

Dear Investors,

The year 2020 will forever make its mark in history. COVID-19 virus has been humanities biggest challenge since the end of World War II. The infection case load increased steadily in Q4 to an extent that forced Ontario to implement strict lock down protocols once again. The news of effective vaccines has brought much needed optimism, however the task of immunizing the population will take time and demands patience and discipline from the citizens. The pandemic brought uncertainty and turmoil to many markets, however real-estate market in Ontario has shown resilience and continues to be active.

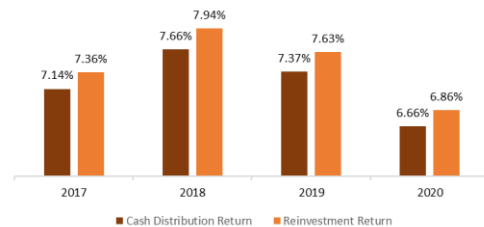
### Market

Activity in Q4 did not match the activity in Q3, however surpassed sales volumes for the same period in 2019 (1). This shows the resilience of the GTA real-estate market. Single family homes and town homes in suburbs saw the most activity (2). This is due to the new trend of working from home, where many people seek larger dwellings and less crowded neighborhoods. New town home development products have done extremely well, both home buyers and investors are picking up the inventory as soon as they enter the market. Sales volume for condominium products has been flat for most of Q4, however evidence has shown an increase in activity towards the end of Q4. Lack of supply in detached, semi and town homes will force an upward price pressure for these product in 2021.

### Dez Capital Business

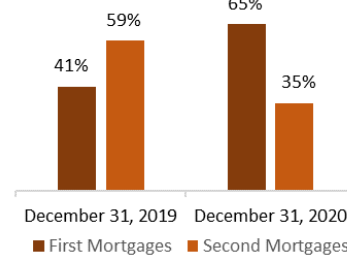
Our performance was lower compared to previous years because of two factors. First, the amount of mortgage deferrals we faced in Q1 and Q2 of 2020.

Cash Distribution Return vs. Reinvestment Return  
2017 - 2020



These deferrals were roughly 30% of the portfolio. The deferred interest will be collected on maturity and will be distributed to investors. Second, our decision to take a more conservative stand, increasing the portion of first mortgages, in these uncertain times.

Percentage of Portfolio in  
First & Second Mortgages  
2019 vs. 2020



### Looking Forward

The real estate market throughout the GTA and Golden Horseshoe is proven to be resilient, and all indications point to healthy activity in 2021 (2). Interest rates are at historic lows, creating a downward pressure on Dez’s rates. We are looking to expand our geographical area of operation by cautiously entering the market in Hamilton, Kitchener, Waterloo, Burlington, and St. Catherine’s. These markets are performing well and will provide more options for Dez Capital.

There is a chance that a long lock down will dampen activity in the real estate market, however we believe lessons learned in Q2 and Q3 will reduce this possibility. There are indications that by Q3 most of the general population will be immunized, and life can return to, more or less, what we remember.