

MANDATE

National Mortgage Corporation

1 Year

9.97%

3 Years

9.77%

15 Years

8.02%

The indicated rate of return is the historical simple return not including reinvestment of all distributions for the period ending March 31, 2009. As reported monthly at globefund.com; fund name: "mandate".

Investment Summary

Features

- ❑ Dividend-paying preferred shares.
- ❑ Eligible for registered investment plans including: RRSPs, RRIFs, Deferred Profit Sharing Pension Plans and Tax Free Savings Accounts.
- ❑ All net earnings paid to shareholders through quarterly dividends by way of cash or additional shares.
- ❑ Funds invested in a portfolio of residential and commercial mortgages never exceeding 75% of appraised value.
- ❑ \$5,000 minimum investment.

Advantages

- ❑ Safety of Capital through conventional mortgages.
- ❑ Track Record of Yield through regular quarterly dividends. Mandate National has paid dividends every quarter since inception in 1983.
- ❑ Liquidity provided by redeemable shares.

Past performance is not necessarily indicative of future returns.

The Company

Mandate National Mortgage Corporation "Mandate National" does not pay federal income tax by virtue of its operation as a mortgage investment corporation under the Income Tax Act. The Company has provided its shareholders with a high dividend yield from mortgage lending operations for the past 25 years. Shares of Mandate National are eligible for RRSPs, RRIFs and DPSPs.

Objective

The objective of Mandate National is to provide a high dividend return to its shareholders from income generated through prudent mortgage lending.

Dividend Alternatives

❑ The shareholders of Mandate National have the option of selecting cash dividends for income, or share dividends for compound growth. Dividends are paid quarterly, and are treated as interest income to the shareholders for income tax purposes.

* Mandate National means both Mandate National Mortgage Corporation, and the predecessor company (prior to July, 1989) Mandate Mortgage Investment Corporation.

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The Investment

Mandate National offers investors the opportunity to participate in a dividend bearing preferred share issue of a Mortgage Investment Corporation. The Offering Memorandum of additional shares provides more complete information on the corporation and its operation including financial statements as well as the dividend yield history. Because Mandate National does not pay income tax, the company achieves a higher net income and dividend return to the shareholders than a mortgage company subject to ordinary income tax. A copy of the Offering Memorandum is available upon request.

Safety Of Capital

- Shareholder's equity is invested in a diverse portfolio of mortgages on B.C. real estate. In addition, Mandate National makes regular provisions from profits for possible mortgage loan losses.
- Mortgage loan applications undergo three levels of scrutiny in the review process:
 - 1) independent appraisals of the real estate value are required for all mortgage loans being considered;
 - 2) the portfolio managers evaluate the credit worthiness of the applicants as well as their ability to make the loan payments; and
 - 3) the lending credit committee carefully considers the overall strength of each application. Applications must satisfy all aspects of the review process before they can be approved.

□ This brochure does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The offering is made by Offering Memorandum only and all the information herein is qualified in its entirety by the Offering Memorandum.

Rate of Return

The shareholders of Mandate National receive a minimum return on their invested share capital equivalent to the Royal Bank prime rate plus 2.0% before the Manager is entitled to be compensated.

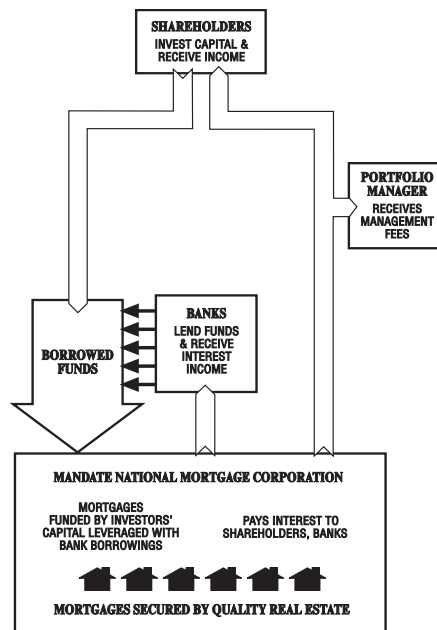
Asset Mix

In order to enhance the yield to shareholders, Mandate National may lend up to 30% of its portfolio in second mortgages, plus up to 10% in construction loans, provided the loans do not exceed 75% of appraised value. The same strict criteria apply to these loans prior to approval by the credit committee.

Portfolio

Mandate's portfolio includes residential, commercial and interim mortgages on real estate primarily located in the Lower Mainland, Okanagan and Southern Vancouver Island regions of British Columbia. The plan for portfolio development following the completion of the offering of additional preferred shares emphasizes lending of conventional mortgages.

How Mandate National Mortgage Corporation Works



The Mortgage Market

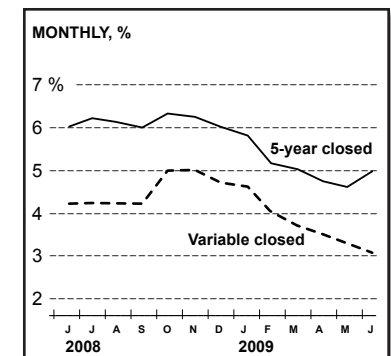
There's no consensus that the worst of the global financial crisis/recession is over. Yet, financial markets are starting to consider the risk that inflation will return from all the stimulus that governments are injecting into economy. The result is that interest rates are starting to move higher in the bond market, which influences the cost of fixed-rate mortgages.

The general trend toward higher rates, and away from the extreme lows we saw at the turn of the year, is likely to be prevalent over the next year as the global economy and global financial markets find a bottom and commence growing again.

Ultralow rates are a big reason why there are signs of life in the housing market. Sales activity and prices have been rising this spring; the average resale price of a home sold in May was nearly \$320,000, according to the Canadian Real Estate Association, bringing prices back to where they were before last fall's financial meltdown.

But rates are ticking up again. Discounted five-year mortgages are now going for about 4.3 per cent after two recent rate increases that lifted them off historical lows in the 3.7 per cent range. But it may be time to lock in for the long term and give up on the variable rate.

Mortgage Rates



THE GLOBE AND MAIL SOURCE: CANNEX