Our Class B Shares represent ownership in a professionally managed, residential mortgage portfolio and offer a unique combination of high, consistent returns with minimal risk, regular income and liquidity. 100% of Magenta II’s net income is paid to shareholders.

Because Tomorrow Matters
Since 1994, Magenta shares have consistently generated higher returns than alternative fixed-income investments such as bonds or GICs.

Over the last 25 years, our original Magenta fund has produced an average annual compounded return of 10.07%

Magenta shares provide:

Peace of Mind
Our shares have a fixed value equivalent to the issue price of $1.00 and do not fluctuate in response to market forces.

Reliable Monthly Income
Our dividends are paid monthly. Dividends can be collected in the form of cash or reinvested as shares, depending on the needs of the shareholder.

Predictable Results
Our shares generate an annual target return on investment (ROI) equivalent to a government of Canada 2-Year Bond yield, plus 4.50%: 5.87% in Fiscal Year 2020

Flexibility
Our shares are RRSP, RRIF, RESP, LIRA, LIF, and TSFA eligible and may be redeemed at any time with one month’s notice.¹

¹Some conditions apply
Protecting Your Investment

The value of Magenta shares does not fluctuate in response to market forces the way publicly traded stocks, bonds or mutual funds do. Our rigorous, proprietary mortgage adjudication process ensures that only high-quality mortgages that meet our elevated underwriting criteria are included in the portfolio.

Our 25 years of consistently elevated returns can be attributed to the three key features of a Magenta Mortgage:

**A High-Quality Home**
We confirm real estate values through trusted, local partners.
We ensure the property can be sold, and the value of the loan recovered, in case of default.

**A High-Quality Neighbourhood**
We only lend in strong, stable, urban real estate markets like Ottawa.

**A Responsible Borrower**
We concentrate on low-risk, residential first, owner-occupied mortgages that fall just outside recently elevated chartered bank lending criteria.

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### Fund Facts\(^2\)

<table>
<thead>
<tr>
<th>FundSERV Code</th>
<th>MMI202</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2020 Target ROI</td>
<td>5.87%</td>
</tr>
<tr>
<td>Fiscal 2019 ROI</td>
<td>6.50%</td>
</tr>
<tr>
<td>Highest Annual ROI (2005)</td>
<td>14.95%</td>
</tr>
<tr>
<td>Lowest Annual ROI (2016)</td>
<td>6.06%</td>
</tr>
<tr>
<td>Value of $1,000(^3)</td>
<td>$3,960</td>
</tr>
<tr>
<td>Distributions</td>
<td>Monthly</td>
</tr>
<tr>
<td>Minimum Initial Investment</td>
<td>$25,000</td>
</tr>
<tr>
<td>Inception Date</td>
<td>June 1, 2003</td>
</tr>
<tr>
<td>Outstanding Class B Shares</td>
<td>$39,626,018</td>
</tr>
</tbody>
</table>

### Portfolio Composition

<table>
<thead>
<tr>
<th>Assets Under Management</th>
<th>$64,028,786</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages Outstanding</td>
<td>254</td>
</tr>
<tr>
<td>Average Term to Maturity</td>
<td>175 days</td>
</tr>
<tr>
<td>Average Loan-to-Value Ratio</td>
<td>70.00%</td>
</tr>
<tr>
<td>First Mortgages Portfolio Weighting</td>
<td>92.80%</td>
</tr>
<tr>
<td>Urban Mortgages</td>
<td>95.60%</td>
</tr>
</tbody>
</table>

### Magenta Group of Funds

| Total Assets Under Management | $324,729,171 |
| Total Mortgages Outstanding  | 1,221        |
| Inception Date               | June 1, 1994 |

---

\(^2\) All data as at May 31, 2019 unless otherwise noted
\(^3\) Value of $1,000 invested at inception, June 1, 2003, at May 31, 2019
Annualized Performance

Shareholder Return on Investment

Average Annual Compounded Return

<table>
<thead>
<tr>
<th>Year</th>
<th>Magenta II Class B</th>
<th>Target ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>6.56%</td>
<td>5.95%</td>
</tr>
<tr>
<td>2 Years</td>
<td>6.67%</td>
<td>5.38%</td>
</tr>
<tr>
<td>3 Years</td>
<td>6.52%</td>
<td>5.57%</td>
</tr>
<tr>
<td>5 Years</td>
<td>6.41%</td>
<td>5.06%</td>
</tr>
<tr>
<td>10 Years</td>
<td>7.30%</td>
<td>5.48%</td>
</tr>
</tbody>
</table>

Since Inception

8.98% 6.50%

Past Performance is not necessarily an indicator of future performance or expected returns.

Growth of $100,000 Invested at Start Date

16 Years Ended May 31, 2019

Portfolio Composition by Mortgage Type

As at May 31, 2019

- Residential Firsts: 89.40%
- Seconds: 7.20%
- Lot/Land: 1.80%
- Construction: 1.40%
- Seasonal: 0.20%

Since inception, Magenta II Class B Shares have produced an average annual compounded return of 8.98%.
Our Investor Relations Team

W. Gavin Marshall
Chief Executive Officer

Gavin Marshall is the CEO and founder of the Magenta group of companies. He holds a Bachelor of Science degree in Economics from Trent University and a Master of Business Administration degree, with a specialization in finance, from Queen’s University. After graduation, Gavin held progressively more senior positions with a number of Canadian financial institutions, primarily in the areas of credit and mortgage underwriting.

Gavin had successfully invested in mortgages for his own account for many years, prior to the establishment of Magenta. His personal investment in the Magenta MICs is currently $6.4 million.

Gavin is currently the Chairman of Trent University’s Philanthropic Advisory Council.

Meagan O’Reilly
Manager, Investor Relations

Meagan has had a distinguished career as an administrative professional with substantial experience navigating and adapting to changing legislative and regulatory regimes.

Meagan holds a Bachelor of Arts degree from Carleton University and has recently relocated to Ottawa after living in Calgary for several years.

Contact us today to start building your better tomorrow

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Toll Free: 1-888-267-1744

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