.53%
- Foreclosure LTV - 75%

CORPORATE REVIEW

- On track for 8-11% annual targeted return to investors in 11/12 - yes
- Corporate year end in June 30

As of June 29, 2012. Loan to Value (LTV) percentages are based on independent third party appraisals performed in a reasonable time period prior to funding. Alta Pacific MIC does not currently hold mortgages with greater than 12 month terms. Appraisals are less than 1 year old and therefore the fund manager remains confident in the LTV stated.

July 1st, 2012

Capital Preservation; the cornerstone of your investment

Capital preservation - keeping your investment safe – is of primary concern to every investor; and is our top priority at Alta Pacific.

Early shareholders may remember the story of how Alta Pacific Mortgage Investment Corp was born. It all started when one of our founders, Ches Hagen, experienced frustration with his mutual fund performance (he owned an assortment of MFs through his RRSP). Receiving statements quarterly, it wasn't uncommon to see the portfolio value *decrease*. Still, he would save earnestly each year in order to contribute to his registered holdings and continue buying mutual funds as per his financial advisor's advice. Time and again the quarterly reports did not contain the results he hoped for, or expected. Yes, there were quarters where his portfolio increased in value, but it got to the point where the statements would arrive and he would think, "I just hope they didn't go down." Ches wanted his investments to consistently rise in value – not at an unreasonable rate – just rise! But, he found himself thinking, "I hope I just don't lose money." This was in 2003 - 2007. Many Canadians today can relate to this experience of "investment anxiety."

Alta Pacific was born when Ches could no longer handle the anxiety (and losses). He approached the other (now) founders of Alta Pacific and they discussed how they could develop a business that treated capital preservation as the first and highest priority. Because of the group's experience in Western Canadian real estate ([read bios on our website](#)), and the policies that Alta Pacific adheres to, they were confident in this cornerstone belief. Certainly return on capital was a very important second priority as well. Today, Alta Pacific still focuses on these sound principles and strives for consistent returns for our investors.

At Alta Pacific Mortgage Investment Corp, our target rate of return is 8-11% to our investors. We have achieved this return since raising our first funds in 2008. As we continue to grow, our highest priority remains on capital preservation, while secondarily working diligently to achieve this target rate of return. We expect to reach this target in the year ending June 30, 2012 even though this year posed challenges. The lowest interest rates in history on conventional mortgages caused a natural downward pressure on specialty mortgage rates; combined with an unexpected 3-4 month period where the volume of mortgage opportunities was lower than normal. Rather than fund higher risk mortgages being circulated during this time, Alta Pacific held on to funds (in cash deposits) and waited for higher quality mortgages. This proved wise and the volume of qualified specialty mortgage opportunities picked up.

As we close our fiscal year (June 30th) our auditors prepare our financial statements for the year. With the results of the audit due to be completed by the end of September, we will communicate our yield to investors in October. For our operations team, the 2012/2013 year begins the day we return from the July 1st Long Weekend and we look forward to the year with anticipation. Of course always remembering our first and primary priority; capital preservation.

Have a great summer!



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