Bancorp Growth Mortgage Fund II Ltd.

FUND FACTS

June 30, 2021

Quick Facts

Security type: Class D Shares of a Mortgage Investment Corporation (MIC)

Date Fund Created: October 2009

Portfolio Manager: Bancorp Financial Services Inc. **(BFSI)**

Total Value on June 30, 2021: $42.4 million.

Distributions: Quarterly with a final distribution after the annual audit.

Distributions can be taken in cash or re-invested in the Fund.

Management Expense Ratio: 2.15%

Minimum Investment: $ 10,000 initial
$ 5,000 additional

RRSP and RRIF Eligible.

Tax Treatment: Profits are distributed to shareholders free of any corporate taxes.

Distributions to non RRSP/RRIF shareholders are reported as interest income.

Shares are sold by way of Offering Memorandum.

Purchasers must complete a subscription agreement for any initial or additional purchase.

What does the Fund Invest In?

The Fund invests primarily in high ratio 1st & 2nd mortgage loans to finance the acquisition of land, construction, development, redevelopment or renovation of residential, commercial, office or industrial properties.

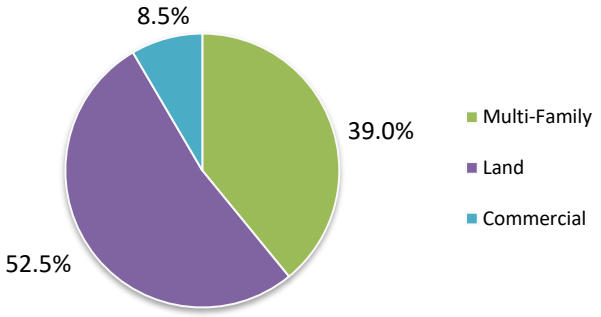
What are the risks?

There are risks associated with real estate market conditions, credit risk and various other factors effecting real estate investments. Risks are mitigated through solid analysis and underwriting and portfolio diversification.

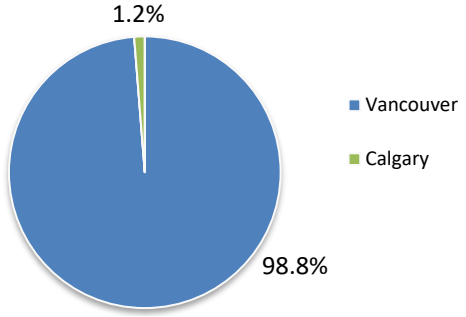
Number of Loans in Portfolio: 29

Average Loan to Value: 65.77%

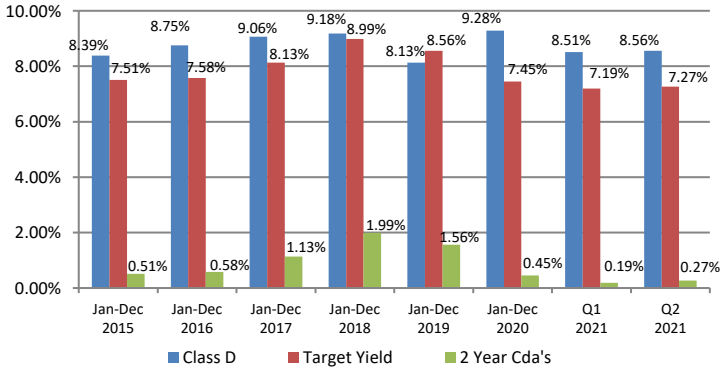
Portfolio by property type



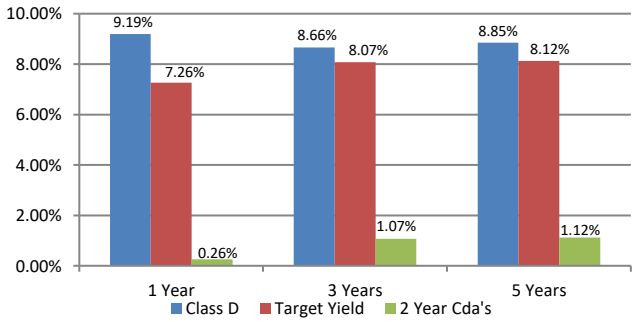
Portfolio by location



Annualized Yields



Annualized Yields to June 30, 2021



How has the Fund Performed?	Are there any Guarantees?
The 2020 annualized yield for Class D shares was 9.28% and is anticipated to be 7.75% - 8.50% for this year. Returns are after MER has been deducted.	No. Like mutual funds, the value of the MIC shares are based upon the value of the underlying assets.

Who is the target market for this fund?

- A higher risk mortgage fund suitable for investors looking for superior yield in the bond + 7% range who understand the opportunities and risks involved in high ratio mortgage financing.
- Investors who are able to make a mid to long term investment.

Management Expense Ratio (MER)	
Management Fee: The fund pays a management fee to BFSI.	1.75%
Operating expenses: These are the day to day costs of operating the fund.	0.40%
Management Expense Ratio. This is the total of the management fee and operating expenses.	2.15%
Profit Participation	
The fund has established a target rate of return of Government of Canada 2 year bonds plus 7.0% for Class D Shares. Once this level of return has been achieved any income above this amount is shared with BFSI on a 75% Investor/25% BFSI basis.	

Other Fees

- Transfer fee: $75 plus GST to transfer shares to another account.

Liquidity:

- Notice required 60 days before fiscal quarter end (March 31, June 30, September 30 & December 31).
- Payment is made 1 month after the quarter end and in the case of Dec 31 year end, 2 months after the year end.
- Payment is subject to available funds.

The mortgages held by the company are contractual obligations and are not readily liquid assets. While the Fund Directors attempt to provide liquidity when requested, investors should be aware that liquidity is dependent on loan maturity and repayment of mortgages.

What if the client changes their mind?	For more information:
You can cancel the investment up to two days after you receive the trade confirmation.	This summary may not contain all the information you need. The Fund's Offering Memorandum has more detailed information. To receive a copy or if you have other questions, • Call: (604) 608-2717 and ask for Investor Relations • Visit our Website: www.bancorpfinancial.com