

INCEPTION:  
May 2009

TOTAL ASSETS<sup>4</sup>:  
\$298 Million

SHAREHOLDER CAPITAL:  
\$294 Million

DISTRIBUTION TO INVESTORS:  
Paid or reinvested monthly  
under DRIP

MINIMUM INVESTMENT:

- Class A Preferred Shares:  
\$150,000
- Class B Preferred Shares:  
\$10,000
- Per Account:  
\$10,000

DISTRIBUTION:  
Canadian residents located in:  
BC, AB, SK, MB, ON, NB, NS, NWT  
Offering Memorandum Exemption

REGISTERED FUNDS ELIGIBLE:  
RRSP, RRIF, RESP, TFSA, LIRA

RETENTION FEE:  
0.125% per quarter paid to  
accounts with a minimum balance  
of \$2.5 Million at quarter end

NOTICE REQUIRED ON REDEMPTION:  
One month<sup>3</sup>

MANAGEMENT FEES :  
Monthly fee of 0.083% of the  
Fund's total assets plus 20% of any  
distributions that exceed the 2 year  
Government of Canada benchmark  
bond yield (V122538) plus 4.5%

BOARD OF DIRECTORS:  
Seven of nine members  
are independent

PRINCIPAL/INDEPENDENT  
DIRECTOR HOLDINGS:  
Over \$3 Million of Preferred Shares

FISCAL YEAR END:  
Last day of February

AUDITOR:  
KPMG LLP

AUGUST 31, 2025 / FUND FACT SHEET

# Q2 Fiscal 2026



KV Mortgage Fund (the "Fund") is an Alberta based mortgage investment corporation which invests in a diversified portfolio of short-term commercial mortgages, the majority of which are first position and located in major municipalities in Western Canada. The Fund's mortgage investments are originated, underwritten and administered in-house by the Fund's manager, KV Capital Inc., one of the largest Alberta based non-bank commercial mortgage lenders.

## Investment objectives<sup>1</sup>

The Fund seeks to minimize risk via a systematic approach that includes diversification, asset expertise, rigorous due diligence, conservative lending metrics, financial covenants, loss provisioning, and prudent oversight. The Fund has the following investment objectives:

### PRESERVE CAPITAL

The Fund's primary object is capital preservation and guides all investment decisions.

### GENERATE MONTHLY INCOME

The Fund generates a return for investors through consistent monthly dividend payments that are taxed as interest income.

## Investment highlights<sup>2</sup>

### TRACK RECORD

The Fund has a 16 year track record of delivering on its investment objectives of preserving capital while consistently generating monthly income.

### LOW LOSSES

The Fund has realized cumulative principal and interest losses of 0.08% as a percentage of total funds advanced.

### DIVERSIFICATION

The Fund provides diversification from traditional investments like stocks and bonds

### DISTRIBUTION YIELD ON NET ASSET VALUE

Last three months:  
(ANNUALIZED CALCULATION) **7.69%**

### MORTGAGE INVESTMENTS

The Fund's mortgage portfolio as at Q2 2026 is approximately \$289 Million. Since inception, the Fund has advanced principal of over \$1.8 Billion into mortgage investments.

Calendar year to date:  
(ANNUALIZED CALCULATION) **7.97%**

Last twelve months: **8.20%**

Last calendar year (2025): **8.85%**

### INDIVIDUAL INVESTOR RETURNS UTILIZING THE FUND'S DIVIDEND REINVESTMENT PLAN (DRIP) (ANNUALIZED)

| PERIOD:         | 3M    | 1Y    | 2Y    | 3Y    | 5Y    | 10Y   | Inception |
|-----------------|-------|-------|-------|-------|-------|-------|-----------|
| RETURNS (IRR) : | 7.95% | 8.48% | 8.86% | 8.90% | 8.33% | 7.83% | 8.30%     |

IMPORTANT INFORMATION: HISTORICAL PERFORMANCE IS NOT AN INDICATOR OF FUTURE PERFORMANCE. Investing in KV Mortgage Fund Preferred Shares can involve significant risks and the past performance may not be repeated and there is no guarantee of performance. The value of an investment may go down as well as up. An investment in KV Mortgage Fund should only be made after consultation with independent investment and tax advisors. Only investors who do not require immediate liquidity of their investment should consider a potential purchase of KV Mortgage Fund Preferred Shares. The risk involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Fund's Offering Memorandum dated May 1, 2025 for a further discussion of risks of investing with KV Mortgage Fund. This fact sheet is for information purposes only and under no circumstances is to be considered as an invitation to make an investment in KV Mortgage Fund nor with KV Capital, nor does it constitute an offering of the Preferred Shares of KV Mortgage Fund nor of any other securities. Applications for investment in KV Mortgage Fund will only be considered on the terms and conditions set out in the offering documents.

## Contact



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# Q2 Fiscal 2026

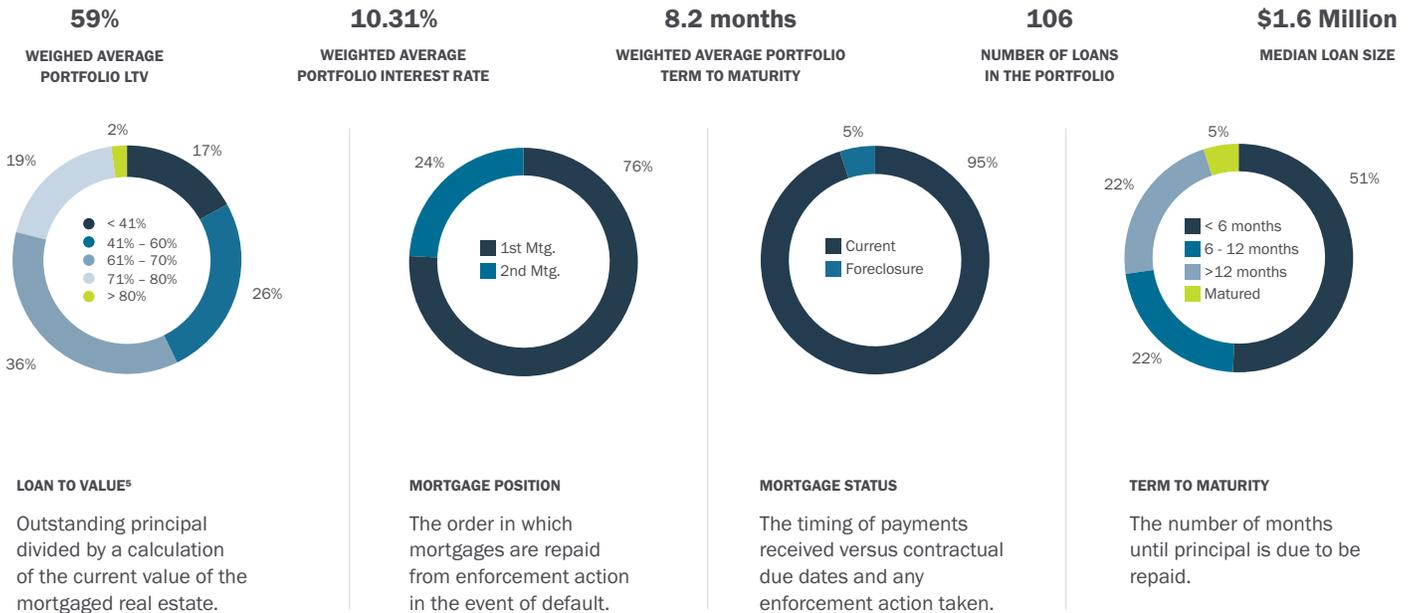


## GROWTH OF \$10 INVESTED IN KV MORTGAGE FUND'S DIVIDEND REINVESTMENT PLAN



This graph represents the cumulative dividends declared and paid on a single KV Mortgage Fund Preferred Share (at a purchase price of \$10.00) since inception to the fiscal period ending August 31, 2025 (Q2 F2026) and the value of an investment in a single KV Mortgage Fund Preferred Share for that same time period. This graph assumes monthly dividends since inception were reinvested through the Fund's Dividend Reinvestment Plan.

## Portfolio summary <sup>2</sup>



NOTE 1: Any reference herein to "Fund" refers to KV Mortgage Fund Inc. Any reference herein to "KV Capital" or the "Manager" refers to KV Capital Inc., the Fund's manager; reference to "F2025" refers to the Fund's fiscal year for the 12 month period ending February 28, 2025; reference to "Q2 F2026" refers to the Fund's fiscal quarter ending August 31, 2025.

NOTE 2: Unless otherwise indicated herein all information is as at August 31, 2025. Information is internally prepared by the Fund Manager and unaudited. Please refer to the Fund's Offering Memorandum dated May 1, 2025 for full details. Reported investor returns are not guaranteed and individual investor's returns will vary from the reported returns depending on the timing of the individual's investment. Cash flow returns of the Fund are not guaranteed and individual investor's returns will vary from the reported returns depending on the timing of the individual's investment. IRR is calculated using the Excel XIRR function.

NOTE 3: Under normal course redemption policy, Note that redemptions of Preferred Shares are not guaranteed and are subject to restrictions. Please see the Fund's Offering Memorandum dated May 1, 2025 for full details regarding redemptions and applicable restrictions.

During the period March 17, 2020 to September 30, 2020 the Fund suspended redemptions of Preferred Shares. Redemptions of Class A Preferred Shares are not subject to an early redemption fee. Redemptions of Class B Preferred Shares are subject to an early redemption fee of: 6% in year 1; 5% in year 2; 4% in year 3; 3% in year 4; 2% in year 5; 0% thereafter.

NOTE 4: As at August 31, 2025, KV Capital managed total mortgage assets of approximately \$431 million on behalf of the Fund and other investors. KV Capital is registered as a Restricted Portfolio Manager with the Alberta Securities Commission; as an Investment Fund Manager with the Alberta and Ontario Securities Commissions; and as an Exempt Market Dealer with the Alberta, Saskatchewan, Manitoba, Ontario and British Columbia Securities Commissions.

NOTE 5: Loan to Value figures are inclusive of priority charges. Value calculations are based on information supplied by an arms-length third party and may include management estimates. Please refer to the Fund's Offering Memorandum dated May 1, 2025 for further details.