

FUND OVERVIEW

Total Fund Assets	\$90,423,287
Investments in Mortgages	\$76,015,734
Cash (and Equivalents)	\$9,087,680
Other Assets	\$5,319,873

No. of Mortgage Investments	41
Average Mortgage Size	\$1,641,184
Weighted Average Loan-to-Value (LTV)¹	69.2%
Total Units Outstanding (Series A, C, D, E)	7,451,446
Net Asset Value per Unit	\$10.00

MARKET REVIEW AND OUTLOOK
Current Business Environment

In Q1 of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As at the date of this update, the global reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, quarantines, temporary business closures and a general reduction in consumer activity. While these effects are expected to be temporary, the duration of the disruptions to business internationally and the related financial impact cannot be estimated with any degree of certainty at this time. The public health crises has resulted in disruptions and volatility in financial markets and global supply chains as well as declining trade and market sentiment and reduced mobility of people, all of which could impact Real Property prices, interest rates, credit ratings, credit risk and inflation. These impacts could include decreases in the fair value of our mortgage investments. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Trust.

Subsequent to the quarter end on April 8th, the Trust announced that the Manager, suspended retractions and redemptions of units of the Trust effective March 30, 2020. After due consideration of the economic interruption caused by the COVID-19 pandemic, including the Manager's ability to determine the value of the assets held by the Trust, the Manager determined to suspend unit retractions and redemptions in accordance with the Trust's declaration of trust until such time as the Manager further determines.

U.S. Economy and Real Estate Market

The impact of COVID-19 on the U.S. economy has been swift and deep. After a sharp curtailment of activity in March and April, consumer spending and business investment witnessed a faster-than-expected rebound as many states eased lockdown restrictions. However, a recent spike in infections in southern parts of the U.S. may cause some states to hold or reverse re-openings, which may slow the recovery in the second half of 2020. Following a 5.0% annualized decline in the first quarter, GDP growth tracked at a 35% annualized decline in the second quarter. The historic loss of 22.2 million jobs in March and April pushed the unemployment rate up to a new post-war record of 14.7%. However, signs of a strong recovery emerged in June, as 4.8 million jobs were added and the unemployment rate fell to 11.1%. However, with retail and hospitality venues still restricted, employment remained at 14.7 million, or 9.6% below February's peak levels. Federal assistance programs to businesses and workers have been extensive and have helped to soften the blow of the lockdowns.

Typically, U.S. real estate demand follows changes in employment and economic activity with a lag of up to six months. While rent collections for office, industrial and apartment properties were better than expected, the impact on the leasing market was immediate, as businesses were forced to put expansion and reconfiguration plans on hold. National office and retail demand turned negative in the second quarter, resulting in increases in vacancy and availability of 70 and 40 basis points (bps), respectively. Demand for industrial space remained positive, but higher levels of building completions pushed the industrial availability rate up 30 bps in the second quarter. In general, continued work from home and social distancing measures are expected to weigh negatively on office and retail leasing plans over the short term, while the industrial sector continued to benefit from the retail sales shift towards e-commerce.

FUND COMMENTARY

TG Income Trust III ("TGIT III") was created for the purpose of generating at least the Fixed Return per annum primarily from interests acquired in a diversified portfolio of commercial and multi-residential mortgages in Canada and the United States, subject to the investment restrictions of the Trust.

Quarter 2 Key Points:

- TG Income Trust III Series A, C, D and E units provided Fixed Returns of 7.1%, 7.2%, 7.5% and 7.1%, respectively, annualized during the quarter.
- Unitholder equity remained constant at \$74.5 million and total assets increased 3.2% to \$90.4 million during the second quarter.
- During the quarter one new loan was funded totalling \$0.2 million and no loans were paid out. In addition, there were net decreases on existing mortgages of \$8.7 million.
- The weighted average LTV and term to maturity were 69.2% and 14.6 months respectively.
- As at June 30, 2020, the Trust had no loans in default.
- During the second quarter the general provision on performing loans remained unchanged at \$0.4 million.

FUND DESCRIPTION

Fund Manager	Trez Capital Fund Management Limited Partnership
Mortgage Broker	Trez Capital Limited Partnership
Asset Class	Income Trust Fund
Inception Date	July 14, 2016
New Investments	Open
Minimum Investment	200 units (\$2,000)
Series Term	45 months
RRSP/RRIF/TFSA Eligible	Yes

Retraction Rights On April 8th, the Trust announced that the Manager suspended retractions and redemptions of units of the Trust effective March 30, 2020 due to the economic disruption caused by COVID-19

FUND RETURNS

Series	Term	Return
Series A Units	45 months	7.1%
Series C Units	45 months	7.2%
Series D Units	45 months	7.5%
Series E Units	45 months	7.1%

¹ LTV is based on initial underwriting or renewal, and is subject to variation during the term of the mortgages.

DISTRIBUTION HISTORY

Series	Maturity	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Series A-1	5/29/2020	\$0.177	\$0.177	\$0.179	\$0.179
Series A-2	6/19/2020	\$0.177	\$0.177	\$0.179	\$0.179
Series C-1	9/21/2020	\$0.179	\$0.179	\$0.181	\$0.181
Series C-2	11/6/2020	\$0.179	\$0.179	\$0.181	\$0.181
Series C-3	12/13/2020	\$0.179	\$0.179	\$0.181	\$0.181
Series C-4	5/1/2021	\$0.179	\$0.179	\$0.181	\$0.181
Series C-5	5/30/2021	\$0.179	\$0.179	\$0.181	\$0.181
Series C-6	7/20/2021	\$0.179	\$0.179	\$0.181	\$0.181
Series C-7	9/20/2021	\$0.179	\$0.179	\$0.181	\$0.181
Series C-8	10/31/2021	\$0.179	\$0.179	\$0.181	\$0.181
Series C-9	12/8/2021	\$0.179	\$0.179	\$0.181	\$0.181
Series D-1	3/19/2022	\$0.186	\$0.186	\$0.189	\$0.189
Series D-2	5/27/2022	\$0.186	\$0.186	\$0.189	\$0.189
Series D-3	9/21/2022	\$0.186	\$0.186	\$0.189	\$0.189
Series D-4	11/8/2022	\$0.186	\$0.186	\$0.189	\$0.189
Series D-5	12/13/2022	\$0.186	\$0.186	\$0.189	\$0.189
Series E-1	6/13/2023	\$0.177	\$0.177	\$0.179	\$0.035
Series E-2	8/28/2023	\$0.177	\$0.177	\$0.066	

FUND PERFORMANCE

	Q2 2020	2020 YTD	2019	2018	2017
TG Income Trust III					
Series A ¹	1.8%	3.6%	7.1%	7.1%	7.1%
Series C ¹	1.8%	3.6%	7.2%	7.2%	7.2%
Series D ²	1.9%	3.8%	7.5%	7.5%	-
Series E ³	1.8%	3.6%	7.1%	-	-
Fixed Income					
GOC 3-yr Benchmark Bond Yield	0.1%	0.4%	1.5%	2.1%	1.2%
Cash					
Inflation (US CPI)	-0.1%	0.3%	2.3%	2.0%	2.1%

¹ The 2016 returns for Series A and Series C are annualized as the initial closing date of each series occurred part way through 2016.

² The 2018 return for Series D are annualized as the initial closing date of the series occurred part way through 2018.

³ The 2019 return for Series E are annualized as the initial closing date of the series occurred part way through 2019.

The GOC 3-year benchmark bond yield is provided as an example of the risk free return during the period. The yield is the average monthly yield, pro-rated for the period.

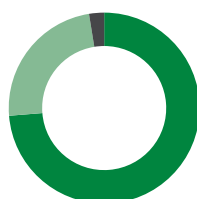
Data Sources: Bank of Canada, Trez Capital Fund Management Limited Partnership.

TOP 25 HOLDINGS

City	Province/State	Balance	LTV	Type	Interest Rate	Rank	% Nav
Fort McMurray	Alberta	\$5,251,147	100%	Residential	6.8%	First	6.7%
Plano	Texas	\$4,971,151	69%	Storage	10.0%	Second	6.4%
Burnaby	British Columbia	\$4,000,000	53%	Residential	9.0%	Second	5.1%
Vancouver	British Columbia	\$3,976,543	54%	Industrial	9.2%	First	5.1%
Calgary	Alberta	\$3,905,599	52%	Residential	10.5%	First	5.0%
Plano	Texas	\$3,503,305	64%	Residential	12.0%	First	4.5%
Aubrey	Texas	\$3,087,983	61%	Residential	10.0%	First	4.0%
Calgary	Alberta	\$3,000,000	62%	Residential	10.0%	Second	3.8%
Houston	Texas	\$2,917,278	75%	Residential	13.3%	First	3.7%
San Antonio	Texas	\$2,729,102	69%	Residential	10.0%	First	3.5%
San Marcos	Texas	\$2,529,120	72%	Residential	11.0%	First	3.2%
Celina	Texas	\$2,523,834	72%	Residential	10.0%	First	3.2%
Fate	Texas	\$2,308,081	80%	Residential	10.5%	First	3.0%
Grand Prairie	Texas	\$1,712,111	73%	Residential	11.0%	Blanket	2.2%
Edmonton	Alberta	\$1,500,000	79%	Industrial	10.0%	Second	1.9%
Desoto	Texas	\$1,379,992	70%	Residential	6.0%	Second	1.8%
Merritt Island	Florida	\$1,373,825	77%	Residential	10.0%	First	1.8%
Miami	Florida	\$1,362,259	45%	Residential	8.8%	First	1.7%
Vancouver	British Columbia	\$1,285,743	77%	Residential	9.7%	First	1.6%
Celina	Texas	\$1,089,346	71%	Residential	10.0%	First	1.4%
Welland	Ontario	\$1,077,693	59%	Residential	9.0%	First	1.4%
Houston	Texas	\$951,532	88%	Residential	10.0%	First	1.2%
Tolleson	Arizona	\$941,257	66%	Other	15.2%	First	1.2%
Cartersville	Georgia	\$914,184	80%	Residential	11.7%	First	1.2%
Plano	Texas	\$846,479	64%	Residential	12.0%	First	1.1%

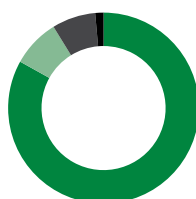
PORTFOLIO DIVERSIFICATION

SECURITY RANK



■ First Mortgages (73.7%)
 ■ Second Mortgages (23.8%)
 ■ Blanket (2.5%)

ASSET CLASS



■ Residential (83.1%)
 ■ Industrial (8.1%)
 ■ Storage (7.4%)
 ■ Other (1.4%)

GEOGRAPHIC REGION



■ Texas (56.2%)
 ■ Florida (4.3%)
 ■ Arizona (2.5%)
 ■ Georgia (1.3%)
 ■ Alberta (20.3%)
 ■ British Columbia (13.8%)
 ■ Ontario (1.6%)

FOR FURTHER INFORMATION, PLEASE CONTACT

Investor Services

T: 1.877.689.0821

E: investor-services@trezcapital.com

www.trezcapital.com