CAPITAL DIRECT I INCOME TRUST

For the Three Month Period Ended September 30, 2017

(Unaudited - Management Prepared)

CAPITAL DIRECT I INCOME TRUST

Statement of Financial Position

Three month period ended September 30, 2017

(Unaudited - Management Prepared)

	Sep-30-17	Dec-31-16
ASSETS		
Cash	$7,598,684	$1,982,407
Accounts receivable	$1,735,082	$5,226,932
Mortgage investments *(Notes 3,4,7)*	$162,440,534	$147,121,047
Assets held for sale	$0	$0
	$171,774,300	**$154,330,386**
LIABILITIES		
Accounts payable and accrued liabilities	$1,828,436	$3,606,666
Loan Payable *(Note 6)*	$43,296,409	$44,018,502
	$45,124,845	$47,625,168
UNITHOLDERS' EQUITY		
Net Assets	$126,649,455	$106,705,218
	$171,774,300	**$154,330,386**

Contingent liability *(Note 6)*

Approved by the Board of Governors

"Richard Nichols" Director

"Richard Nichols

"Derek Tripp" Director

Derek Tripp

See accompanying notes to the financial statements.

CAPITAL DIRECT I INCOME TRUST

Statement of Change in Net Assets

Three month period ended September 30, 2017

(Unaudited - Management Prepared)

	Class A Sep-30-17	Class C Sep-30-17	Class F Sep-30-17	Total Sep-30-17	Sep-30-16
Net assets - beginning of period	$56,279,050	$15,690,921	$49,430,465	$121,400,435	$85,633,640
Comprehensive income	$1,151,739	$327,593	$1,152,848	$2,632,181	$2,038,094
	$57,430,789	$16,018,514	$50,583,313	$124,032,616	$87,671,734
Distribution to unitholders *(Note 9)*	($1,036,565)	($294,834)	($1,037,563)	($2,368,962)	($1,630,476)
Distribution to the Manager	($115,174)	($32,759)	($115,285)	($263,218)	($407,619)
Capital transactions					
Subscriptions *(Note 10)*	$1,534,048	$1,077,800	$1,215,300	$3,827,148	$9,192,342
Reinvested distributions	$624,239	$202,030	$597,199	$1,423,468	$1,028,407
Interchanges	($628,691)	($28,352)	$656,153	($890)	$0
Redemptions	($707)	$0	$0	($707)	$0
Net assets - end of period	**$57,807,939**	**$16,942,399**	**$51,899,117**	**$126,649,455**	**$95,854,389**

See accompanying notes to the financial statements.

CAPITAL DIRECT I INCOME TRUST

Statement of Comprehensive Income

Three month period ended September 30, 2017

(Unaudited - Management Prepared)

		Sep-30-17	Sep-30-16
Revenue			
	Mortgage Interest Income	$3,201,335	$2,504,011
	Mortgage Discount Income	$282,432	$103,664
	Prepayment Income	$236,463	$234,929
	Early Redemption Income	$0	$7,975
	Sundry Mortgage Income	$93,127	$76,110
		$3,813,357	**$2,926,689**
General and administrative expenses			
	Audit Fees	$19,713	$15,914
	Bank Charges	$12,575	$18,535
	Filing Fees	$32,867	$24,399
	Interest Expense on loan payable	$371,104	$273,622
	Legal Expense	$16,288	$101,555
	Management Fees	$487,085	$353,329
	Provision for Loan Loss	$191,517	$53,000
	Trustee Fees	$1,575	$8,825
	Sundry Mortgage Expense	$48,452	$39,417
		$1,181,176	**$888,595**
Net income and comprehensive income for the period		**$2,632,181**	**$2,038,094**

See accompanying notes to the financial statements.

CAPITAL DIRECT I INCOME TRUST

Statement of Cash Flows

Three month period ended September 30, 2017

(Unaudited - Management Prepared)

	Sep-30-17	Sep-30-16
Operating activities		
Net income for the period	$2,632,181	$2,038,094
Items not affecting cash:		
Provision for loan losses	$191,517	$53,000
	$2,823,699	$2,091,095
Changes in non-cash working capital:		
Accounts receivable	($347,306)	$241,610
Account payable and accrued liabilities	($3,991,642)	$438,329
	($4,338,948)	$679,939
Cash flow from operating activities	($1,515,250)	$2,771,033
Investing activity		
Purchase of mortgage investments, net	($2,166,497)	($19,403,881)
Cash flow used by investing activities	($2,166,497)	($19,403,881)
Financing activities		
Distribution to unitholders and Manager	($1,208,713)	($1,157,091)
Advances on loan payable	$4,528,125	$6,373,230
Cash received on subscriptions	$3,827,148	$12,419,173
Redemptions	$707	($1,051,788)
Cash flow from financing activities	$7,147,266	$16,583,524
Increase in cash	$3,465,520	($49,324)
Cash - beginning of period	$4,133,165	$762,651
Cash - end of period	$7,598,684	$713,328
Cash flow supplementary information		
Interest paid	$371,104	$273,622
Interest income	$3,201,335	$2,504,011

See accompanying notes to the financial statements.

1. ORGANIZATION OF THE TRUST

The Capital Direct I Income Trust (the "Trust") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated June 23, 2006 by Capital Direct Management Ltd. (the "Manager"), as administrator of the Trust and Computershare Trust Company of Canada (the "Trustee"). The address of the Trust's registered office is #305 - 555 West 8th Avenue, Vancouver BC V5Z 1C6.

The Trust is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirements to file interim financial reports with the applicable regulatory authorities.

2. BASIS OF PRESENTATION-DISCLOSURE FOR INTERIM FS

These unaudited interim financial statements, including comparatives, are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

The interim financial statements should be read in conjunction with the Trust's annual financial statements for the year ended December 31, 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Significant accounting estimates and judgements</u>

The preparation of financial statements in conformity with IAS 34 requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates include the allowance for loan losses and completeness of accrued liabilities. These are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

<u>Financial instruments</u>

Recognition and measurement

The Trust recognizes financial assets and financial liabilities, including derivatives and embedded derivatives, on the balance sheet when the Trust becomes party to the contractual provisions of the financial instruments or non-financial derivative contract. The Trust classifies all financial assets and financial liabilities as either a) Held for trading, b) Available for sale, c) Held to maturity, d) Loans and receivables or e) Other financial liabilities, depending on the Trust's stated intention and/or historical practice. Financial assets and liabilities held for trading are measured at fair value with gains and losses recognized in net income. Financial assets held to maturity, loans and receivables, and other financial liabilities other than those held for trading, are measured at amortized cost based on the effective interest method. Available for sale instruments are measured at fair value with gains and losses, net of tax, recognized in other comprehensive income.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Trust's financial assets and liabilities are classified as follows:

	Category	Measurement
Assets:		
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Mortgage investments	Loans and receivables	Amortized cost
Liabilities:		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Loan payable	Other financial liabilities	Amortized cost

Comprehensive income

Comprehensive income consists of net earnings and other comprehensive income ("OCI"). OCI comprises the change in fair value of the effective portion of the derivatives used as hedging items in a cash flow hedge and the change in fair value of any available for sale financial instruments. Amounts included in OCI are shown net of tax. Accumulated other comprehensive income is an equity category comprised of the cumulative amounts of OCI.

The Trust had no "other comprehensive income or loss" transactions during the three months ended September 30, 2017 and no opening or closing balances for accumulated other comprehensive income

Mortgage investments

Mortgage investments are measured at amortized cost using the effective interest method, net of an allowance for losses.

Interest income from mortgage investments is recorded on an accrual basis, except for mortgage investments that are considered to be impaired. A mortgage investment is classified as impaired when, in management's opinion, there is reasonable doubt as to the ultimate collectibility, either in whole or in part, of principal and interest. When a mortgage investment is classified as impaired, recognition of interest in accordance with the term of the original mortgage investment agreement ceases. Subsequent payments received on an impaired mortgage investment are recorded as a reduction in principal. Mortgage investments are generally returned to accrual status when the timely collection of both principal and interest is reasonably assured and all delinquent principal and interest payments are brought current.

Mortgage discount income is deferred and recognized over the term of the underlying mortgage. Other fees are recognized as the services are performed.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for loan losses

The Trust maintains specific and general allowances for losses in its mortgage investment portfolio. The provision for loan losses is increased by a provision for mortgage investment impairment charged to income and reduced by write-offs during the year.

A loan is considered to be impaired when payments are in arrears, all attempts at recovery with the mortgagee have failed and the Trust enters the foreclosure process to recover the loan balance. A specific provision is recorded to the extent the fair value of the collateral charged against the loan does not exceed the loan balance. Interest income continues to be accrued until the courts begin selling the property. Legal fees and other costs are also accrued to the loan balance to the extent they are expected to be recovered. At September 30, 2017 there are no impaired loans for which a specific loss provision has been recorded.

The Trust also maintains a general allowance that incorporates mortgage investment loss history as the basis for estimating probability of default in mortgage investments. The Trust groups all unimpaired loans according to similar credit risk characteristics, and evaluates the likelihood of an impairment loss on a group basis. The Trust records a loss provision allowance against each group of loan with such similar characteristics.

Income taxes

The Trust qualifies as a "Unit Trust" within the meaning of the Income Tax Act (Canada) (the "Act"). The Trust is subject to applicable federal and provincial taxes on its net income for tax purposes for the year, including taxable capital gains, except to the extent such amounts are distributed to unitholders. Losses incurred by the Trust cannot be allocated to unitholders, but may be deducted by the Trust in future years in accordance with the Act.

CAPITAL DIRECT I INCOME TRUST

Notes to Financial Statements

Three Month Period Ended September 30, 2017

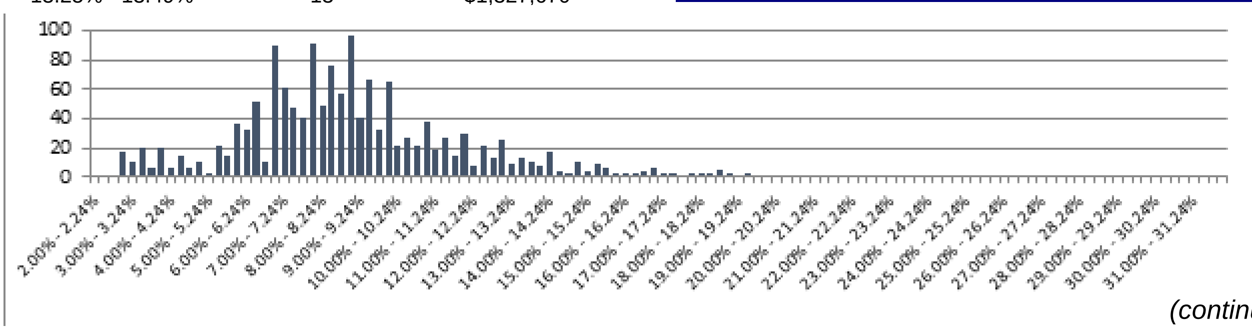
(Unaudited - Management Prepared)

4. MORTGAGE INVESTMENTS

Interest rates vary on the mortgages as noted below:

Interest Rate	#Loans	Carrying Value
2.75% - 2.99%	18	$4,401,598
3.00% - 3.24%	10	$2,425,567
3.25% - 3.49%	20	$3,410,607
3.50% - 3.74%	6	$2,085,914
3.75% - 3.99%	20	$3,043,708
4.00% - 4.24%	7	$1,735,244
4.25% - 4.49%	14	$3,364,134
4.50% - 4.74%	6	$1,302,458
4.75% - 4.99%	10	$1,596,579
5.00% - 5.24%	2	$240,309
5.25% - 5.49%	22	$3,866,484
5.50% - 5.74%	14	$3,294,797
5.75% - 5.99%	37	$4,970,421
6.00% - 6.24%	32	$4,507,803
6.25% - 6.49%	51	$5,627,087
6.50% - 6.74%	11	$1,129,680
6.75% - 6.99%	90	$9,714,193
7.00% - 7.24%	60	$7,078,394
7.25% - 7.49%	48	$4,751,269
7.50% - 7.74%	40	$4,757,595
7.75% - 7.99%	91	$9,738,880
8.00% - 8.24%	49	$4,244,563
8.25% - 8.49%	76	$7,366,815
8.50% - 8.74%	57	$5,294,683
8.75% - 8.99%	96	$8,532,443
9.00% - 9.24%	40	$6,229,675
9.25% - 9.49%	67	$7,311,657
9.50% - 9.74%	33	$3,562,886
9.75% - 9.99%	65	$5,540,031
10.00% - 10.24%	21	$2,001,384
10.25% - 10.49%	27	$2,382,662
10.50% - 10.74%	21	$1,547,191
10.75% - 10.99%	38	$3,388,287
11.00% - 11.24%	19	$1,975,497
11.25% - 11.49%	27	$2,409,447
11.50% - 11.74%	14	$1,027,284
11.75% - 11.99%	30	$2,561,027
12.00% - 12.24%	8	$1,347,982
12.25% - 12.49%	22	$1,405,941
12.50% - 12.74%	13	$953,356
12.75% - 12.99%	25	$1,769,121
13.00% - 13.24%	9	$1,040,896
13.25% - 13.49%	13	$1,327,670

Interest Rate	#Loans	Carrying Value
13.50% - 13.74%	11	$512,155
13.75% - 13.99%	8	$709,190
14.00% - 14.24%	18	$1,420,856
14.25% - 14.49%	4	$393,931
14.50% - 14.74%	2	$141,790
14.75% - 14.99%	11	$1,215,771
15.00% - 15.24%	4	$148,114
15.25% - 15.49%	9	$440,653
15.50% - 15.74%	6	$243,756
15.75% - 15.99%	3	$192,127
16.00% - 16.24%	2	$80,471
16.25% - 16.49%	2	$34,419
16.50% - 16.74%	4	$382,468
16.75% - 16.99%	6	$224,782
17.00% - 17.24%	2	$147,462
17.25% - 17.49%	3	$135,204
17.50% - 17.74%	1	$13,937
17.75% - 17.99%	3	$73,397
18.00% - 18.24%	2	$59,897
18.25% - 18.49%	3	$90,038
18.50% - 18.74%	5	$136,333
18.75% - 18.99%	3	$79,144
19.00% - 19.24%	1	$110,694
19.25% - 19.49%	3	$83,612
19.50% - 19.74%	1	$109,314
19.75% - 19.99%	1	$40,667
20.00% - 20.24%	1	$33,831
20.50% - 20.74%	1	$11,286
21.00% - 21.24%	1	$39,958
21.25% - 21.49%	1	$14,182
22.00% - 22.24%	1	$26,394
22.25% - 22.49%	1	$18,725
22.50% - 22.74%	1	$30,476
12.75% - 22.99%	1	$22,105
24.25% - 24.49%	1	$330,928
24.75% - 24.99%	1	$29,391
25.25% - 25.49%	1	$34,378
26.50% - 26.74%	1	$10,152
27.75% - 27.99%	1	$10,831
28.75% - 28.99%	1	$22,913
30.75% - 30.99%	1	$16,306
	1513	$164,362,216



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4. MORTGAGE INVESTMENTS (continued)

Mortgage investments consist primarily of residential mortgages acquired from Capital Direct Lending Corp., the parent company of the Manager and Capital Direct Atlantic Inc., a subsidiary of the parent company to the Manager. The mortgages have maturities ranging from 12 to 24 months and carry the option of prepayment under certain conditions. No mortgages are insured under the National Housing Act (Canada). Loan to value ratios on the mortgages vary as noted below:

LTV	Number of Loans	Carrying Value	% Carrying Value
0% to 4.99%	7	$116,830	0%
5% to 9.99%	27	$1,180,565	1%
10% to 14.99%	26	$1,780,474	1%
15% to 19.99%	39	$3,514,701	2%
20% to 24.99%	59	$6,275,759	4%
25% to 29.99%	44	$5,152,454	3%
30% to 34.99%	61	$6,374,978	4%
35% to 39.99%	73	$8,972,682	5%
40% to 44.99%	101	$11,374,508	7%
45% to 49.99%	145	$15,965,553	10%
50% to 54.99%	154	$18,209,778	11%
55% to 59.99%	181	$21,212,110	13%
60% to 64.99%	209	$24,160,819	15%
65% to 69.99%	225	$25,188,922	15%
70% to 74.99%	105	$10,969,389	7%
75% to 79.99%	55	$3,635,360	2%
80% to 84.99%	1	$50,375	0%
85% to 89.99%	1	$226,959	0%
90% to 94.99%	0		
95% to 99.99%	0		
	1513	$164,362,216	100%
General Loan loss provision		($898,327)	
Deferred mortgage discount income		($1,023,355)	
		$162,440,534	

Prov	#Loans	Fair Value	%Portfolio
Atlantic	17	$1,640,551	1.00%
AB	131	$13,770,888	8.38%
BC	649	$78,043,223	47.48%
ON	716	$70,907,554	43.14%
TOTAL	1513	$164,362,216	100.00%

On December 31, 2016, the general loan loss provision was $536,762 or 0.36% of the gross mortgage loan balance. During the nine month period ended September 30, 2017, $672,134 was added to the general loss provision and the Trust wrote off loans totalling $310,569. The ending balance of the general loan loss provision was 0.55% of the gross mortgage loan balance.

5. FINANCIAL INSTRUMENTS

a) Fair value of financial assets and liabilities

The following table details carrying values and fair values of financial assets and financial liabilities by financial instrument classification. The fair values of financial assets and liabilities with fixed interest rates have been determined using discounted cash flow techniques based on interest rates being offered for similar types of assets and liabilities with similar terms and risks as at the balance sheet date. The fair values of other financial assets and liabilities are assumed to approximate their carrying values, principally due to their short term nature.

These fair values, presented for information only, reflect conditions that existed only at the balance sheet date.

	Sep-30-17			Sep-30-16
	Carrying Value	Fair Value	Difference	Difference
Assets:				
Loans and receivables:				
Cash	$7,598,684	$7,598,684	-	-
Accounts receivable	$1,735,082	$1,735,082	-	-
Mortgage investments	$162,440,534	$162,440,534	-	-
			-	-
Liabilities:				
Other liabilities:				
Accounts payable	$1,828,436	$1,828,436	-	-
Loan payable	$43,296,409	$43,296,409	-	-
			-	-
Net difference			-	-

(b) Risk management

Risk management involves the identification, ongoing assessment, managing and monitoring of material risks that could adversely affect the Trust. The Trust is exposed to credit risk, liquidity risk, market risk and interest rate risk. There were no significant changes in risk from those disclosed in the Trust's annual financial statements

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5. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk is the risk that a financial loss will be incurred due to the failure of a counterparty to discharge its contractual commitment or obligation to the Trust. It is the Manager's opinion that the Trust is exposed to credit risks on all mortgage investments. The credit risk is mitigated as all mortgage investments are collateralized, there is no significant geographical concentration of mortgage investments, and the Manager regularly reviews and monitors the fair value of the collateral. The loss provision for the mortgage investments is established based on a provision for identified specific mortgage investments and a general provision applied to loans with similar credit characteristics. The Manager has assessed that there are no specifically identified mortgage investments exposed to credit risks. The Manager has provided a general loan loss provision based on approximately 0.55% (December 31, 2016: 0.36%) of mortgage investments.

Liquidity Risk

Liquidity risk refers to the Trust's ability to meet its own financial obligations such as funding mortgage commitments, operational expenses, trust distributions and unitholder redemptions. In this regard the Manager monitors cash regularly to ensure the Trust can meet its obligations, however, the Manager does have the right to postpone unitholder redemptions if it feels that the Trust's financial position will become impaired.

Market Risk

Market risk includes both interest rate risk and foreign currency risk. The interest rate risk relates to the Trust's ability to adjust to changing interest rates on their loan payable. To offset this risk the Trust generally lends its funds with rates adjustable within one or two years which allows the Trust to adjust rates on renewals annually. There is no foreign exchange risk as the Trust is limited to investing in mortgages situated in Canada.

6. LOAN PAYABLE

The Trust has an operating line of credit with Canadian Western Bank to a maximum of $50,000,000, subject to margin requirements on eligible mortgage investments, which bears interest at a rate of 0.75% per annum above the bank's prime lending rate. For the three month period ended September 30, 2017, the bank's average prime lending rate was 3.20% per annum (December 31, 2016: 2.70%). The line of credit is secured by a general security agreement including a fixed first charge over the real and personal property of the Trust, Capital Direct Lending Corp., and Capital Direct Management Ltd., a general assignment of mortgages agreement, and a general assignment of insurance on all assets of the Trust.

Of the amount available above, up to $2,500,000 is available to Capital Direct Management Ltd., for which it has provided a separate overdraft lending agreement to Canadian Western Bank. The outstanding balance in Capital Direct Management Ltd. as of September 30, 2017 is $2,166,146, for which the Trust is contingently liable.

7. RELATED PARTY TRANSACTIONS

During the three month period ended September 30, 2017, the Trust purchased 98.8% of its mortgages totaling $22,987,546 from Capital Direct Lending Corp., and 1.2% of its mortgages totaling $286,411 from Capital Direct Atlantic Inc.

These transactions were conducted in the normal course of business and are recorded at the exchange amount being the consideration agreed by the related parties.

8. TAXATION

The Trust qualifies as a “Unit Trust” within the meaning of the Canadian Income Tax Act (“The Act”). The Trust is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the year, including net realizable taxable capital gains, except to the extent such amounts are distributed to unitholders. Losses incurred by the Trust cannot be allocated to unitholders, but may be deducted by the Trust in future years in accordance with The Act.

9. DISTRIBUTION TO UNITHOLDERS

The Trust distributes 80% of the net income from operations to the unitholders on a quarterly basis from investments held by the Trust. The quarterly distributions are paid in arrears on the 15th day following the first three calendar quarters and on March 31 following the fourth calendar quarter to which the distribution relates. Distributions by the Trust will be paid in cash unless the unitholder elects to receive distributions in the form of units.

10. UNITHOLDER EQUITY

Pursuant to the Declaration of Trust, the Trust is authorized to issue an unlimited number of retractable, redeemable and transferable units, each of which represents an equal, undivided interest in any distributions made by the Trust and in the net assets of the Trust in the event of termination or windup. Each Unitholder is entitled to one vote for each whole unit held.

The Trust has authorized Class A, Class C and Class F units toalling 37,500,000 units for a combined maximum of $375,000,000. Class C and Class F units bear similar features where units may be retracted after 180 days with no penalty, whereas Class A units bear a retraction fee which diminishes over five years from 5% prior to the first anniversary of issue to zero . Class A, Class C and Class F units share pro rata in distributions from the Trust. In accordance with the Declaration of Trust, redemption requests for all classes of units can be submitted twice annually, by giving written notice to the Manager 30 days prior to June 30 or December 31 in any year. Class A, Class C and Class F units are issued as listed below.

For the three month period ended September 30, 2017 382,715 units were issued for a total subscription price of $3,827,148.

	Class A	Class C	Class F	Total
Units outstanding, Jun-30-2017	5,627,904	1,569,092	4,943,046	12,140,044
Units issued on subscription	153,405	107,780	121,530	382,715
Units issued on reinvestment	62,424	20,203	59,719	142,347
Units Interchanged	-62,869	-2,835	65,615	-89
Units redeemed	-71	0	0	-71
Units outstanding, Sep-30-2017	5,780,793	1,694,240	5,189,911	12,664,945

11. MANAGEMENT FEES AND EXPENSES

Management fees

Pursuant to the Management Agreement between the Trust and the Manager, the Manager is to provide management, administration and investment advisory services to the Trust. For these services, the Manager will be entitled to receive a monthly fee (the "Manager's Fee") calculated and payable monthly in arrears based on an annual rate of 2% for class A, 2% for class C and 1% for class F of the net asset value. The Total Management Fee for the three month period was $487,085.

In addition, 20% of the net income from operations will be paid to the Manager on a quarterly basis.

The Board of Directors of the Manager unanimously agreed to waive 50% of the distribution to which it is entitled for the three month period ended September 30, 2017. The amount waived was returned to the Fund and was distributed to the unitholders. The total distribution paid to the Manager for the three month period was $263,218.

Of these amounts, $750,303 remains in accounts payable.

Expenses

All organization expenses and sales commission or fees paid to registered dealers in connection with the Offering will be paid by the Manager.

All expenses or outlays relating to the Trust from inception including, but not limited to, the Manager's Fee, the Trustee's fee, offering expenses (other than organizational expenses and sales commissions on fees paid to registered dealers in connection with the offer and sale of units), taxes payable by the Trust, expenses related to Unitholders' meetings, brokerage, legal and other fees and disbursements relating to the implementation of transactions for Trust investments, if any, will be paid by the Trust.

12. CAPITAL MANAGEMENT

The Trust defines capital as loan payable and unitholders' equity. The Manager's objective when managing capital is to make prudent investments in mortgages so that it can continue to provide stable returns for its Unitholders. The Trust achieves its investment objectives by monitoring the Trust's mortgage investment portfolio. Information on the Unitholders' equity is described in Note 10.

The Trust's loan payable (Note 6) is subject to the following covenants as calculated in accordance with the credit facility agreement. In the event of a violation of the covenants, no trust units may be redeemed or repurchased.

1. To maintain a Cash Flow Coverage Ratio of not less than 2:1 in each quarter.
2. To maintain a Tangible Net Worth of not less than $50,000,000 in each quarter.
3. To maintain a Debt to Tangible Net Worth Ratio not greater than 1:1 in each quarter.

For the three month period ended September 30, 2017, the Trust was in compliance with the above covenants.

13. COMPARATIVE FIGURES

During the year, the Trust determined that subscriptions, redemptions and income reinvested as of September 30th, but received/paid out in October, should be recorded as of September 30th.

The September 30, 2016 comparative figures have been reclassified to conform with the current year's presentation.

	As previously recorded	Reclassified
Net assets - beginning of period	$78,892,427	$85,663,640
Subscriptions	$12,419,173	$9,192,342
Reinvested distributions	$881,004	$1,028,407
Redemptions	$1,051,788	$0
Net assets - end of period	$91,140,815	$95,854,389

14. ANNUALIZED RATE OF RETURN

	Subscription Month	Net Asset Value	Weighted Average Net Asset Value Per Month	Net Income Allocated to Unitholders	Annualized Return
Class A:	Jul-31-17	$56,277,845	$56,277,845	$1,029,894	7.320%
	Aug-31-17	$406,000	$270,667	$4,953	7.320%
	Sep-30-17	$281,548	$93,849	$1,717	7.320%
	Sep-30-17	$842,546	$0		
	Class A Total:	$57,807,939	$56,642,361	$1,036,565	7.320%
Class C:	Jul-31-17	$15,689,432	$15,689,432	$288,900	7.365%
	Aug-31-17	$281,000	$187,333	$3,450	7.365%
	Sep-30-17	$404,785	$134,928	$2,485	7.365%
	Sep-30-17	$567,182	$0		
	Class C Total:	$16,942,399	$16,011,694	$294,834	7.365%
Class F:	Jul-31-17	$49,431,562	$49,431,562	$1,029,976	8.335%
	Aug-31-17	$368,700	$245,800	$5,122	8.335%
	Sep-30-17	$355,000	$118,333	$2,466	8.335%
	Sep-30-17	$1,743,855	$0		
	Class F Total:	$51,899,117	$49,795,696	$1,037,563	8.335%
Total:		$126,649,455	$122,449,750	$2,368,962	