

## **Base Shelf Prospectus**

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold in the United States of America (the “**United States**”) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Timbercreek Financial Corp. at 25 Price Street, Toronto, Ontario, Canada, M4W 1Z1, Telephone (416) 923-9967, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## **PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS**

**NEW ISSUE**

**November 28, 2017**



### **TIMBERCREEK FINANCIAL CORP.**

**\$500,000,000**  
**Common Shares**  
**Debt Securities**  
**Subscription Receipts**  
**Warrants**  
**Units**

Timbercreek Financial Corp. (the “**Corporation**”, “**we**”, “**our**” or “**us**”) may from time to time offer and issue the following securities: (i) common shares in the capital of the Corporation (“**Common Shares**”); (ii) debentures, notes or other evidence of indebtedness of any kind, nature or description and which may be issuable in series (collectively, “**Debt Securities**”); (iii) subscription receipts of the Corporation exchangeable for Common Shares and/or other securities of the Corporation (“**Subscription Receipts**”); (iv) warrants exercisable to acquire Common Shares and/or other securities of the Corporation (“**Warrants**”); and (v) securities comprised of more than one of Common Shares, Debt Securities, Subscription Receipts and/or Warrants offered together as a unit (“**Units**”), or any combination thereof, up to an aggregate offering price of \$500,000,000 (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be) at any time during the 25-month period that this short form base shelf prospectus (including any amendments hereto, the “**Prospectus**”) remains valid. The Common Shares, Debt Securities, Subscription Receipts, Warrants and Units (collectively, the “**Securities**”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in one or more prospectus supplements (collectively or individually, as the case may be, “**Prospectus Supplements**”).

The specific terms of any offering of Securities will be set forth in the applicable Prospectus Supplement and may include, without limitation, where applicable: (i) in the case of Common Shares, the number of Common Shares being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is not a fixed price distribution) and any other specific terms; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of the Corporation or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Corporation and any other specific terms; (iv) in the case of Warrants, the number of such Warrants offered, the offering price, the terms, conditions and procedures for the exercise of such Warrants into or for Common Shares and/or other securities of the Corporation and any other specific terms; and (v) in the case of Units, the number of Units being offered, the offering price, the terms of the Common Shares, Debt Securities, Subscription Receipts and/or Warrants, as the case may be, underlying the Units, and any other specific terms.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus including, without limitation, the information disclosed in the specific terms of any offering of Securities, as discussed above, will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities to which that Prospectus Supplement pertains.

This Prospectus does not qualify for issuance Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance, including, without limitation, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. This Prospectus may qualify for issuance Debt Securities, or Securities convertible or exchangeable into Debt Securities: (i) in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as the Canadian Dollar Offered Rate (CDOR) or the London Interbank Offered Rate (LIBOR); and/or (ii) convertible into or exchangeable for Common Shares.

We may sell the Securities to or through one or more underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly, through applicable statutory exemptions, or through one or more agents designated by us from time to time. The Securities may be sold from time to time in one or more transactions at fixed prices or not at fixed prices, such as market prices prevailing at the time of sale, prices related to such prevailing market prices or prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of such Securities, as well as the method of distribution and the terms of the offering of such Securities, including the initial offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is not a fixed price distribution), the net proceeds to us and, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms. See "*Plan of Distribution*".

In connection with any offering of the Securities other than an "at-the-market distribution" (as defined under applicable Canadian legislation) (unless otherwise specified in the relevant Prospectus Supplement), the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "*Plan of Distribution*".

No underwriter or dealer involved in an "at-the-market distribution" under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

**Owning the Securities may subject you to tax consequences. This Prospectus and any applicable Prospectus**

**Supplement may not describe the tax consequences fully. You should read the tax discussion in any applicable Prospectus Supplement and consult with your own tax advisor with respect to your own particular circumstances.**

The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**TF**”. On November 27, 2017, the last trading day prior to the date of this Prospectus, the closing price of the outstanding Common Shares on the TSX was \$9.65.

Our outstanding \$34.5 million aggregate principal amount of 6.35% convertible unsecured subordinated debentures due March 31, 2019 (the “**2014 Debentures**”), \$45.8 million aggregate principal amount of 5.40% convertible unsecured subordinated debentures due July 31, 2021 (the “**2016 Debentures**”), \$46 million aggregate principal amount of 5.45% convertible unsecured subordinated debentures due March 31, 2022 (the “**February 2017 Debentures**”) and \$45 million aggregate principal amount of 5.30% convertible unsecured subordinated debentures due June 30, 2024 (the “**June 2017 Debentures**”) and together with the 2014 Debentures, 2016 Debentures and February 2017 Debentures, the “**Debentures**”) are listed and posted for trading on the TSX under the symbols “TF.DB”, “TF.DB.A”, “TF.DB.B” and “TF.DB.C”, respectively. On November 27, 2017 the last trading day prior to the date of this Prospectus, the closing prices of the outstanding 2014 Debentures, 2016 Debentures, February 2017 Debentures and June 2017 Debentures on the TSX were \$100.95, \$101.25, \$101.98 and \$100.00, respectively.

**Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities exchange. There is no market through which these securities may be sold and purchasers may not be able to resell such securities purchased under this Prospectus. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities, and the extent of issuer regulation. See “Forward-Looking Statements” and “Risk Factors”.**

The Corporation is a corporation amalgamated under the *Business Corporations Act* (Ontario) and its head and registered office is at 25 Price Street, Toronto, Ontario, Canada, M4W 1Z1. It is a mortgage investment corporation (“**MIC**”) within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) whose business is providing financing to qualified real estate investors, most of whom require funding during the transitional phase of the investment process. Please see “*Summary Description of the Business*” for more details.

**No underwriter, agent or dealer has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

**Any investment in Securities involves significant risks that should be carefully considered by prospective investors before purchasing Securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein, including the applicable Prospectus Supplement, should be carefully reviewed and considered by prospective investors in connection with any investment in Securities. See “Risk Factors”.**

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## **IMPORTANT INFORMATION ABOUT THIS PROSPECTUS**

Readers should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein). We have not authorized any person to provide different information. The Securities may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy the Securities in any jurisdiction where it is unlawful. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date of the document incorporated by reference herein, as applicable, regardless of the time of delivery of this Prospectus or of any sale of the Securities. Our business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

Unless the context otherwise permits, indicates or requires, all references in this Prospectus to the “Corporation”, “we”, “our”, “us” and similar expressions are references to Timbercreek Financial Corp. and the business carried on by it. Where the context requires, such references refer to either or both of Timbercreek Mortgage Investment Corporation and Timbercreek Senior Mortgage Investment Corporation, the predecessors of the Corporation. All dollar amounts and financial information in this Prospectus and any document incorporated by reference herein or therein is presented in Canadian dollars unless otherwise indicated. The financial statements incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“**IFRS**”) and as adopted by the Chartered Professional Accounts of Canada.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Prospectus, and in certain documents incorporated by reference herein, constitute forward-looking statements or information within the meaning of applicable securities laws. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions (including negative and grammatical variations). These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. As well as those factors discussed in the section entitled “Risk Factors” in this Prospectus, these risks and uncertainties include, among other things: the completion of an offering of Securities; the use of proceeds from an offering of Securities; the nature of our investments; risks related to mortgage defaults, foreclosure and related costs; reliance on our manager; environmental matters associated with our business; availability of investments; potential conflicts of interest; borrowing risks; limited sources of borrowing; risks related to the renewal of mortgages comprising our portfolio; the composition of our portfolio; subordinated and subsequent debt financing; reliance on borrowers; no guarantees or insurance; litigation risks; the ability to manage growth; changes in legislation; qualification as a MIC; the market for Common Shares and Debentures; the unpredictability and volatility of the market price of the Common Shares and Debentures; payment of dividends; dilution; and limitations on the ownership and repurchases of shares of the Corporation. Readers are cautioned that the foregoing list is not exhaustive.

While the Corporation believes that the expectations reflected in the forward-looking statements contained in this Prospectus, and in the documents incorporated by reference herein, are reasonable, no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included, or incorporated by reference, in such documents should not be unduly relied upon. These statements speak only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference herein, as the case may be. Except as required by law, the Corporation does not assume any obligation to update the aforementioned forward-looking statements. Our actual results could differ materially from those anticipated in the aforementioned forward-looking statements, as applicable, including as a result of the risk factors set forth in the section entitled “Risk Factors” and elsewhere in this Prospectus and our filings with the securities regulatory authorities which are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.** Copies of these documents may be obtained on request without charge from the secretary of the Corporation at our head office located at 25 Price Street, Toronto, Ontario, Canada, M4W 1Z1, telephone (416) 923-9967 or by accessing these documents from SEDAR at [www.sedar.com](http://www.sedar.com).

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus, the following documents of the Corporation filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Corporation for the year ended December 31, 2016, dated February 28, 2017 (the “**AIF**”);
- (b) the audited consolidated financial statements of the Corporation for the year ended December 31, 2016;
- (c) the amended management’s discussion and analysis of financial condition and results of operations (“**MD&A**”) of the Corporation for the year ended December 31, 2016;
- (d) the unaudited condensed consolidated interim financial statements and MD&A of the Corporation for the three and nine months ended September 30, 2017;
- (e) the audited consolidated financial statements and MD&A of TMIC (as hereinafter defined) for the year ended December 31, 2015;
- (f) the audited consolidated financial statements and MD&A of TSMIC (as hereinafter defined) for the year ended December 31, 2015;
- (g) the unaudited pro forma condensed combined financial statements of the Corporation for the 12-month period ended December 31, 2015;
- (h) the material change report of the Corporation dated January 23, 2017 relating to the distribution of \$40,000,000 aggregate principal amount of 5.45% convertible unsecured subordinated debentures of the Corporation due March 31, 2022;
- (i) the material change report of the Corporation dated March 22, 2017 relating to the appointment of Cameron Goodnough as President of the Corporation effective March 15, 2017;
- (j) the material change report of the Corporation dated May 29, 2017 relating to the distribution of \$40,000,000 aggregate principal amount of 5.30% convertible unsecured subordinated debentures of the Corporation due June 30, 2024;
- (k) the material change report of the Corporation dated July 20, 2017 relating to the appointment of Cameron Goodnough as Chief Executive Officer of the Corporation effective January 1, 2018;
- (l) the management information circular of the Corporation dated March 15, 2017 relating to the annual meeting of shareholders of the Corporation (the “**Shareholders**”) held on May 3, 2017; and
- (m) the material change report of the Corporation dated November 22, 2017 relating to the appointment of Gigi Wong as Chief Financial Officer of the Corporation effective November 14, 2017.

Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or herein are not incorporated by reference in this Prospectus. Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial conditions and results of operations, material change reports (except confidential material change reports), business acquisition reports and information circulars, filed by us with securities commissions or similar authorities in Canada after the date of this Prospectus, during the 25-month period this Prospectus remains effective, are deemed to be incorporated by reference in this Prospectus.

Upon a new interim financial report and related MD&A of the Corporation being filed with the applicable Canadian securities regulatory authorities during the effectiveness of this Prospectus, the previous interim financial report and related MD&A of the Corporation most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new annual financial statements and related MD&A of the Corporation being filed with the applicable Canadian securities regulatory authorities during the effectiveness of this Prospectus, the previous annual financial statements and related MD&A and the previous interim financial report and related MD&A of the Corporation most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new AIF of the Corporation being filed with the applicable Canadian securities regulatory authorities during the effectiveness of this Prospectus, notwithstanding anything herein to the contrary, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous AIF; (ii) material change reports filed by the Corporation prior to the end of the financial year in respect of which the new AIF is filed; (iii) business acquisition reports filed by the Corporation for acquisitions completed prior to the beginning of the financial year in respect of which the new AIF is filed; and (iv) any information circular of the Corporation filed prior to the beginning of the Corporation's financial year in respect of which the new AIF is filed. Upon a new management information circular prepared in connection with an annual general meeting of the Corporation being filed with the applicable Canadian securities regulatory authorities during the effectiveness of this Prospectus, the previous management information circular prepared in connection with an annual general meeting of the Corporation shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific variable terms in respect of an offering of the Securities will be delivered to purchasers of such Securities together with this Prospectus, unless an exemption from the prospectus delivery requirements has been granted or is otherwise available, and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement only for the purposes of the offering of the Securities covered by such Prospectus Supplement.

**Notwithstanding anything herein to the contrary, any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

#### **TIMBERCREEK FINANCIAL CORP.**

Timbercreek Financial Corp. is a corporation amalgamated under the *Business Corporations Act* (Ontario) pursuant to articles of arrangement dated June 30, 2016 (as amended from time-to-time, the "**Articles**"). The Corporation's

head and registered office is at 25 Price Street, Toronto, Ontario, Canada, M4W 1Z1. Timbercreek Asset Management Inc. (“**TAMI**” or the “**Manager**”) is the manager of the Corporation.

The Corporation was formed through the amalgamation of Timbercreek Mortgage Investment Corporation (“**TMIC**”) and Timbercreek Senior Mortgage Investment Corporation (“**TSMIC**”) on June 30, 2016 (the “**Amalgamation Date**”) pursuant to a plan of arrangement (the “**Arrangement**”) under sections 182 and 183 of the *Business Corporations Act* (Ontario). On the Amalgamation Date, each shareholder of TMIC received one Common Share for each common share of TMIC (“**TMIC Share**”) held and each shareholder of TSMIC received 1.035 Common Shares for each common share of TSMIC (“**TSMIC Share**”) held.

The Corporation currently has two wholly-owned subsidiaries, Timbercreek Mortgage Investment Fund (“**TMIF**”) and Timbercreek Senior Mortgage Trust (“**TSMT**”), each of which is a trust governed by the laws of the Province of Ontario, and one indirectly wholly-owned subsidiary, 2292912 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario.

The Corporation is authorized to issue an unlimited number of Common Shares. As at the date of this Prospectus, there are 74,240,774 Common Shares issued and outstanding. Our outstanding Common Shares, 2014 Debentures, 2016 Debentures, February 2017 Debentures and June 2017 Debentures are listed and posted for trading on the TSX under the symbols “TF”, “TF.DB”, “TF.DB.A”, “TF.DB.B” and “TF.DB.C”, respectively.

## **SUMMARY DESCRIPTION OF THE BUSINESS**

### **General**

The Corporation is focused on providing financing solutions to qualified real estate investors who require funding, and who are generally in a transitional phase of the investment process (such as redevelopment of a property). The Corporation fulfills a financing requirement for real estate investors that is not well serviced by the commercial banks: primarily shorter duration, structured financing. Real estate investors typically use short-term loans to bridge a period (generally one to five years) during which they conduct property repairs, redevelop the property, or purchase another investment. These short-term “bridge” loans are typically repaid with traditional bank mortgages (lower cost and longer-term debt) once the transitional period is over or a restructuring is complete or from proceeds generated on the sale of assets.

The business objectives of the Corporation are, with a primary focus on capital preservation, to place and maintain a diversified portfolio of mortgages that generates attractive and stable returns in order to permit the Corporation to pay monthly dividends to the Shareholders. To achieve these objectives, the Corporation benefits from the extensive experience of TAMI in originating, underwriting and investing in real estate both as a lender and an equity participant. TAMI currently manages approximately \$6.5 billion in assets and has conducted over \$10 billion in private equity real estate transactions and private debt originations since its inception in 1999. This platform provides substantial market knowledge, underwriting support and asset management expertise.

The Corporation is qualified, and intends to continue to qualify as a “mortgage investment corporation” under the Tax Act. In order to maintain its status as a MIC in a particular taxation year, the Corporation must continually meet all of the criteria enumerated in the relevant section of the Tax Act throughout such taxation year. As a MIC, the Corporation is entitled to deduct from its taxable income for a particular taxation year (i) all taxable dividends, other than capital gains dividends, paid by the Corporation to its Shareholders during the year or within 90 days after the end of the year provided that such dividends were not deductible by the Corporation in the immediately preceding year; and (ii) a portion of capital gains dividends. It is the Corporation’s intention to distribute enough of its annual profit from operations to Shareholders through the monthly payment of dividends so as to minimize or eliminate its own liability for tax under the Tax Act.

### **Strategies of the Corporation**

The Corporation seeks to generate attractive, risk-adjusted returns for investors by providing financing solutions to qualified real estate investors who require funding, and who are generally in a transitional phase of the investment

process (such as redevelopment of a property). The Corporation primarily focuses on lending against properties where there is existing rental income as these assets are typically more liquid, provide less volatile security for mortgage loans and have a lower probability of default.

These strategies combine to provide the Corporation with the ability to:

- obtain favourable yields and maximize returns through efficient sourcing and management of mortgage loans secured by real property;
- take advantage of yield benefits which arise from the Corporation's quick access to capital through efficient processing and management of opportunities;
- take advantage of yield benefits which arise from the Corporation's ability to offer more customized features for borrowers;
- gain access to a continuous supply of mortgage investment opportunities; and
- mitigate risk in the investment selection process through the significant experience and comprehensive underwriting practises of the Corporation.

The board of directors of the Corporation oversees investment guidelines established to provide the overriding risk parameters for the Corporation. These guidelines are described in more detail in the AIF under "*The Business – Investment Guidelines*", and include the following:

- not more than 10% of the portfolio can be allocated to an investment in any one real property;
- not more than 20% of the portfolio can be allocated to an investment with any one borrower;
- not more than 30% of the portfolio can be allocated to investments in mortgages which are secured by non-income producing non-residential assets;
- not more than 50% of the portfolio can be investments in B-notes;
- not more than 20% of the portfolio shall be secured by mortgages that are not first mortgages;
- not more than the percentages set out below of the portfolio can be invested in the corresponding regions:
  - Ontario – 80%
  - Alberta – 50%
  - British Columbia – 50%
  - Quebec – 35%
  - Atlantic Provinces – 25%
  - Manitoba and Saskatchewan – 25%
  - Yukon, Northwest Territories and Nunavut – 10%

- not more than the percentages set out below of the portfolio can be invested in mortgages secured by the product type set out below:
  - Residential and Multi-Residential Buildings – 80%
  - Office Buildings – 50%
  - Industrial Buildings – 40%
  - Retail Buildings – 40%
  - Hotels – 35%
  - Self-Storage Buildings – 35%
  - Unimproved Lands – 12%
  - Other – 10%
- on the date of funding, the maximum loan-to-value ratio of any loan shall not exceed 85%;
- total value of liabilities associated with the portfolio will not exceed 75% of the total market value of the properties comprising the security of the portfolio;
- the Corporation is permitted to invest up to 10% of the portfolio in other investments; and
- the Corporation cannot make any loans to the Manager or its affiliates.

#### **USE OF PROCEEDS**

The use of proceeds from the issue and sale of specific Securities pursuant to this Prospectus will be described in the Prospectus Supplement relating to the issuance and sale of such Securities.

#### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided in the applicable Prospectus Supplement(s) with respect to any issuance and sale of Debt Securities pursuant to this Prospectus.

#### **CONSOLIDATED CAPITALIZATION**

There have been no material changes in the share and loan capital of the Corporation since September 30, 2017, except that between October 1, 2017 and November 27, 2017, the Corporation has issued 73,199 Common Shares on the reinvestment of distributions under the dividend reinvestment plan of the Corporation. Set forth in the table below is the capitalization of the Corporation as at September 30, 2017.

	<b>Authorized</b>	<b>Outstanding as at September 30, 2017</b>
Common Shares	Unlimited	74,167,575 Common Shares \$651,994,017
2014 Debentures	\$34,500,000 <sup>(1)</sup>	\$33,649,062 <sup>(2)</sup>

2016 Debentures	\$45,800,000 <sup>(3)</sup>	\$43,876,682 <sup>(4)</sup>
February 2017 Debentures	\$46,000,000 <sup>(5)</sup>	\$43,489,107 <sup>(6)</sup>
June 2017 Debentures	\$45,000,000 <sup>(7)</sup>	\$42,330,632 <sup>(8)</sup>
Credit Facilities <sup>(9)(10)</sup>	\$433,276,895 <sup>(9)(10)</sup>	\$370,133,679
<hr/>		
Total Capitalization	N/A	74,167,575 Common Shares \$1,185,473,179

Notes:

- (1) \$30,000,000 principal amount of 2014 Debentures were issued by TMIC on February 25, 2014 pursuant to the trust indenture dated as of February 25, 2014 (the “**Indenture**”) between TMIC and Computershare Trust Company of Canada (the “**Current Debenture Trustee**”). Subsequently, on March 3, 2014, TMIC issued an additional \$4,500,000 principal amount of 2014 Debentures pursuant to the exercise by the underwriters of the over-allotment option in respect of the offering of 2014 Debentures. On the Amalgamation Date, the Corporation entered into a first supplemental indenture with the Current Debenture Trustee pursuant to which the Corporation assumed the obligations of TMIC under the Indenture and in respect of the 2014 Debentures.
- (2) This amount is net of unamortized issue costs and the reclassification of the equity component in respect of the offering of the 2014 Debentures (as reflected in the Corporation’s balance sheet as of September 30, 2017).
- (3) \$40,000,000 principal amount of 2016 Debentures were issued by the Corporation pursuant to the second supplemental indenture entered into between the Corporation and the Current Debenture Trustee dated July 29, 2016. Subsequently, on August 5, 2016, the Corporation issued an additional \$5,800,000 principal amount of 2016 Debentures pursuant to the exercise by the underwriters of the over-allotment option in respect of the offering of 2016 Debentures.
- (4) This amount is net of unamortized issue costs and the reclassification of the equity component in respect of the offering of the 2016 Debentures (as reflected in the Corporation’s balance sheet as of September 30, 2017).
- (5) \$40,000,000 principal amount of February 2017 Debentures were issued by the Corporation pursuant to the third supplemental indenture entered into between the Corporation and the Current Debenture Trustee dated February 7, 2017. The Corporation concurrently issued an additional \$6,000,000 principal amount of February 2017 Debentures pursuant to the exercise by the underwriters of the over-allotment option in respect of the offering of February 2017 Debentures.
- (6) This amount is net of unamortized issue costs and the reclassification of the equity component in respect of the offering of the February 2017 Debentures (as reflected in the Corporation’s balance sheet as of September 30, 2017).
- (7) \$40,000,000 principal amount of June 2017 Debentures were issued by the Corporation pursuant to the fourth supplemental indenture entered into between the Corporation and the Current Debenture Trustee dated June 13, 2017. Subsequently, on June 27, 2017, the Corporation issued an additional \$5,000,000 principal amount of June 2017 Debentures pursuant to the exercise by the underwriters of the over-allotment option in respect of the offering of June 2017 Debentures.
- (8) This amount is net of unamortized issue costs and the reclassification of the equity component in respect of the offering of the June 2017 Debentures (as reflected in the Corporation’s balance sheet as of September 30, 2017).
- (9) The Corporation (as successor by amalgamation to each of TMIC and TSMIC) is the borrower under the amended and restated credit agreement, dated as of May 6, 2016 (as amended by a first amending agreement made as of June 30, 2016, a second amending agreement made as of April 13, 2017 and a third amending agreement made as of June 9, 2017, collectively, the “**Credit Agreement**”), among TMIC and TSMIC (now the Corporation as successor by amalgamation to TMIC and TSMIC), a syndicate of lenders (the “**Banks**”) and The Toronto-Dominion Bank, as administration agent. Under the terms of the Credit Agreement, the Corporation may borrow up to \$400,000,000 on a revolving basis (which includes an increase of \$50,000,000 through the Corporation’s utilization of an accordion feature under the Credit Agreement) (the “**Credit Facility – Mortgage Investments**”), subject to its borrowing base as set out in the Credit Agreement. The Credit Facility – Mortgage Investments is used for day to day working capital requirements of the Corporation and for other general corporate purposes, particularly the funding of mortgage loans. As at September 30, 2017 a total of \$340,539,584 was outstanding under the Credit Facility – Mortgage Investments. The term of the Credit Facility – Mortgage Investments matures on May 6, 2018. The Credit Facility – Mortgage Investments is secured by a general security agreement over the Corporation’s assets and is guaranteed by TMIF and TSMT. As at the close of business on November 27, 2017, a total of \$370,836,278 was outstanding under the Credit Facility – Mortgage Investments. As at the date of this Prospectus, the Corporation is in compliance with the terms of the Credit Facility – Mortgage Investments and no breach of the Credit Facility – Mortgage Investments has been waived by the Banks.
- (10) On August 16, 2017, the Corporation acquired a 20.46% undivided beneficial interest in 14 investment properties. Concurrently with the acquisition, the Corporation and the co-owners entered into a credit agreement with a Schedule 1 Bank (the “**Credit Facility – Investment Properties**”) and together with the Credit Facility – Mortgage Investments, the “**Credit Facilities**”). Under the terms of the agreement, the co-ownership has a maximum available credit of \$162,643,670. The gross initial advance on the Credit Facility – Investment Properties was \$144,643,670. As at September 30, 2017, the Corporation’s share of the outstanding amounts under the Credit Facility – Investment Properties was \$29,594,095. This Credit Facility – Investment Properties will mature on August 10, 2019 with an option to extend the Credit Facility – Investment Properties by one year. The Credit Facility – Investment Properties is secured by a first charge on specific assets with a gross carrying value of \$201,841,990. The Corporation’s share of the carrying value is \$41,296,871. As at the close of business on November 27, 2017, the Corporation’s share of the outstanding amounts under the Credit Facility – Investment Properties was \$29,956,796. As at the date of this Prospectus, the co-owners are in compliance with the terms of the Credit Facility – Investment Properties and no breach of the Credit Facility – Investment Properties has been waived by the Schedule 1 Bank.

## SUMMARY DESCRIPTION OF COMMON SHARES

The Corporation is authorized to issue an unlimited number of Common Shares. As further described under the heading “*Timbercreek Financial Corp.*”, on the Amalgamation Date, each shareholder of TMIC received one Common Share for each TMIC Share held and each shareholder of TSMIC received 1.035 Common Shares for each TSMIC Share held. As at the date of this Prospectus, there are 74,240,774 issued and outstanding Common Shares.

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders, and each Common Share confers the right to one vote in person or by proxy at all such meetings of Shareholders. In addition, certain matters, such as a change in the Manager, or a reorganization of the Corporation, will, subject to certain exceptions, require approval by a resolution passed by at least 66 2/3% of the votes cast by the holders of the Common Shares at a meeting called and held for the consideration of such matter.

No Shareholder is permitted, together with any “related persons”, at any time to hold more than 25% of the Common Shares.

In the event that any repurchase of Common Shares by the Corporation, or as determined by the board of directors of the Corporation in its sole discretion, any other transaction affecting any Common Shares (each a “**Triggering Transaction**”), if completed, would cause any holder(s) of such Common Shares (each an “**Automatic Repurchase Shareholder**”), together with any “related persons”, to hold more than 25% of the Common Shares, that portion of such Common Shares held by each Automatic Repurchase Shareholder which constitutes in excess of 24.9% of the Common Shares (the “**Repurchased Shares**”) will, simultaneously with the completion of a Triggering Transaction, automatically be deemed to have been repurchased by the Corporation (an “**Automatic Repurchase**”) without any further action by the Corporation or the Automatic Repurchase Shareholder. The purchase price for any Repurchased Shares will be equal to the 10-day volume weighted average trading price of the Common Shares on the TSX for the 10 days prior to the date of the Triggering Transaction. The proceeds of any Automatic Repurchase will be remitted to each applicable Automatic Repurchase Shareholder within 30 days of the Automatic Repurchase.

For more details on the attributes and characteristics of the Common Shares, please refer to the AIF.

## DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered and sold by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct obligations of the Corporation and will be senior or subordinated indebtedness of the Corporation and will be secured or unsecured, all as described in the applicable Prospectus Supplement.

The Debt Securities will be issued under the Indenture, as amended and supplemented by one or more supplemental indentures, or under one or more indentures between us and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee under applicable provincial legislation (each, a “**Debenture Trustee**”).

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered and sold thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Debenture Trustee under the trust indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be redeemed; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange,

transfer and ownership thereof; (x) any exchange or conversion terms; (xi) whether such Debt Securities will be subordinated to other liabilities of the Corporation; and (xii) any other specific terms.

Debt Securities may be offered separately or together with Common Shares, Subscription Receipts or Warrants (see “*Description of Units*”).

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The Subscription Receipts will be issued under a subscription receipt agreement. The following sets forth certain general terms and provisions of the Subscription Receipts. The particular terms and provisions of Subscription Receipts offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such Subscription Receipts. This description will include, where applicable: (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered; (iii) the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Corporation; (iv) the number of Common Shares and/or other securities of the Corporation that may be issued or delivered upon exchange of each Subscription Receipt; and (v) any other material terms and conditions of the Subscription Receipts. Common Shares and/or other securities of the Corporation issued or delivered upon the exchange of Subscription Receipts will be issued for no additional consideration.

Under the subscription receipt agreement governing the Subscription Receipts, an original purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Common Shares and/or other securities of the Corporation issued or delivered to such purchaser upon exchange of Subscription Receipts, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender or deemed surrender of the Subscription Receipts, if this Prospectus, the applicable Prospectus Supplement, and any amendment thereto, contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Subscription Receipts may be offered separately or together with Common Shares, Debt Securities or Warrants (see “*Description of Units*”).

### **DESCRIPTION OF WARRANTS**

Each series of Warrants will be issued under a separate indenture, in each case, between us and a warrant agent determined by us. The statements below relating to any Warrants to be issued are summaries of certain anticipated provisions thereof, are not complete and are subject to, and qualified by reference to all provisions of the applicable warrant indenture. The particular terms and provisions of Warrants offered and sold by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such Warrants. This description will include, where applicable: (i) the title or designation of the Warrants; (ii) the number of Warrants offered; (iii) the number of Common Shares and/or other securities of the Corporation purchasable upon exercise of the Warrants and the process for exercise; (iv) the exercise price of the Warrants; (v) the dates or periods during which the Warrants are exercisable and when they expire; (vi) the designation and terms of any other securities with which the Warrants will be offered, if any, and the number of Warrants that will be offered with each such security; and (vii) any other material terms and conditions of the Warrants including, without limitation, transferability and adjustment terms. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the underlying securities issuable upon exercise of the Warrants.

We will not offer Warrants for sale separately to any member of the public in Canada unless the offering is in connection with, and forms part of, the consideration for an acquisition or merger transaction or unless the Prospectus Supplement containing the specific terms of the Warrants to be offered separately is first approved for filing by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces of Canada where the Warrants will be offered for sale.

Warrants may be offered separately or together with Common Shares, Debt Securities or Subscription Receipts (see “*Description of Units*”).

## DESCRIPTION OF UNITS

Units are a security comprised of more than one of the other Securities described in this Prospectus offered together as a “Unit”. A Unit is typically issued so the holder thereof is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each Security comprising the Unit. The agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately at any time or at any time before a specified date and/or time.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such Units. This description will include, where applicable: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; (iii) whether the Units will be issued in registered or global form; and (iv) any other material terms and conditions of the Units.

## PLAN OF DISTRIBUTION

We may sell the Securities to or through one or more underwriters or dealers purchasing as principals and we may also sell the Securities to one or more purchasers directly, through applicable statutory exemptions, or through one or more agents designated from time to time. The Securities may be sold from time to time in one or more transactions at fixed prices or not at fixed prices, such as market prices prevailing at the time of sale, prices related to such prevailing market prices or prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement relating to a particular offering and sale of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of such Securities, as well as the method of distribution and the terms of the offering and sale of such Securities, including the initial offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is not a fixed price distribution), the net proceeds to us and, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered and sold thereby.

If the underwriters purchase Securities from us as principal, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities as principal will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered and sold by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for the Common Shares. In the event that we elect to pursue an “at-the-market distribution” in Canada, we will apply for the required exemptive relief from the applicable securities commissions or similar regulatory authorities in Canada. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid to us by the underwriters. Any such reduction to the public offering price will not affect the net proceeds received by the Corporation.

The Securities may also be sold directly by us, pursuant to applicable statutory exemptions, at such prices and upon such terms as agreed to by us and the purchaser or through one or more agents designated by us from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

We may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of our general funds. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

Any offering of Debt Securities, Subscription Receipts, Warrants or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Warrants or Units will not be listed on any securities exchange. Certain dealers may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in these Securities or as to the liquidity of the trading market, if any, for these Securities. See “*Risk Factors*”.

Unless otherwise specified in a Prospectus Supplement, in connection with any offering of the Securities, the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the U.S. Securities Act, or any securities or “blue sky” laws of any of the states of the United States. Accordingly, subject to certain exceptions, the Securities may not be offered or sold or otherwise transferred or disposed of in the United States or to or for the account of U.S. persons absent registration or pursuant to an applicable exemption from the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer, whether or not participating in such offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

#### **PRIOR SALES**

Information regarding prior sales of Securities will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

#### **TRADING PRICE AND VOLUME**

Information regarding trading price and volume of the Securities will be provided as required for all of the Corporation’s issued and outstanding Securities that are listed on any securities exchange, as applicable, in each Prospectus Supplement.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein in respect of purchasing, holding and disposing of applicable Securities, including, in the case of an investor who is not a resident of Canada for purposes of the Tax Act, Canadian non-resident withholding tax considerations.

#### **RISK FACTORS**

**Before making an investment decision, prospective purchasers under a particular offering and sale of Securities should carefully consider the information described in this Prospectus, the Prospectus Supplement**

**relating to that offering and sale of Securities and the documents incorporated by reference herein for the purposes of that offering and sale of Securities.** There are certain risks inherent in an investment in Securities, including the following factors, which investors should carefully consider before investing. Some of the following factors are interrelated and, consequently, investors should treat such risk factors as a whole. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus, the Prospectus Supplement relating to the applicable offering and sale of Securities and the documents incorporated by reference herein for the purposes of that offering and sale of Securities. These risks and uncertainties are not the only ones that could affect the Corporation and additional risks and uncertainties not currently known to the Corporation or the Manager, or that they currently deem immaterial, may also impair the returns, financial condition and results of operations of the Corporation. If any such risks actually occur, the returns, financial condition and results of operations of the Corporation could be materially adversely affected and the financial performance of the Corporation, the ability of the Corporation to make cash distributions and the trading price of Securities could be materially adversely affected.

### **Risks Relating to the Business**

A prospective purchaser of Securities should carefully consider the risk factors described under the heading “*Risk Factors*” in the AIF. These risks include, but are not limited to: (i) changes in real estate values; (ii) the lack of guarantees or insurance with respect to mortgage loans; (iii) competition in the mortgage lending business; (iv) the Corporation’s sensitivity to interest rates; (v) the availability of investments; (vi) risks related to mortgage defaults; (vii) foreclosure and related costs; (viii) risks related to subordinated loans and mortgages; (ix) litigation risks; (x) qualification as a MIC; (xi) reliance on the Manager, Timbercreek Investment Management Inc. (“**TIMI**”) and the investment committee; (xii) inability to fund future mortgage investments; (xiii) borrowing and leverage risks; (xiv) potential conflicts of interest; (xv) allocation of investment opportunities by the Manager; (xvi) restrictions on the ownership and repurchases of the Common Shares; (xvii) changes to legislation; (xviii) the ability to manage growth; (xix) environmental matters; and (xx) the ability to safeguard the Corporation’s information systems, including the security and privacy of its information systems.

### **Risks Relating to the Securities**

#### *Market for the Securities and Trading Prices of the Securities*

There is currently no trading market for any Debt Securities, Subscription Receipts, Warrants or Units that may be offered and sold pursuant to a Prospectus Supplement. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Common Shares, general economic conditions and our financial condition, historic financial performance and future prospectus.

#### *Qualification as a MIC*

Although the Corporation intends to qualify at all times as a MIC, no assurance can be provided in this regard. Since the Corporation must meet certain requirements throughout the year to qualify as a MIC, it is only possible to determine whether the Corporation qualifies as a MIC for a particular taxation year at or after the end of such year. If for any reason the Corporation does not qualify as a MIC under the Tax Act, dividends paid by the Corporation on its Common Shares will not be deductible by the Corporation in computing its income and will not be deemed to have been received by Shareholders as interest or a capital gain, as the case may be. In consequence, as long as the Common Shares are listed on a designated stock exchange, the rules in the Tax Act regarding the taxation of public corporations and their shareholders apply, with the result that the combined corporate and shareholder tax may be significantly greater.

No Shareholder is permitted, alone or together with “related persons”, at any time to hold (directly or indirectly) more than 25% of any class of the issued shares of the Corporation. The Corporation intends to monitor major holdings of Common Shares to ensure that no one Shareholder exceeds this 25% maximum ownership limit set by the Tax Act, in order for the Corporation to maintain its qualification as a MIC. However, given that the Corporation

issues Common Shares in the form of global certificates held by CDS, it may be difficult for the Corporation to monitor this 25% ownership rule. In order for the Corporation to stay within this 25% limit, it may have to exercise its right to trigger an Automatic Repurchase.

#### *Tax Amendments*

Changes from time to time in the interpretation of, amendments to, or guidance relating to, existing tax laws, or the introduction of new tax legislation may have a material adverse effect on us and on the value of the Common Shares or other Securities. On July 18, 2017, the Minister of Finance (Canada) released a consultation paper on possible approaches to address certain perceived tax advantages of investing passively through a private corporation that included an announcement of the Government's intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. On October 18, 2017, the Minister of Finance (Canada) made a further announcement that pre-existing passive investments and an annual amount of \$50,000 in passive income would not be subject to the proposals. No specific amendments to the Tax Act were proposed in connection with these announcements. Legislative proposals may be released in the future that may result in private corporations that hold Common Shares or other Securities being subject to tax in a manner that is adverse compared to the current system applicable to holders that are private corporations. Securityholders and prospective securityholders that are private corporations should consult their own tax advisors in this respect.

### **LEGAL MATTERS AND INTEREST OF EXPERTS**

Unless otherwise specified in the Prospectus Supplement relating to an offering and sale of Securities, certain legal matters relating to such offering and sale of Securities will be passed upon on behalf of the Corporation by McCarthy Tétrault LLP with respect to matters of Canadian law. In addition, certain legal matters in connection with an offering and sale of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of such offering and sale by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law. As at the date hereof, the partners and associates of McCarthy Tétrault LLP, as a group, own less than 1% of the outstanding securities of the Corporation.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditor of the Corporation is KPMG LLP, Chartered Professional Accountants, Toronto, Ontario. KPMG LLP has confirmed that it is independent of the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and applicable legislation or regulations.

KPMG LLP was the auditor of TMIC and TSMIC for the years ended December 31, 2015 and 2014. KPMG has confirmed that as at the respective dates of its audit reports in respect of the foregoing financial statements and during the period covered by the financial statements on which it reported, it was independent of each of TMIC and TSMIC within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and applicable legislation or regulations.

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) (formerly known as CST Trust Company), and the transfer agent and registrar for the Debentures is Computershare Trust Company of Canada, in each case, at its principal offices located in Toronto, Ontario, Canada.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Unless otherwise provided in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser

should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities, the amount paid for the applicable convertible, exchangeable or exercisable Securities in the event that this Prospectus, the applicable Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under Section 130 of the *Securities Act* (Ontario) and is in addition to any other right or remedy available to original purchasers under Section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of convertible securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights and/or consult with a legal advisor.

**CERTIFICATE OF THE CORPORATION**

Dated: November 28, 2017

This Prospectus, together with the documents incorporated by reference in this Prospectus, will, as of the date of the last supplement to this Prospectus relating to the securities offered by this Prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) "ANDREW JONES"  
Chief Executive Officer

(Signed) "GIGI WONG"  
Chief Financial Officer

**On behalf of the Board of Directors**

(Signed) "R. BLAIR TAMBLYN"  
Director

(Signed) "STEVEN SCOTT"  
Director