2026 EDITION

A GUIDE FOR BC & ONTARIO INVESTORS

The Great Pacific Guide to MICs

A plain look at income from real estate-backed lending.

No jargon. No pressure. Just a clear look at how a mortgage investment corporation works.

Great Pacific Mortgage & Investments Ltd.
Victoria, BC · In business since 1994

June 2026

BEFORE YOU START

Why people read this guide

If you are looking for income from your investments, you have probably noticed something: the familiar options do not always keep up. Savings accounts and GICs feel safe, but their returns may not keep pace with the rising cost of living. Public markets can grow your money, but the ups and downs are hard to live with when you are relying on that money for income.

Many investors start looking for something in between. A mortgage investment corporation, or MIC, is one option worth understanding.

This guide explains what a MIC is, how it works, what the risks are, and how to tell whether it might fit your situation. It will not tell you what to do. There is no deadline at the end, and no pressure to decide.

> There's no rush to decide. The most useful thing you can do right now is understand your options.

THE BASICS

What is a MIC?

A mortgage investment corporation is a company that pools money from many investors and uses it to fund mortgages. Those mortgages are secured by real estate. Borrowers pay interest on their loans, and after the fund's costs are covered, that interest income may be paid to investors as dividends, when the fund declares them.

A MIC is a specifically Canadian structure, defined under Section 130.1 of the Income Tax Act. Because a MIC passes its net income through to shareholders, the income is taxed in the investors' hands rather than taxed twice.

In plain terms: a MIC lets you earn income from private mortgage lending without having to find, manage, or hold individual mortgages yourself.

How the money moves

Investors
Minimum $25,000

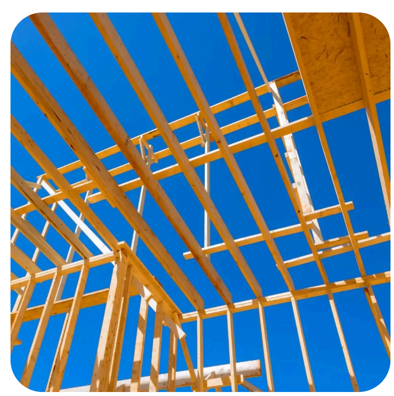
→

The MIC
Pools & manages capital

→

Mortgages
Secured by BC real estate

1. Investors contribute capital (minimum $25,000).
2. The MIC pools and manages the funds.
3. Mortgages are funded, each secured by BC real estate.
4. Borrowers pay interest, and dividends may be paid to investors, quarterly, when declared.



WHAT A MIC MAY OFFER

Features worth understanding

A MIC may be worth considering for a few reasons. None of these are guarantees, they are features of how the structure works.

Income from real estate lending

The interest borrowers pay may be passed to you as quarterly dividends, when the fund declares them.

Real estate security

Each loan is secured by tangible BC property rather than tied to the daily swings of public markets.

Diversification across many loans

Capital is spread across many properties and borrowers, rather than resting on a single loan.

Eligible for registered accounts

Both Great Pacific MIC funds can be held inside RRSPs, TFSAs, RESPs, LIRAs, and RRIFs. Tax treatment depends on your circumstances, speak with an accountant before investing.

Professional management

Experienced local managers handle sourcing, underwriting, and administration of the mortgages, so you are not acting as a landlord or a lender yourself.

THE RISKS TO UNDERSTAND

What a MIC is not

A MIC is not a savings account, and it is important to be clear about what that means before you go further.

Returns are not guaranteed

Dividends are paid when the fund earns enough to declare them. They can vary, and may not be declared at all in a given quarter. Past distributions do not predict future ones.

Liquidity is limited

You generally cannot take your money out quickly. A MIC is designed for a minimum five-year time horizon. If you may need the money sooner, a MIC is likely not the right fit.

Borrower default

If a borrower stops paying, the fund must manage the situation, which may include legal enforcement against the property. That takes time and may result in losses.

Property values

Each mortgage is secured by BC real estate. If property values fall, the equity buffer behind each loan shrinks, and in a significant decline, losses are possible.

No deposit insurance

MIC investments are not bank deposits. They are not covered by CDIC or any provincial equivalent. There is no government-backed protection on your principal.

None of this means a MIC is the wrong choice. It means the trade-offs deserve your attention before you decide. A good investment decision is one where you understand what you're taking on, not one where you've been reassured that everything will be fine.

THE GREAT PACIFIC FUNDS

Two funds, different profiles

Since 1994, Great Pacific Mortgage & Investments has guided clients through changing economic cycles with local, hands-on mortgage management. We offer two MIC funds with different profiles.

FLAGSHIP FUND

Accredit Mortgage Ltd.

Established 1994

A professionally managed portfolio of residential and construction mortgages across Vancouver Island and mainland BC, including first, second, and third mortgage positions.

MORE CONSERVATIVE FUND

First Accredit Mortgage Corp.

Established 2001

Holds first mortgage positions only and focuses on senior mortgages. It is positioned as the more conservative of the two options. It lends primarily in the markets we know best, Vancouver Island and mainland BC.

Held inside a registered account

Both funds are eligible to be held inside registered accounts. Tax treatment depends on your individual circumstances. Speak with an accountant before investing.

RRSP | **TFSA** | **RESP** | **LIRA** | **RRIF**

THE MECHANICS

How loan-to-value works

When we lend, we look at loan-to-value (LTV), the ratio of the mortgage amount to the property's value. Lending less than a property is worth leaves an equity buffer, so that if values fall, there is room before the loan is at risk. A lower ratio generally means more buffer if things go wrong.

Illustrative example

A property valued at **$800,000** with a mortgage of **$480,000** represents a 60% LTV, leaving a **$320,000** equity buffer.

$480,000 mortgage · 60% LTV | **$320,000 equity buffer**

Mortgage amount   Equity buffer

Property value: $800,000. Actual loan-to-value ratios vary by mortgage.

SELF-ASSESSMENT

Is a MIC right for you?

This is not a recommendation. It is a starting framework for your own thinking, before you speak with anyone.

MAY BE WORTH EXPLORING IF YOU...	PROBABLY NOT THE RIGHT FIT IF YOU...
Have at least $25,000 to invest	Are investing less than $25,000
Can leave the money invested for at least five years	Need quick or easy access to your money
Want income rather than primarily capital growth	Want the safety profile of a savings account or GIC
Are comfortable with investments not traded on public exchanges	Are not comfortable with uncertainty around income
Are based in British Columbia or Ontario	Expect guaranteed or risk-free returns
Understand that returns are not guaranteed and that risk exists	Have a time horizon of less than five years

This is not personal investment advice. Only you, ideally with the help of a qualified adviser, can determine whether a MIC belongs in your financial plan. Investing in a MIC involves risk, including the possible loss of principal. Returns are not guaranteed.

BEFORE YOU INVEST

The questions worth asking

Bring these to any first conversation, with us or anyone else.

1. How does the fund generate income?
2. What kinds of mortgages does it hold, and where are the properties?
3. What is the typical loan-to-value ratio?
4. What happens if a borrower defaults?
5. What are the actual redemption terms if I need my money back?
6. Can this be held inside a registered account?
7. What are the management fees?
8. Where can I read the offering documents?

There's no rush to answer all of these today. Having them written down makes any first conversation much more useful.

WORKING WITH GREAT PACIFIC

What a first conversation actually looks like

01

A short call

We walk through what we do, ask about your situation, and figure out whether there is a reasonable fit. If there isn't, we'll say so.

02

The offering documents

If a MIC seems like it might make sense, we share the full legal documents, which set out the risks, fees, and terms in detail. You should read them, and we can walk through them with you.

03

You decide

No deadline. No pressure. You choose what happens next, and at what pace.

1994	6	2	Victoria, BC
IN BUSINESS SINCE	PEOPLE ON OUR TEAM	MIC FUNDS MANAGED	ONE OFFICE

Verify our registration: bcsc.bc.ca | osc.ca

YOUR NEXT STEP

No commitment, just a conversation

If you have questions about how a MIC works, whether you qualify, or what the process looks like, we are happy to talk it through. There is no commitment in a conversation.

Ready when you are

Book your complimentary 30-minute MIC suitability assessment →

(250) 361-4775   info@greatpacificmortgage.com   greatpacificmortgage.ca

Legal disclosure

This material is for informational purposes only. It does not constitute an offer to sell securities, an offer to buy securities, or personal investment advice. Securities of Accredit Mortgage Ltd. and First Accredit Mortgage Corp. are only available to investors who meet applicable eligibility and suitability requirements under British Columbia and Ontario securities laws. Investing in a mortgage investment corporation involves risk, including the possible loss of principal. Returns are not guaranteed. Dividends depend on fund performance and are declared at the discretion of the fund. Past performance does not predict future results.

Before investing, you should read the relevant offering documents in full and speak with a qualified representative. Tax treatment depends on your individual circumstances. Speak with a qualified accountant before making investment decisions based on tax considerations.

Great Pacific Mortgage & Investments Ltd. is a registered Exempt Market Dealer in British Columbia and Ontario. To verify registration: bcsc.bc.ca | osc.ca

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