

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Revenue for the three months ended June 30, 2009 was \$228,428.00, an increase of 3.24% from the same period last year. Net income decreased .52% to \$186,919.00 or \$.23 a share compared to \$.25 for the same period in 2008. While gross revenue was essentially stable a one time expense for insurance premiums was responsible for decreasing the net income.

Surprisingly, real estate sales and property values have increased significantly over the past three (3) months. In fact, June posted the second highest sales volume on MLS in the Lower Mainland. In many instances, there have been multiple offers on listings with the prices paid higher than the list price. While the strongest markets started with the first time buyers at the lower price point and the always desirable neighbourhoods such as the west side of Vancouver, the general consensus appears to be that the real estate recession in the Lower Mainland has ended and purchasers who waited on the sidelines have now committed and are buying. No one knows how long this momentum will continue so the Company will remain cautious with its lending opportunities.

FINANCIAL HIGHLIGHTS

Source: globefund.com

Fund name	5 Star Rating	1 yr %	3 yr %	5 yr %	10yr %	15yr %
Mandate	*****	9.70	9.80	9.15	8.14	8.07

- Annualized return on common shareholders' equity for the three (3) months ending June 30, 2009 was **9.75%** while return on preferred shareholders' equity was **9.02%**. This far exceeds the average one year return of bond funds of 3.5%, G.I.C.'s of up to 1.68%, Canada Savings Bonds @ 1.4%, or 90 day term deposits up to .50%
- The yield once again exceeded the benchmark return to shareholders of 4.25% (Prime plus 2.0%).
- Provisions for losses totaled \$133,119 or 1.9% of the portfolio compared to \$125,421 or 2.1% in 2008. This is in keeping with the Company policy which is to provide a provision of 60 basis points for all new loans.

M A N D A T E
National Mortgage Corporation

SECOND QUARTER REPORT

JUNE 30, 2009

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