Investing Basics for Affordable Housing Providers

Helping You Make Informed Financial Decisions

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Our Presenters

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Investment Funds Advisor

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Investment Funds Advisor

Land Acknowledgement

Agenda

- A bit about Encasa
- Capital projects, plans & reserves
- Investing 101 & Encasa
- Working with Encasa

Encasa Financial Inc.

We are:

- Co-owned by Housing Services Corporation & CHF Canada
- Investment experts dedicated to housing sector since 2002

We offer:

- Mutual funds of varying risk tolerance
- Responsible investing criteria
- Low management fees
- Accessible investments (min. $1K)

Our Clients:

- 850+ housing providers with over $600M invested

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Capital Projects, Plans & Reserves

Why do we need to know about investing?

Fulfill fiduciary responsibility

- Board has obligation to be a good trustee of the building(s)
- Make good investment decisions
- HSA requirement (for some)

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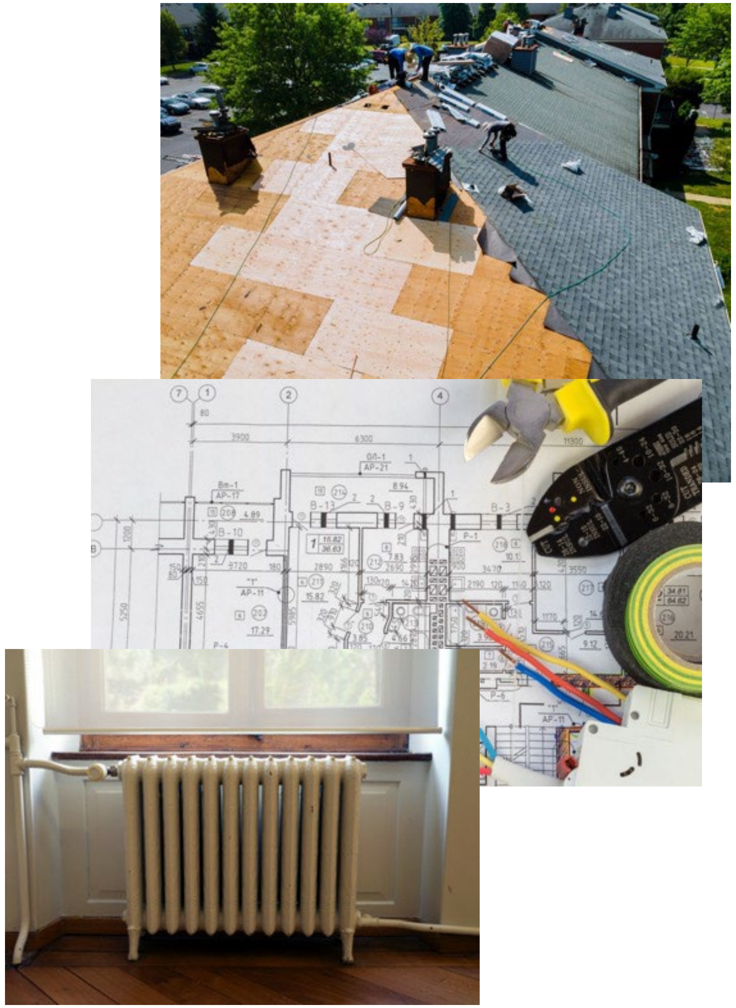
Connection Between Investing and Capital Repairs and Planning

Ensure sufficient money is available for operations and major (capital) repairs

- Use cash and reserves effectively
- Understand short-term vs. long-term financial needs

Examples of Capital Repairs:

- Major replacements (e.g., roofs, windows, heating)
- Parking lots, garages, fences
- Floors and carpeting



Managing Costs Effectively: Your Capital Plan

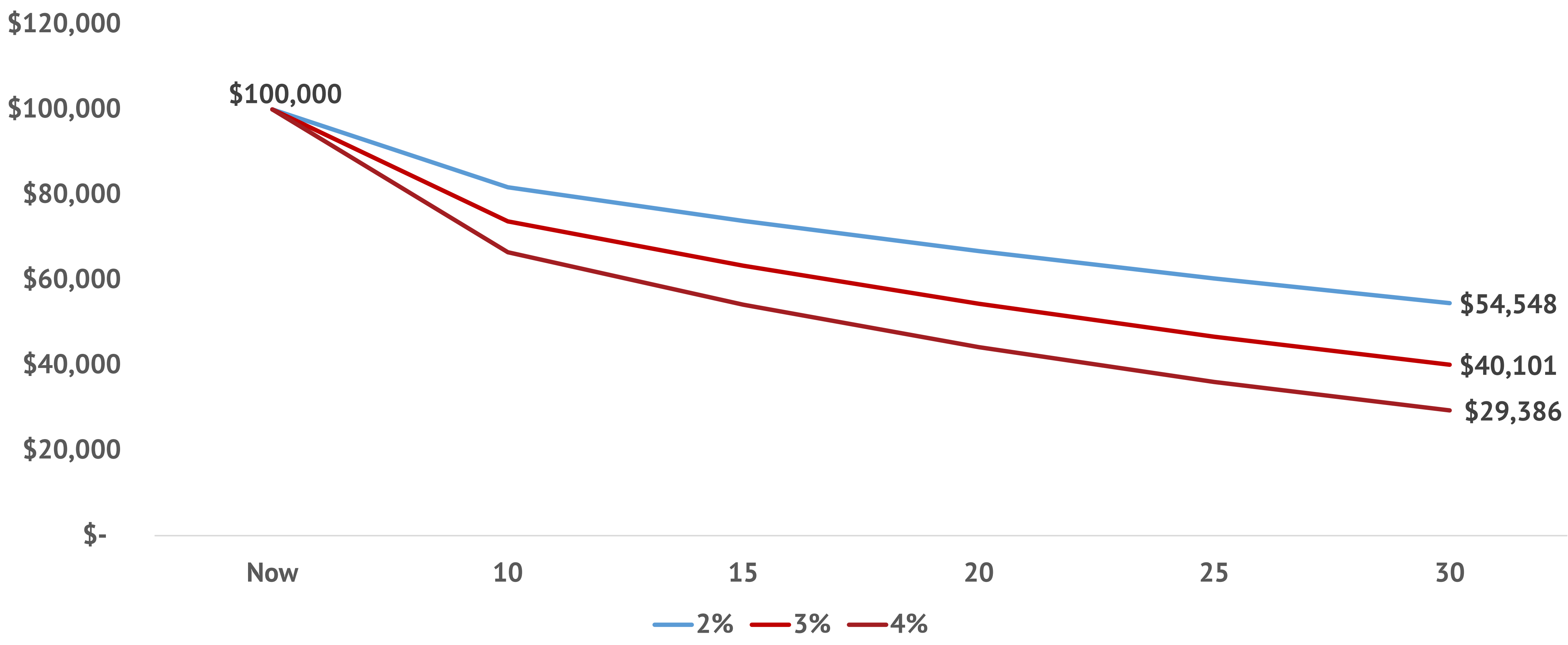
- Improves your understanding of the physical condition of your building(s)
- Estimates how money set aside to cover replacement costs
- Provides insight into how to invest capital reserve funds and in what type of investment
- Helps you maintain the buildings in a safe, efficient, and structurally sound condition
- Enables you to maximize one-time grants and funding programs (e.g., COCHI, OPHI)

Your Investment Plan

- Works hand-in-hand with your capital plan
- Based on your organization's specific needs
- Considers your spending requirements, timing, and your willingness and ability to take on risk
- Helps develop your organization's "target asset allocation" -- a mix of short- and long-term investments to maximize returns
- **Encasa can help you with this!**

Investing 101 & Encasa

Inflation reduces the value of dollars over time



Figures were calculated based on hypothetical 2%, 3%, and 4% rates of inflation to show the effect of inflation over time; actual inflation rates may be more or less.

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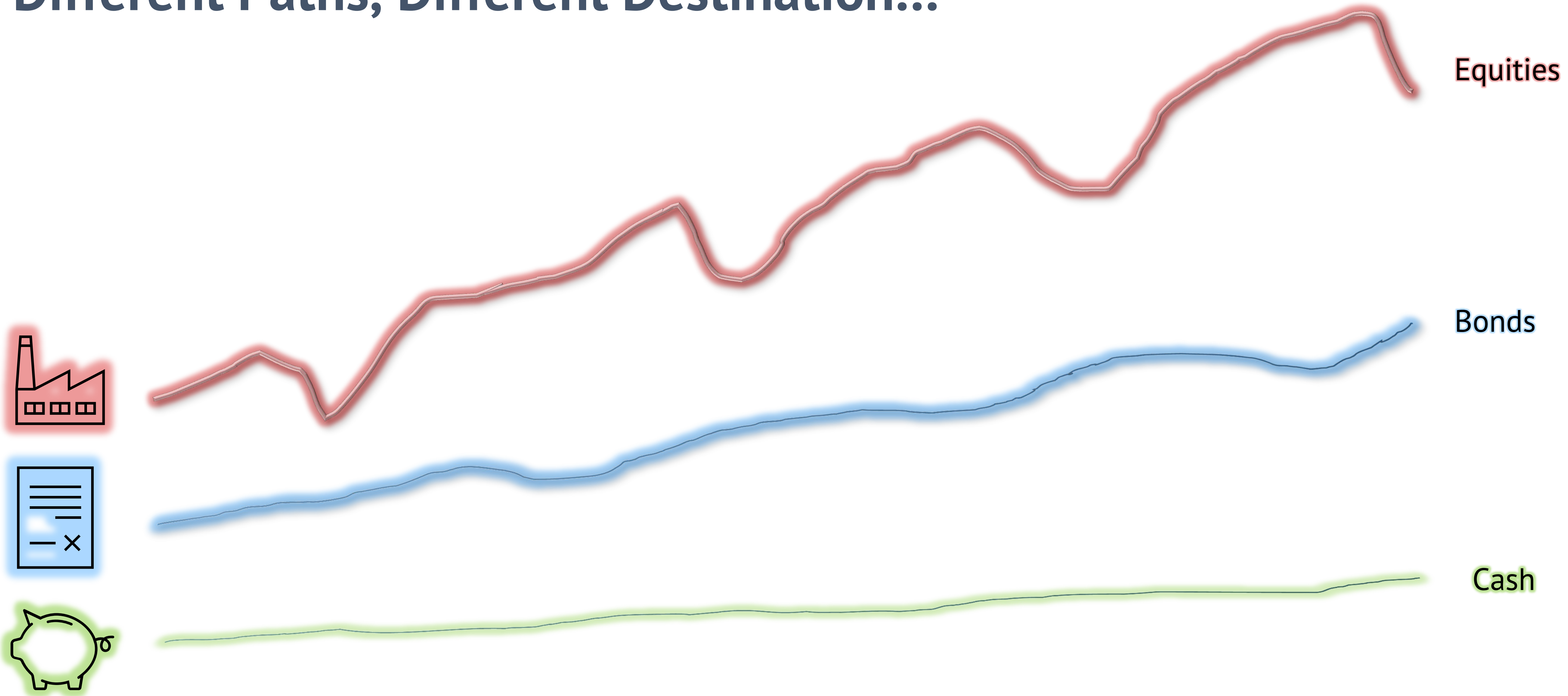
Different Paths, Different Destination...



*Hypothetical growth of asset classes over time

What Are Cash, Bonds and Stocks?

Cash	Bonds	Stocks ("equities")
• Bank deposits and short-term government securities (e.g., T-Bills) • Lowest return Interest on deposits or from short-term securities **Very low risk of loss**	• Loans to a government or company Packaged as a security that: - Pays interest on periodic basis (e.g., semi-annually) - Repays principal amount at maturity • Returns usually between cash and stocks and come from: Interest payments Changes in price of the bond **Some risk of loss: bond prices may decline when interest rates rise**	• Ownership in a business Share prices trade based on expected value of future earnings Shares *may* pay dividends • Historically, highest returns but greatest volatility Returns from dividends, and from change in share price **Can be volatile and lose value**

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What Factors Affect Returns?

	Cash	Bonds	Stocks
Short-term interest rates	✓	✓	✓
Long-term interest rates		✓	✓
Economic growth		✓	✓
Company earnings			✓
Inflation		✓	✓
Foreign currency risks			✓

What is a mutual fund?

A mutual fund provides you with access to many investments in a single product

Your money is pooled with other investors

Money is invested on your behalf by qualified professionals

Funds are subject to multiple regulations that protect the interests of investors

Through its distributor, Worldsource Financial Management, Encasa offers mutual funds exclusively to housing co-ops

How does my organization make money on a mutual fund?

Capital Growth

Dividends & Interest Payments

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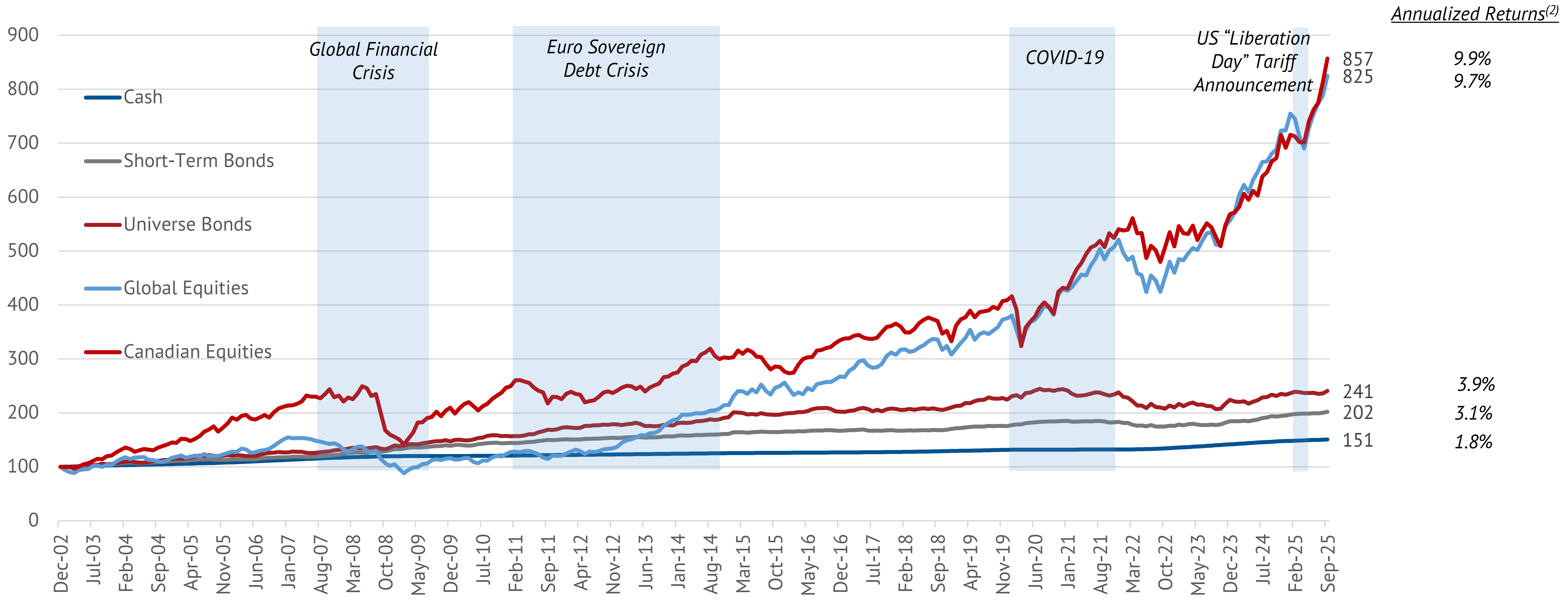
Long-Term Returns From Major Asset Classes

Growth of $100 Invested in Major Asset Classes(1)



(1) Returns shown in Canadian dollars. Inception date Dec. 31, 2002. Indices used: Bank of Canada 3-Month T-Bills, FTSE Canada Overall Short-Term Bond Index, FTSE Canada Universe Bond Index, S&P/TSX Composite Index, MSCI World Index.
(2) December 2002 to September 2025. Assumes reinvestment of all interest and dividends.
Source: eVestment

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Encasa helps providers navigate the market by assessing their needs and providing professional advice

Investor
(Sets objectives and capital plans)


Capital Reserves


Shared capital


Other reserves

Investment Advisor (e.g., Encasa)
*(Provides advisor assessment and advice)**

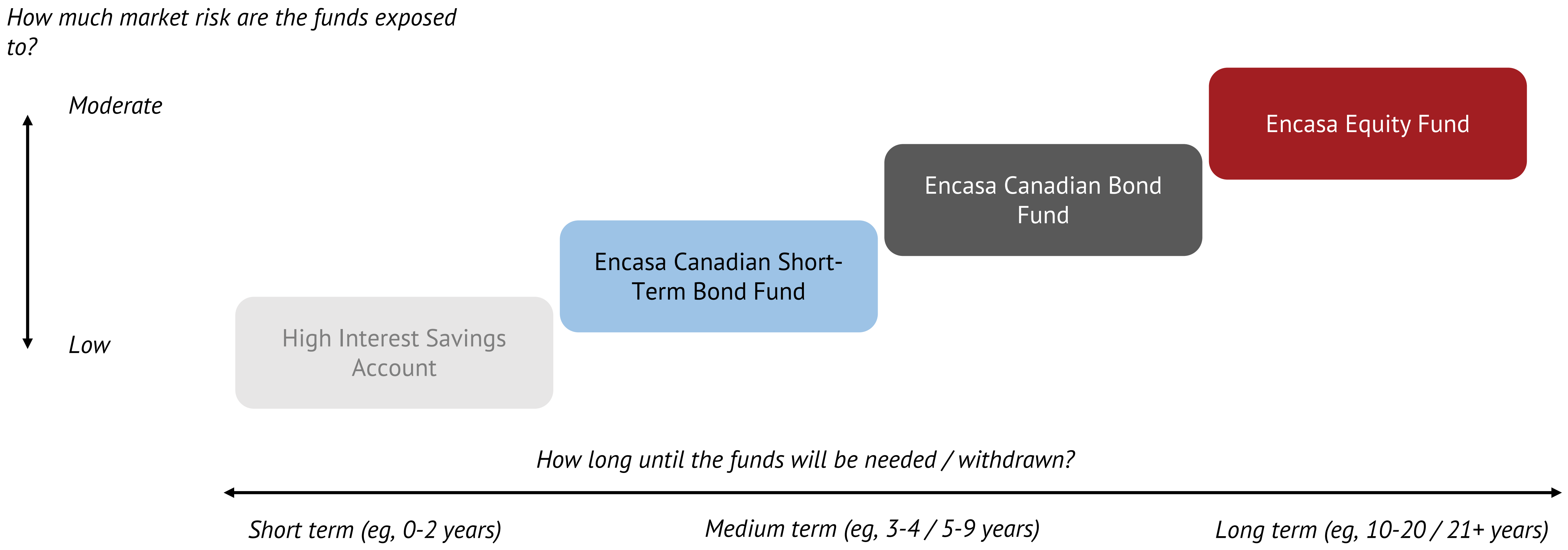

Develops investment plan


Ongoing monitoring and reporting


Periodic assessment against objectives and plans

*Assessment and advice is provided by Worldsource Financial Management Investment Fund Advisors.

Encasa's lineup can be tailored to a range of time horizons and risk levels

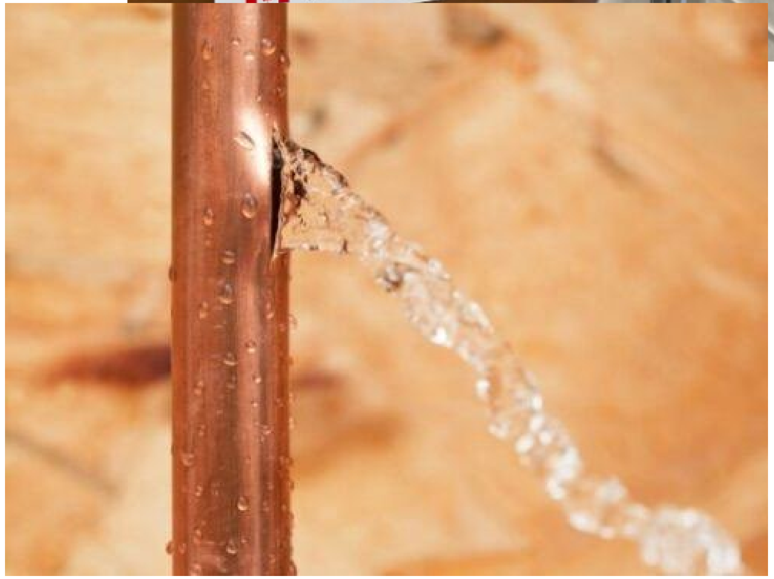


Note: Per Funds Facts, Encasa Equity Fund should be held for minimum of 7 years

Work with your investment advisor to regularly rebalance

- Your investment mix changes over time
- Timelines for capital projects can change
- Current expenditures can change
- How you fund projects can change

Encasa Investment Funds Advisors can help!



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Let’s chat!

We can help answer questions:

- Setting up an investment account
- Managing an investment account (online access)
- Making contributions and withdrawals
- Reviewing your statement
- Best practices
- Guidance on by-laws and investment policy

We’d also be happy to attend your board meetings!

Questions?

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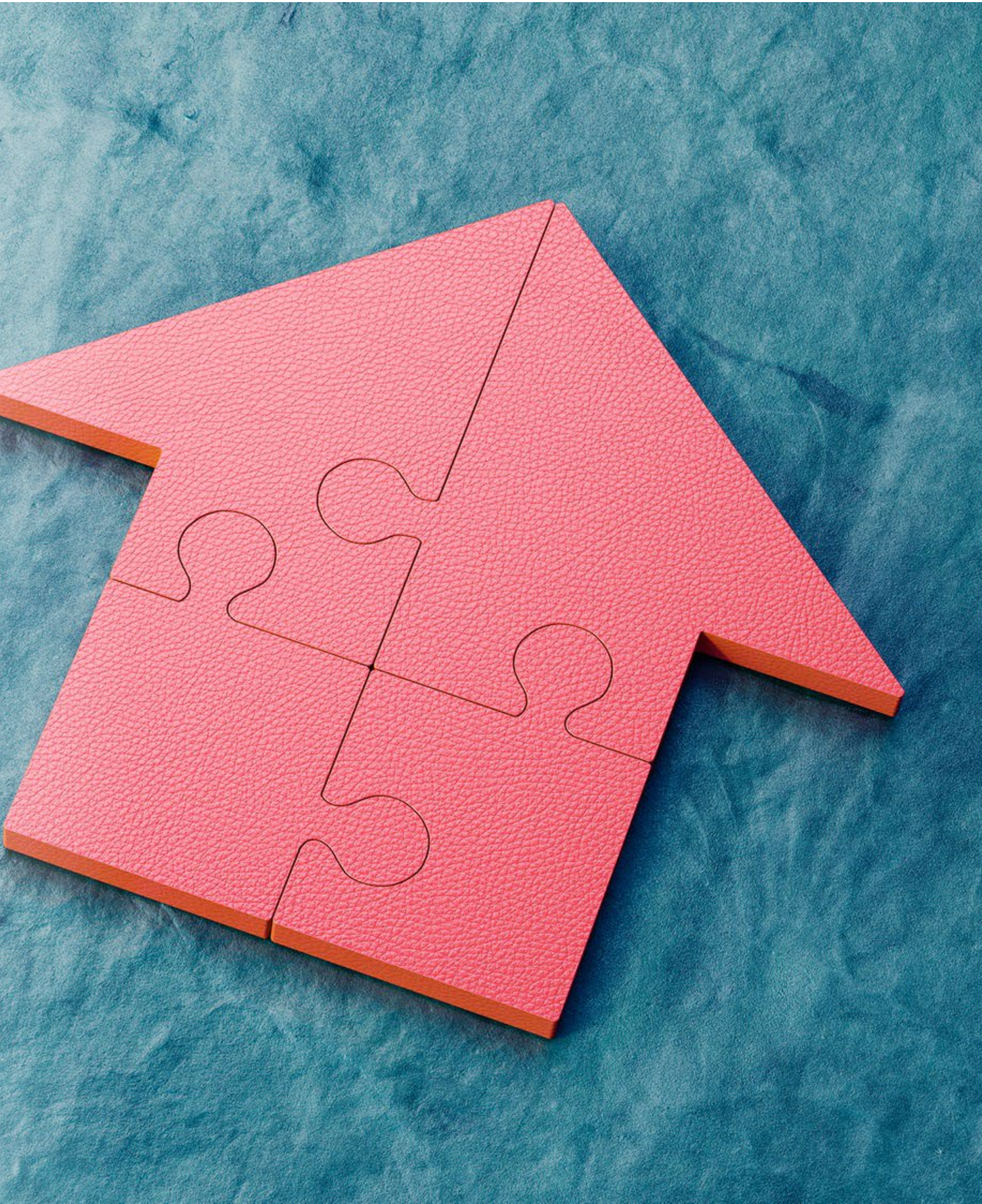

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Encasa Financial Inc. is the fund manager and portfolio manager for all Encasa Funds. Worldsource Financial Management Inc. is the sponsoring mutual fund dealer.