

Antrim Balanced Mortgage Fund Ltd.

FY2025 Results Reflect Strong Growth, Yield, and Credit Quality

Expected Yield (FY2026):
7.64%
Rating*: 2
Risk*: 2

Sector: Mortgage Investment Corporations

[Click here for more research on the company](#)

Highlights

- **Mortgage Receivables:** In FY2025 (year ended June 2025), mortgage receivables increased 3% YoY to \$912M, slightly above our September 2024 report's forecast of \$910M. Antrim remains one of the largest Mortgage Investment Corporations (MICs) in Canada.
- **Yield and Earnings:** The yield rose to 8.53% in FY2025 (FY2024: 7.24%), ahead of our 8.03% forecast, driven by higher lending rates. Revenue grew 9% YoY (3% above forecast), while net income rose 25% YoY (10% above forecast).
- As Antrim's mortgages are fixed-rate, average **lending rates declined more slowly** than the broader market. The weighted average lending rate fell just 0.36 pp (from 9.77% to 9.41%) between June 2024 and June 2025, compared to a 200 bps decline in market rates over the same period.
- **Portfolio Mix:** The portfolio remains focused on first mortgages on single-family homes. As of June 2025, 61% of mortgages were in B.C., 32% in Ontario, and 84% were first mortgages.
- **Credit Quality:** Impaired/foreclosed mortgages increased slightly from 2.4% to 2.6% of receivables, but remain well below the sector average of 6.0%, reflecting superior credit quality. The portfolio is further supported by a conservative weighted average loan-to-value (LTV) of 60%.
- **Macro Backdrop:** Since June 2024, the Bank of Canada has cut rates eight times (totaling 250 bps), bringing the policy rate to 2.50%. We believe **one more cut is possible** over the next six months amid slowing GDP growth, elevated trade tensions, and high unemployment. While delinquencies remain a concern, easing monetary policy should help mitigate risks.
- **Outlook:** We find high-yielding funds such as Antrim increasingly attractive in a declining rate environment. MIC lending rates tend to be less elastic, declining less in falling rate environments, and rising more slowly in rising rate environments. We **project a yield of 7.64% in FY2026** (vs. 8.53% in FY2025).

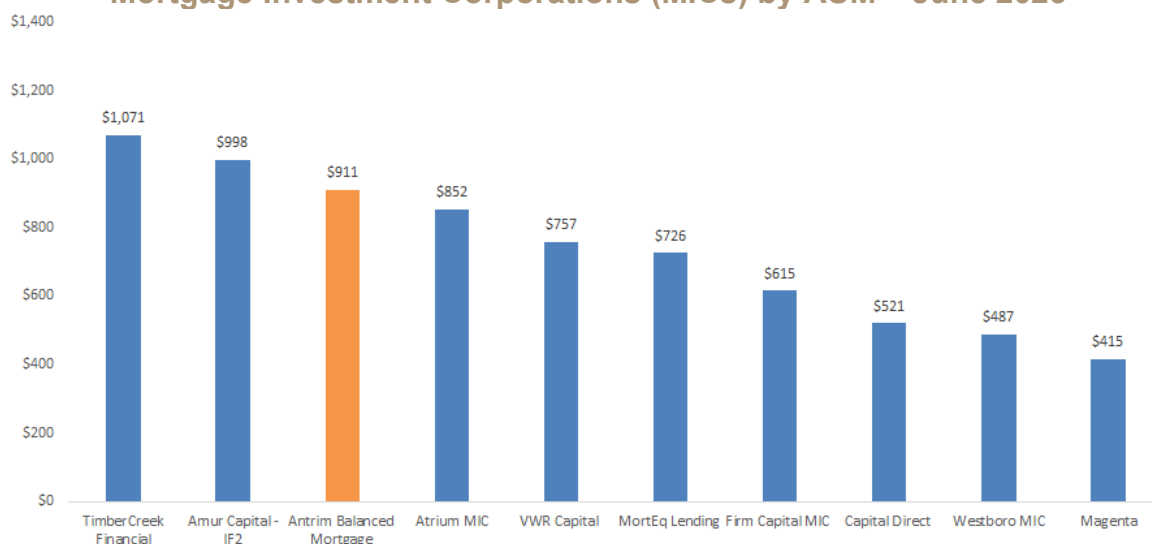
Sid Rajeev, B.Tech, MBA, CFA
Head of Research

| Offering Summary | |
|---------------------------|--|
| Issuer | Antrim Balanced Mortgage Fund Ltd. |
| Securities Offered | Preferred Shares |
| Unit Price | \$1 |
| Management Fee | 1.0% - 1.5% p.a. depending on the type of Preferred Shares |
| Distribution to Investors | 100% of annual net income, paid quarterly |
| Auditor | Grant Thornton |

| Financial Summary | 2023 | 2024 | 2025 | 2026E | 2027E |
|--|---------------|---------------|---------------|---------------|---------------|
| Mortgage Investments (net) | \$918,178,362 | \$884,371,393 | \$910,751,950 | \$944,449,772 | \$979,394,414 |
| Debt as % of Mortgage Outstanding | 16.51% | 12.79% | 5.77% | 5.82% | 6.13% |
| Revenue | \$71,415,704 | \$79,977,664 | \$87,474,675 | \$84,724,346 | \$82,109,963 |
| Net Income | \$46,819,520 | \$55,220,822 | \$68,845,855 | \$66,687,976 | \$63,293,451 |
| Net Asset Value | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 |
| Investors' Returns (% of Invested Capital) | 5.99% | 7.15% | 8.45% | 7.64% | 7.01% |

* Antrim has paid FRC a fee for research coverage and distribution of reports. See last page for other important disclosures, rating, and risk definitions. All figures in C\$ unless otherwise specified.

Mortgage Investment Corporations (MICs) by AUM – June 2025



Antrim remains one of the largest MICs in Canada

Source: FRC / Various

The following table shows how Antrim’s portfolio compares to that of other similar MICs (with AUM of over \$100M) focused on single-family residential units.

Antrim’s yield is lower due to its relatively conservative risk profile, including higher exposure to first mortgages and limited use of leverage

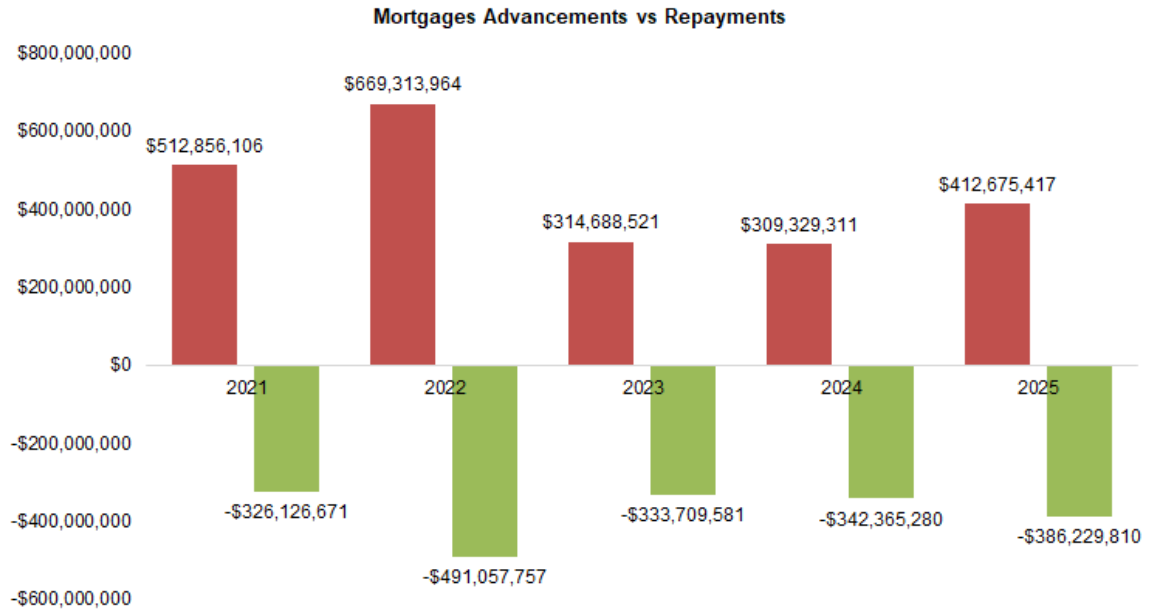
The fund also has significantly fewer impaired mortgages, suggesting a healthier portfolio

| | Antrim | Average |
|----------------------------------|-----------|-----------|
| First Mortgage | 84% | 73% |
| B.C. | 61% | 37% |
| ON | 32% | 51% |
| AB | 8% | 8% |
| Others | 0% | 4% |
| LTV | 60% | 59% |
| Yield | 8.5% | 9.2% |
| Debt to Capital | 5% | 22% |
| Average Loan Size | \$451,535 | \$449,912 |
| Impaired % of Receivables | 2.6% | 6.0% |
| Loss Allowances % of Receivables | 0.1% | 0.8% |

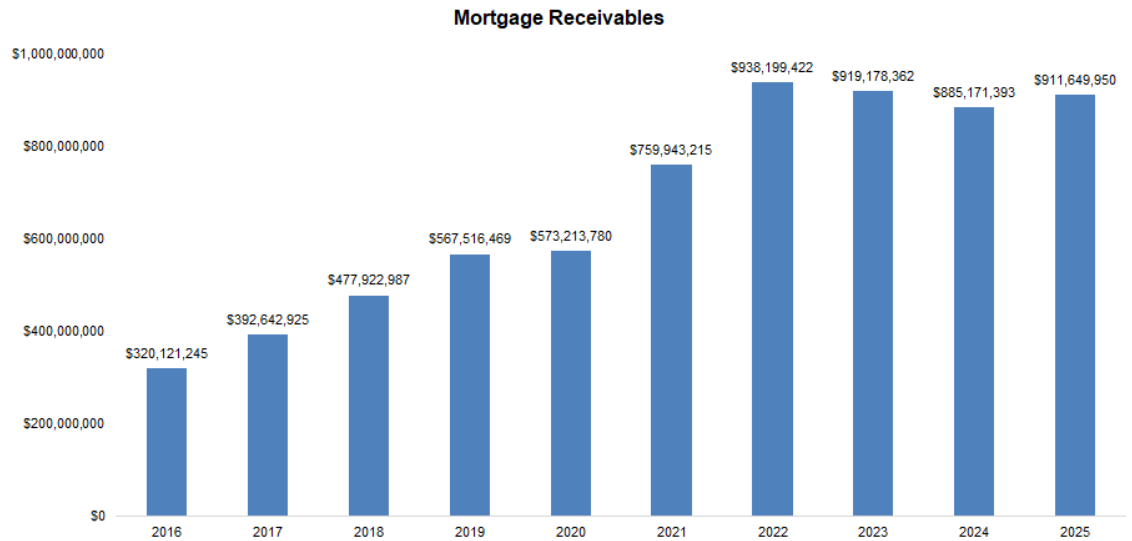
Source: FRC / Various

Portfolio Update

In FY2025, mortgage advancements increased 33% YoY, while repayments increased 13% YoY

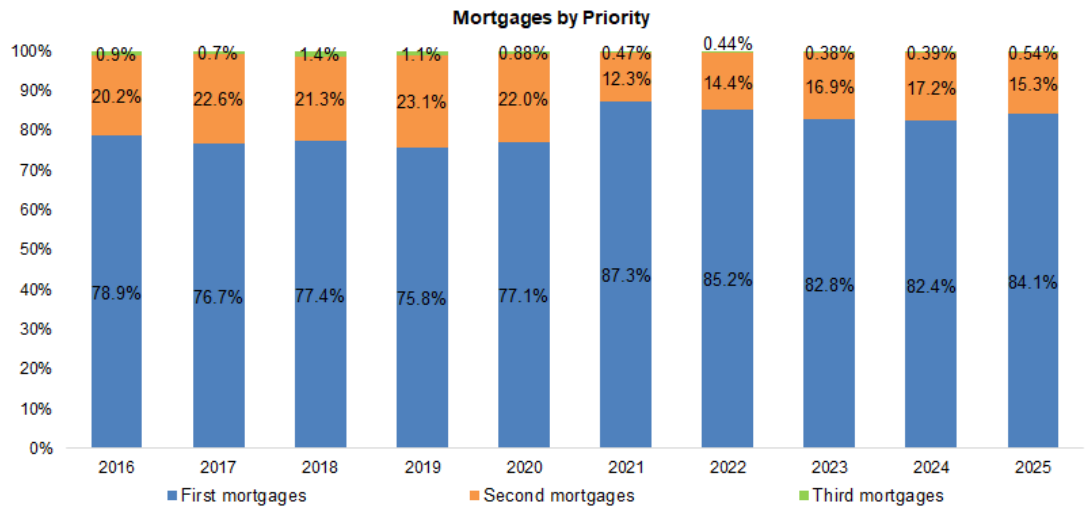


As a result, mortgage receivables rose 3% YoY to \$912M, closely aligning with our September 2024 estimate of \$910M

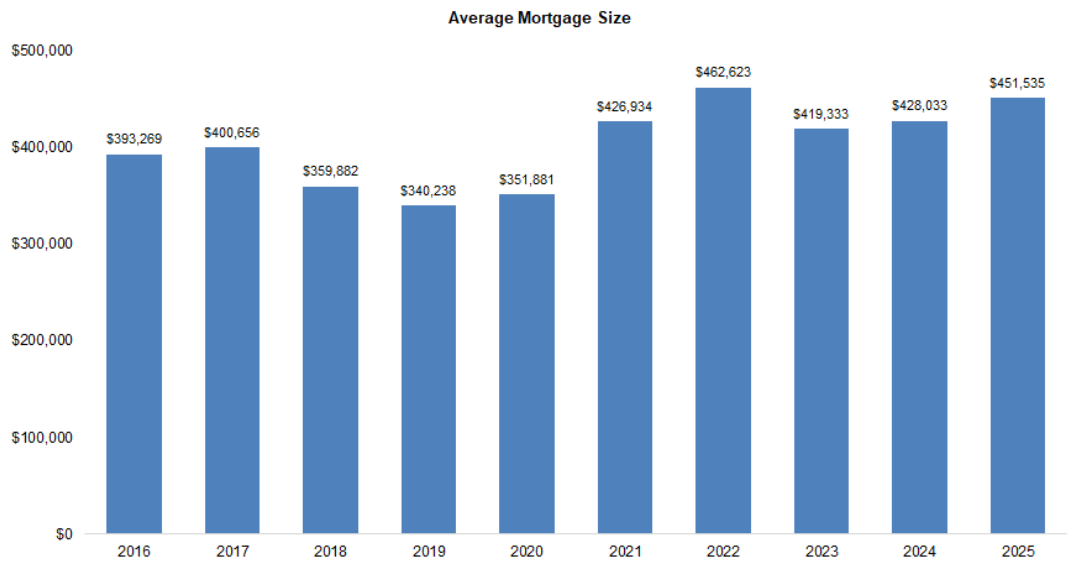


Source: FRC / Company

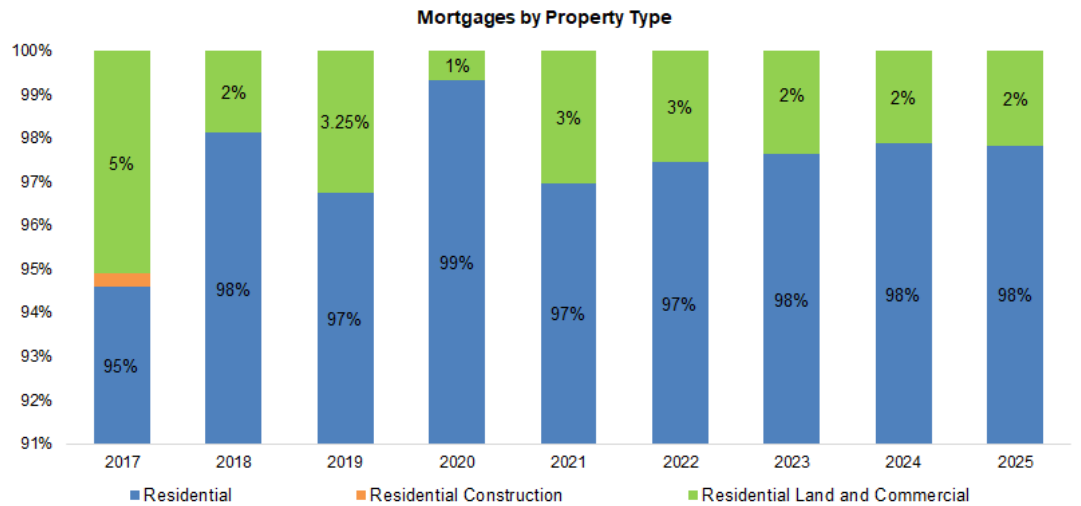
Exposure to first mortgages increased 2 pp to 84%, indicating reduced portfolio risk



The average mortgage size increased 5% YoY to \$451k



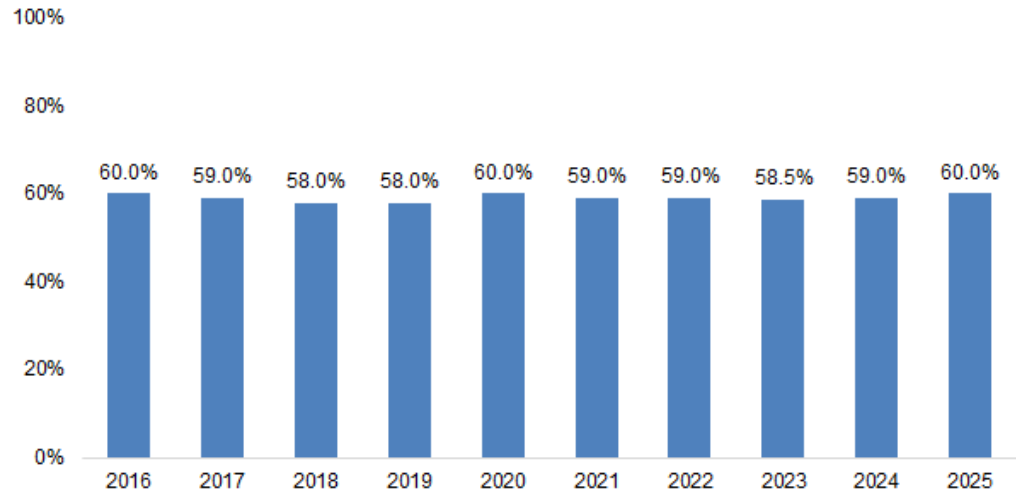
Remains focused on single-family residential units



Source: Company / FRC

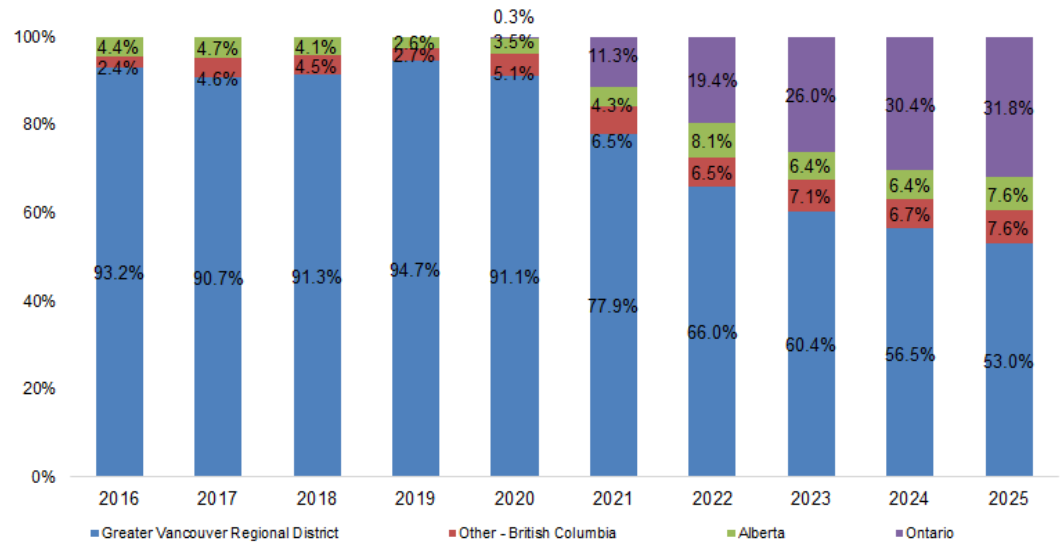
No material change in LTV

Loan-to-Value



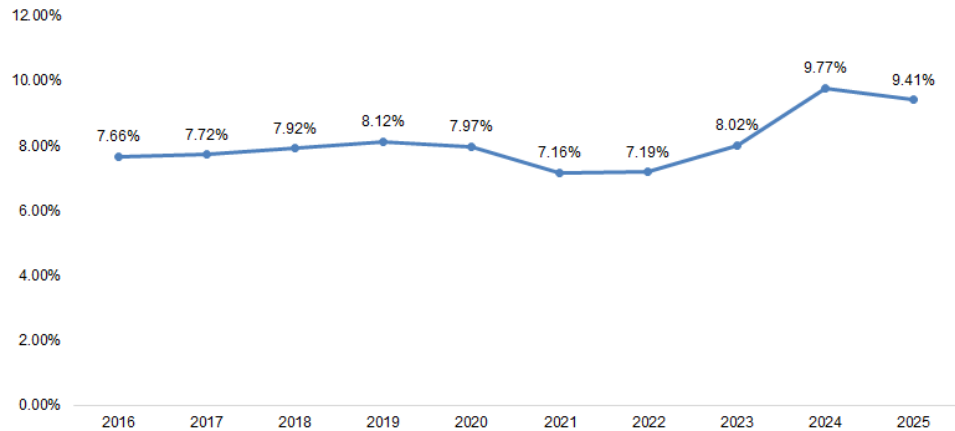
Exposure to ON and AB increased, while B.C. exposure declined, enhancing portfolio diversification

Mortgages by Geographical Location



As Antrim's mortgages are fixed-rate, the average lending rate declined at a slower pace compared to market rates

Lending Rate



Source: Company / FRC

No realized losses

Foreclosures and delinquent mortgages rose slightly, from 2.4% to 2.6% of receivables, but remain well below the sector average of 6.0%, reflecting strong portfolio quality

Debt-to-capital declined YoY from 12% to 5%, reflecting management's mandate for limited leverage. By comparison, other MICs typically employ higher leverage (35%-45%) to boost yields

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| No. of Delinquencies | 0 | 14 | 22 | 19 | 16 |
| Foreclosures | 14 | 1 | 2 | 5 | 14 |
| Value | \$6,060,953 | \$7,806,281 | \$21,026,199 | \$21,176,015 | \$23,929,768 |
| % of Total Mortgages | 0.8% | 0.8% | 2.3% | 2.4% | 2.6% |
| Loan loss provisions | \$200,000 | \$100,000 | \$0 | -\$200,000 | \$98,000 |
| Loan loss allowance (year-end) | \$900,000 | \$1,000,000 | \$1,000,000 | \$800,000 | \$898,000 |
| Allowances (% of receivables) | 0.14% | 0.12% | 0.11% | 0.09% | 0.10% |
| Realized losses (FRC est.) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Actual Losses (% of mortgages) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Reinvested | \$20,937,023 | \$23,217,743 | \$24,858,791 | \$28,693,504 | \$39,181,891 |
| Reinvested (% of distributions) | 57% | 54% | 53% | 52% | 57% |
| Redemptions | \$101,872,446 | \$125,239,122 | \$170,674,158 | \$135,167,980 | \$122,080,110 |
| Redemption (% of invested capital) | 16.3% | 16.6% | 21.9% | 17.7% | 15.1% |

| Balance Sheet | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assets | | | | | | |
| Cash | 9,992,731 | - | - | 8,461,427 | 5,678,472 | 4,384,669 |
| AR / prepaid expenses | \$330,423 | \$267,151 | \$4,490,179 | \$5,477,919 | \$6,290,037 | \$6,205,947 |
| Interest receivable | \$3,007,521 | \$3,497,325 | - | - | - | - |
| Properties held for sale | | | | | \$971,000 | \$971,000 |
| Mortgages receivable | \$572,513,780 | \$759,043,215 | \$937,199,422 | \$918,178,362 | \$884,371,393 | \$910,751,950 |
| Software | \$107,602 | \$175,671 | \$194,111 | \$243,225 | \$200,544 | \$154,322 |
| Total Assets | \$585,952,057 | \$762,983,362 | \$941,883,712 | \$932,360,933 | \$897,511,446 | \$922,467,888 |
| Liabilities | | | | | | |
| Bank indebtedness | \$10,000,000 | \$58,129,011 | \$143,768,364 | \$151,545,367 | \$113,100,000 | \$52,550,000 |
| Accounts payable & others | \$985,664 | \$1,349,519 | \$456,173 | \$1,415,109 | \$1,819,896 | \$1,880,487 |
| Dividends payable | \$7,265,513 | \$5,609,146 | \$5,894,055 | \$6,983,590 | \$10,200,616 | \$10,524,817 |
| Total Liabilities | \$18,251,177 | \$65,087,676 | \$150,118,592 | \$159,944,066 | \$125,120,512 | \$64,955,304 |
| Preferred shares - Class A | \$192,186,727 | \$208,525,471 | \$214,592,359 | \$215,953,553 | \$218,196,633 | \$242,601,451 |
| Preferred shares - Class B Series B | \$110,533,135 | \$132,841,999 | \$158,211,550 | \$127,509,941 | \$124,353,558 | \$131,825,002 |
| Preferred shares - Class B Series C | \$265,281,788 | \$356,828,986 | \$419,261,982 | \$429,254,144 | \$430,141,514 | \$483,386,902 |
| Share capital | \$11 | \$11 | \$10 | \$10 | \$10 | \$10 |
| Deficit | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 |
| Total Shareholders' Equity | \$567,700,880 | \$697,895,686 | \$791,765,120 | \$772,416,867 | \$772,390,934 | \$857,512,584 |
| SE + Liabilities | \$585,952,057 | \$762,983,362 | \$941,883,712 | \$932,360,933 | \$897,511,446 | \$922,467,888 |
| Debt to Capital | 0.0% | 7.7% | 15.4% | 15.5% | 12.1% | 5.3% |
| Mortgages | \$572,513,780 | \$759,043,215 | \$937,199,422 | \$918,178,362 | \$885,342,393 | \$911,722,950 |
| Debt as % of Mortgage | 1.7% | 7.7% | 15.3% | 16.5% | 12.8% | 5.8% |

Source: Company / FRC

In summary, we believe the portfolio's risk profile has decreased (two red vs three green signals)

| Risk Profile | |
|--------------------|---|
| Average Mortgage | ↑ |
| Diversification | ↑ |
| Debt to Capital | ↓ |
| Priority | ↑ |
| Property Type | - |
| LTV | - |
| Impaired Mortgages | ↑ |

- red (green) indicates an increase (decrease) in risk level

Source: FRC

Financials: YE: June 30th

FY2025 revenue was up 9% YoY, beating our estimate by 3%, due to higher than expected lending rates

Net income was up 25% YoY, beating our estimate by 10%

| Income Statement | 2021 | 2022 | 2023 | 2024 | 2025 | YoY |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| Revenue | | | | | | |
| Interest Income | \$47,282,153 | \$56,311,461 | \$71,224,518 | \$79,666,942 | \$87,136,793 | 9% |
| Fees | \$133,617 | \$62,797 | \$191,186 | \$310,722 | \$337,882 | 9% |
| Total Revenue | \$47,415,770 | \$56,374,258 | \$71,415,704 | \$79,977,664 | \$87,474,675 | 9% |
| Expenses | | | | | | |
| Management fees and trailer fees | \$8,818,637 | \$10,778,361 | \$12,704,714 | \$12,211,559 | \$12,273,296 | 1% |
| Interest and bank charges | \$606,373 | \$1,944,003 | \$10,395,227 | \$11,319,018 | \$4,941,809 | -56% |
| G&A | \$929,544 | \$899,532 | \$1,462,525 | \$1,298,130 | \$1,348,665 | 4% |
| Property losses | | | \$33,718 | \$128,135 | -\$32,950 | |
| Mortgage losses (recovery) | \$200,000 | 100,000 | \$0 | -\$200,000 | \$98,000 | |
| | \$10,554,554 | \$13,721,896 | \$24,596,184 | \$24,756,842 | \$18,628,820 | -25% |
| Net Income | \$36,861,216 | \$42,652,362 | \$46,819,520 | \$55,220,822 | \$68,845,855 | 25% |

Source: Company / FRC

Distributions as a percentage of invested capital increased 1.30 pp to 8.45% due to higher lending rates vs our forecast of 8.03%

| % of Mortgage Receivable | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Interest Income | 7.10% | 6.64% | 7.68% | 8.83% | 9.70% |
| Fees | 0.02% | 0.01% | 0.02% | 0.03% | 0.04% |
| | 7.12% | 6.65% | 7.70% | 8.87% | 9.74% |
| Less: | | | | | |
| Management fees and trailer fees | -1.32% | -1.27% | -1.37% | -1.35% | -1.37% |
| Unrealized losses / Provisions | -0.03% | -0.01% | 0.00% | 0.02% | -0.01% |
| Interest and bank charges | -0.09% | -0.23% | -1.12% | -1.26% | -0.55% |
| G&A | -0.14% | -0.11% | -0.16% | -0.16% | -0.15% |
| Net | 5.54% | 5.03% | 5.05% | 6.12% | 7.66% |
| Yield as a % of Invested Capital | 5.83% | 5.73% | 5.99% | 7.15% | 8.45% |

Note that the above figures may be slightly different from the figures reported by Antrim due to the difference in the method of calculation. We used the average of the opening balance, and year-end balance of the mortgages outstanding, and invested capital, to arrive at the above figures.

| Investors' Returns | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Antrim Class A | 5.79% | 5.50% | 5.86% | 7.14% | 8.58% |
| Antrim Class B Series B | 5.29% | 5.00% | 5.36% | 6.64% | 8.08% |
| Antrim Class B Series C | 6.30% | 6.01% | 6.36% | 7.64% | 9.08% |
| Overall | 6.29% | 6.01% | 6.36% | 7.24% | 8.53% |

- **Class A** shares are sold directly by the fund to investors.
- **Class B – Series B** shares are sold through financial advisors
- **Class B - Series C** shares are sold through fee-based brokerage accounts

Source: Company / FRC

FRC Rating

With rates trending downward, we expect yields to have peaked in FY2025, and decline through FY2026 and FY2027

That said, we are revising our FY2026 projections upward, reflecting higher-than-expected portfolio lending rates at FY2025 year-end

| | FY2026E (Old) | FY2026E (New) | FY2027 (Introducing) |
|-----------------------------------|---------------|---------------|----------------------|
| Mortgage Receivables (net) | \$940,000,000 | \$944,449,772 | \$979,394,414 |
| Debt as % of Mortgage Outstanding | 14.10% | 5.82% | 6.13% |
| Revenue | \$76,631,230 | \$84,724,346 | \$82,109,963 |
| Net Income | \$54,292,566 | \$66,671,127 | \$63,275,979 |
| NAV | \$1.00 | \$1.00 | \$1.00 |
| Dividend | 6.83% | 7.64% | 7.01% |

Source: FRC

Our estimate for the FY2026 YIELD varies between \$7.02% and 7.78%, as loan loss provisions and lending rates vary

| Financial Summary | 2023 | 2024 | 2025 | 2026E | 2027E |
|--|---------------|---------------|---------------|---------------|---------------|
| Mortgage Investments (net) | \$918,178,362 | \$884,371,393 | \$910,751,950 | \$944,449,772 | \$979,394,414 |
| Debt as % of Mortgage Outstanding | 16.51% | 12.79% | 5.77% | 5.82% | 6.13% |
| Revenue | \$71,415,704 | \$79,977,664 | \$87,474,675 | \$84,724,346 | \$82,109,963 |
| Net Income | \$46,819,520 | \$55,220,822 | \$68,845,855 | \$66,671,127 | \$63,275,979 |
| Net Asset Value | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 |
| Investors' Returns (% of Invested Capital) | 5.99% | 7.15% | 8.45% | 7.64% | 7.01% |

| FY2026 Yield (FRC Forecast) | YoY Decline in the Weighted Average Lending Rate in FY2026 | | | | |
|-----------------------------|--|-------|-------|-------|-------|
| | 0.40% | 0.50% | 0.60% | 0.75% | 1.00% |
| 0.01% | 7.91% | 7.80% | 7.70% | 7.54% | 7.28% |
| 0.03% | 7.89% | 7.78% | 7.68% | 7.52% | 7.26% |
| 0.06% | 7.85% | 7.75% | 7.64% | 7.49% | 7.23% |
| 0.50% | 7.38% | 7.28% | 7.18% | 7.02% | 6.76% |
| 1.00% | 6.85% | 6.75% | 6.64% | 6.49% | 6.23% |

Source: FRC

We are reiterating our overall rating of 2, and risk rating of 2.

| FRC Rating | |
|--------------------------|-------|
| Expected Yield (FY2026E) | 7.64% |
| Rating | 2 |
| Risk | 2 |

We find high-yielding funds, like Antrim, increasingly attractive in the current declining rate environment. This is because MIC lending rates are less elastic, meaning their yields tend to decline less in a falling rate environment, and rise more slowly in a rising rate environment. Given the BoC's rate cuts, yields are set to decline. However, we believe the risk of higher default rates is easing, and the mortgage origination market is likely to gain momentum in 2026.

Risks

We believe the MIC is exposed to the following key risks (not exhaustive):

- Loans are short term and need to be sourced and replaced quickly
- Concentration risk – over 60% of mortgages are in B.C.
- **Lower housing prices will result in higher LTVs**
- Shareholders' principal is not guaranteed
- Timely deployment of capital is critical
- **Default rates can rise during recessions**

APPENDIX

| Income Statement | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue | | | | | | | | |
| Interest Income | \$47,282,153 | \$56,311,461 | \$71,224,518 | \$79,666,942 | \$87,136,793 | \$84,390,127 | \$81,763,378 | |
| Fees | \$133,617 | \$62,797 | \$191,186 | \$310,722 | \$337,882 | \$334,219 | \$346,585 | |
| Total Revenue | \$47,415,770 | \$56,374,258 | \$71,415,704 | \$79,977,664 | \$87,474,675 | \$84,724,346 | \$82,109,963 | |
| Expenses | | | | | | | | |
| Management fees and trailer fees | \$8,818,637 | \$10,778,361 | \$12,704,714 | \$12,211,559 | \$12,273,296 | \$12,645,114 | \$13,112,984 | |
| Interest and bank charges | \$606,373 | \$1,944,003 | \$10,395,227 | \$11,319,018 | \$4,941,809 | \$3,495,375 | \$3,737,500 | |
| G&A | \$929,544 | \$899,532 | \$1,462,525 | \$1,298,130 | \$1,348,665 | \$1,440,505 | \$1,493,804 | |
| Property losses | | | \$33,718 | \$128,135 | -\$32,950 | | | |
| Mortgage losses (recovery) | \$200,000 | 100,000 | \$0 | -\$200,000 | \$98,000 | \$455,376 | \$472,225 | |
| | \$10,554,554 | \$13,721,896 | \$24,596,184 | \$24,756,842 | \$18,628,820 | \$18,036,371 | \$18,816,512 | |
| Net Income | \$36,861,216 | \$42,652,362 | \$46,819,520 | \$55,220,822 | \$68,845,855 | \$66,687,976 | \$63,293,451 | |
| Balance Sheet | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
| Assets | | | | | | | | |
| Cash | 9,992,731 | - | - | 8,461,427 | 5,678,472 | 4,384,669 | 3,341,223 | 3,609,446 |
| AR / prepaid expenses | \$330,423 | \$267,151 | \$4,490,179 | \$5,477,919 | \$6,290,037 | \$6,205,947 | \$6,435,567 | \$6,673,683 |
| Interest receivable | \$3,007,521 | \$3,497,325 | - | - | - | - | - | - |
| Properties held for sale | | | | | \$971,000 | \$971,000 | \$971,000 | \$971,000 |
| Mortgages receivable | \$572,513,780 | \$759,043,215 | \$937,199,422 | \$918,178,362 | \$884,371,393 | \$910,751,950 | \$944,449,772 | \$979,394,414 |
| Software | \$107,602 | \$175,671 | \$194,111 | \$243,225 | \$200,544 | \$154,322 | \$179,322 | \$204,322 |
| Total Assets | \$585,952,057 | \$762,983,362 | \$941,883,712 | \$932,360,933 | \$897,511,446 | \$922,467,888 | \$955,376,884 | \$990,852,864 |
| Liabilities | | | | | | | | |
| Bank indebtedness | \$10,000,000 | \$58,129,011 | \$143,768,364 | \$151,545,367 | \$113,100,000 | \$52,550,000 | \$55,000,000 | \$60,000,000 |
| Accounts payable & others | \$985,664 | \$1,349,519 | \$456,173 | \$1,415,109 | \$1,819,896 | \$1,880,487 | \$1,950,065 | \$2,022,217 |
| Dividends payable | \$7,265,513 | \$5,609,146 | \$5,894,055 | \$6,983,590 | \$10,200,616 | \$10,524,817 | \$10,914,235 | \$11,318,062 |
| Total Liabilities | \$18,251,177 | \$65,087,676 | \$150,118,592 | \$159,944,066 | \$125,120,512 | \$64,955,304 | \$67,864,300 | \$73,340,279 |
| Preferred shares - Class A | \$192,186,727 | \$208,525,471 | \$214,592,359 | \$215,953,553 | \$218,196,633 | \$242,601,451 | \$252,601,451 | \$262,601,451 |
| Preferred shares - Class B Series B | \$110,533,135 | \$132,841,999 | \$158,211,550 | \$127,509,941 | \$124,353,558 | \$131,825,002 | \$136,825,002 | \$141,825,002 |
| Preferred shares - Class B Series C | \$265,281,788 | \$356,828,986 | \$419,261,982 | \$429,254,144 | \$430,141,514 | \$483,386,902 | \$498,386,902 | \$513,386,902 |
| Share capital | \$11 | \$11 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 |
| Deficit | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 | -\$300,781 |
| Total Shareholders' Equity | \$567,700,880 | \$697,895,686 | \$791,765,120 | \$772,416,867 | \$772,390,934 | \$857,512,584 | \$887,512,584 | \$917,512,584 |
| SE + Liabilities | \$585,952,057 | \$762,983,362 | \$941,883,712 | \$932,360,933 | \$897,511,446 | \$922,467,888 | \$955,376,884 | \$990,852,864 |
| Debt to Capital | 0.0% | 7.7% | 15.4% | 15.5% | 12.1% | 5.3% | 5.5% | 5.8% |
| Mortgages | \$572,513,780 | \$759,043,215 | \$937,199,422 | \$918,178,362 | \$885,342,393 | \$911,722,950 | \$945,420,772 | \$980,365,414 |
| Debt as % of Mortgage | 1.7% | 7.7% | 15.3% | 16.5% | 12.8% | 5.8% | 5.8% | 6.1% |

| Cash Flow Statement | 2026E | 2027E |
|--|----------------------|----------------------|
| Operating Activities | | |
| Net Income | \$66,687,976 | \$63,293,451 |
| | \$66,687,976 | \$63,293,452 |
| Changes in non-cash working capital: | | |
| Accounts receivable | -\$229,620 | -\$238,116 |
| Accounts payable | \$458,996 | \$475,979 |
| | \$229,376 | \$237,863 |
| Cash flow from Operating Activities | \$66,917,352 | \$63,531,315 |
| Investing Activities | | |
| Purchase of software | -\$25,000 | -\$25,000 |
| Mortgages | -\$33,697,822 | -\$34,944,642 |
| Cash flow from Investing Activities | -\$33,722,822 | -\$34,969,642 |
| Financing Activities | | |
| Class A preferred shares issued, net | \$10,000,000 | \$10,000,000 |
| Series B preferred shares issued, net | \$5,000,000 | \$5,000,000 |
| Series C preferred shares issued, net | \$15,000,000 | \$15,000,000 |
| Dividends paid in cash | -\$66,687,976 | -\$63,293,451 |
| Bank Debt | \$2,450,000 | \$5,000,000 |
| Cash from Financing Activities | -\$34,237,976 | -\$28,293,451 |

Fundamental Research Corp. Rating Scale:

- Rating – 1: Excellent Return to Risk Ratio
- Rating – 2: Very Good Return to Risk Ratio
- Rating – 3: Good Return to Risk Ratio
- Rating – 4: Average Return to Risk Ratio
- Rating – 5: Weak Return to Risk Ratio
- Rating – 6: Very Weak Return to Risk Ratio
- Rating – 7: Poor Return to Risk Ratio

A "+" indicates the rating is in the top third of the category, A "-" indicates the lower third and no "+" or "-" indicates the middle third of the category.

Fundamental Research Corp. Risk Rating Scale:

- 1 (Low Risk)
- 2 (Below Average Risk)
- 3 (Average Risk)
- 4 (Speculative)
- 5 (Highly Speculative)

| FRC Distribution of Ratings | | | |
|-----------------------------|-----|-----------|-----|
| Rating - 1 | 0% | Risk - 1 | 0% |
| Rating - 2 | 34% | Risk - 2 | 10% |
| Rating - 3 | 45% | Risk - 3 | 42% |
| Rating - 4 | 8% | Risk - 4 | 31% |
| Rating - 5 | 4% | Risk - 5 | 7% |
| Rating - 6 | 1% | Suspended | 9% |
| Rating - 7 | 0% | | |
| Suspended | 9% | | |

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