FRONTENAC MORTGAGE INVESTMENT CORPORATION
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Corporation. You can obtain a copy of the annual financial statements at your request, at no cost, by any of the following methods:

By telephone:	(877) 279-2116
By Internet:	SEDAR at www.sedar.com or on the Corporation's website at www.fmic.ca
By mail:	Frontenac Mortgage Investment Corporation 14216 Road #38 Sharbot Lake, Ontario K0H 2P0

Shareholders may also contact us using one of these methods to request a copy of the Corporation's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategy

Investment objective

The Corporation's objective is to generate income while preserving, for its beneficial shareholders, capital for re-investment. As a mortgage investment corporation, the Corporation expects to derive its earnings principally from the receipt of mortgage interest payments and of interest or interest-like distributions on the cash reserves of the Corporation.

Investment strategy

The Corporation will achieve its investment objective by lending on the security of mortgages on real property located primarily in the province of Ontario. The mortgages transacted by the Corporation will not generally meet the underwriting criteria of conventional lenders and/or involve borrowers in rural areas generally not well serviced by major lenders. As a result, the Corporation's investments are expected to earn a higher rate of interest than what is generally obtainable through conventional mortgage lending activities.

Risks

The business operations of the Corporation are subject to the following risks, amongst others, that could affect shareholders' equity and the Corporation's ability to generate returns: relative illiquid nature of mortgage investments, ability of borrowers to make mortgage payments, inability of the Corporation to find suitable mortgage investments, changes in land value, ranking of mortgages, no guarantees to investor on returns or lack of losses, and reliance on third parties. These risk factors are described in greater detail in the Corporation's prospectus, a copy of which may be obtained through SEDAR at www.sedar.com.

During the 2017 year, management did not make any operational changes which had an impact on the overall risk of an investment in the Corporation.

Results of Operations

The financial statements of Frontenac Mortgage Investment Corporation are prepared in accordance with International Financial Reporting Standards and National Instrument 81-106 Investment Funds Continuous Disclosure.

All amounts for all years are expressed in Canadian dollars.

Operating Results for the Period

The following table presents the results from operations for the year ended December 31:

	2017	**2016**	**2015**	**2014**	**2013**
	$	**$**	**$**	**$**	**$**
Total revenues	16,178,501	17,580,995	14,485,507	13,139,636	10,582,028
- per issued common share	2.46	2.82	2.77	2.92	2.86
Net increase in net assets from operations	8,346,668	10,911,248	8,581,017	8,223,375	6,502,045
- per issued common share	1.27	1.75	1.64	1.83	1.76

Revenues for the Corporation for the 2017 year decreased on a gross basis to $16,178,501 from $17,580,995 for 2016 while, on a per share basis, revenues decreased to $2.46 from $2.82 per common share. The overall decreases in gross revenues and revenues per share are attributable to two factors: higher than normal cash balances in the Corporation combined with a year-over-year decrease in the lending interest rates on new mortgage loans. Competitive market pressures in the Corporation's traditional Eastern Ontario lending area led to a reduction in lending interest rates for new mortgage loans beginning in the second half of 2016. Cash balances increased as the Corporation was unable to fund new mortgage loans at historical rates and cash balances peaked at approximately 12% of net assets in March 2017. As cash balances earn little to no return, the overall revenue of the Corporation decreases accordingly. Management decided to lower the Corporation's lending rates to meet market conditions rather than seek higher yield by increasing the risk profile of the Corporation's mortgage loan portfolio. Underwriting activity increased as a result of the change in lending rates. In addition, the Corporation has focused on expanding its geographic lending area to include Southwestern Ontario.

Based on its risk profile of the mortgage loan borrowers for its niche in the mortgage marketplace, the Corporation expects that and would consider normal that, on average in any given year, 5% of the Corporation's mortgage portfolio would be considered impaired. On those impaired loans, the Corporation would project losses of capital of 0.50% of net assets or $0.15 per share based on the Corporation's historical net asset value per share of $30. Once a mortgage is considered impaired, the Corporation ceases to accrue interest revenue on that mortgage which in turn reduces total revenue per share. For 2017, the Corporation averaged 5.04% of its net assets as impaired mortgages and incurred mortgage provisions and realized losses of $0.27 per share compared to

4.6% in impairments and $0.27 per share for losses for 2016. For 2017, the provision for losses included an amount of $527,000 that related to an impaired 8 unit construction project that required significant repairs and a change in expected sale proceeds due to a change in intended end use from a condominium to a rental property. For 2017, the provision for losses included an amount of $1,016,000 ($0.16 per share) that was taken for a group of mortgages that was not considered impaired but whose credit risk had changed since the loans were initiated. A review of this group of loans led management to record this additional provision to recognize that the potential timing of repayments may extend beyond the period originally planned. This additional provision was recorded subsequent to the payment of monthly dividends in December 2017 resulting in a reduction in the net assets per share value from $30.00 to $29.84 as at December 31, 2017. In 2016, the provision for losses included an amount of $774,000 ($0.12 per share) related to the same group of loans. Outside of the impact of these loans, the Corporation is operating within expectations for its loan impairments and loan losses. As at December 31, 2017, there were 24 mortgages totaling $7,930,370 (4.3% of net assets) that were considered impaired and the largest impaired mortgage was $2,020,465. As at December 31, 2016, there were 27 mortgages totaling $10,277,933 (5.3% of net assets) and the largest impaired mortgage was $1,989,699.

Total operating expenses, excluding realized and unrealized gains and losses, were relatively unchanged year over year at $5,014,406 for 2017 compared to $5,007,093 for 2016. Operating expenses per share declined to $0.77 per share in 2017 compared to $0.80 per share in 2016.

Unless a shareholder elects to receive dividends in cash, dividends paid to shareholders are re-invested into additional shares of the Corporation under its dividend re-investment plan. During the year, the Corporation paid or accrued cash dividends totaling $4,180,277 (2016 - $4,500,317) and $5,182,391 (2016 - $6,410,931) of the earnings was re-invested by shareholders in additional shares of the Corporation.

In addition to the aforementioned dividend re-investment, for the year ended December 31 2017, the net assets of the Corporation decreased as a result of net redemptions totaling $12,844,293 (2016 - $15,956,546 net investments). Proceeds from Common Shares issued in 2017, excluding dividend re-investment, totaled $5,614,809 (2016 - $29,202,078) while redemptions during the year totaled $18,459,102 (2016 - $13,245,532). Substantially all of the 2017 share redemptions occurred in November 2017. Under the Corporation's treasury management system, the growth of the fund is constricted by the Corporation's ability to generate new mortgage loans without increasing the risk profile to the investor. Accordingly, with cash balances in the Corporation above normal levels, Management decided to temporarily halt the acceptance of new investment into the Corporation in April 2017. This restriction remained in place for the balance of 2017 and the Corporation began to again accept new investment into the Corporation starting in January 2018.

The Corporation has a revolving line of credit with a Canadian chartered bank with a limit equal to 15% of net assets of the Corporation to a maximum limit of $29.0 million. The line of credit is secured by a General Security Agreement and a first ranking interest in the mortgages, is repayable on demand, and bears interest at bank prime rate plus 1%. Financial covenants require the Company to maintain minimum levels for equity, debt to equity ratio, and percentage of residential mortgages. As at December 31, 2017 and December 31, 2016, the Corporation was in compliance with the bank's financial covenants.

The line of credit is used to smooth out the cash flows of the Corporation and is not used to extend the Corporation's investment capacity beyond its available equity. The Corporation did not use its credit line for most of the year but used the credit line in December 2017 to fund annual redemptions. As at December 31, 2017, the Corporation was using $16,580,000 of this credit line. The maximum borrowings at any one time in the year was $18,120,000.

Outstanding Share Data and Transactions for the Period

The Corporation is authorized to issue an unlimited number of common shares. The following table presents a summary of share data and transactions for the year ended December 31:

	2017	2016	2015	2014	2013
Number of shares:		#	#	#	#
Balance – beginning of period	6,396,798	5,651,215	4,610,052	4,102,680	3,328,364
Issued for cash	187,160	973,403	1,087,912	637,215	878,327
Issued under dividend re-investment plan	172,746	213,698	182,271	187,030	157,292
Redeemed	(615,303)	(441,518)	(229,020)	(316,873)	(261,303)
Balance – end of period	6,141,401	6,396,798	5,651,215	4,610,052	4,102,680

	2017	2016	2015	2014	2013
Dollars:		$	$	$	$
Balance – beginning of period	191,904,019	169,536,542	138,301,639	123,080,458	99,850,975
Issued for cash	5,614,809	29,202,078	32,637,365	19,116,464	26,349,820
Issued under dividend re-investment plan	5,182,391	6,410,931	5,468,128	5,610,900	4,718,760
Redeemed	(18,459,102)	(13,245,532)	(6,870,590)	(9,506,183)	(7,839,097)
Distributions in excess of earnings	(1,016,000)				
Balance – end of period	183,226,117	191,904,019	169,536,542	138,301,639	123,080,458

New investment was down year-over-year as Management decided, due to higher than normal cash balances, to temporarily halt the inflow of new investment to the Corporation. The Corporation began to again accept new investment into the Corporation starting in January 2018.

Under the Corporation's dividend policy and dividend re-investment plan, unless a shareholder elects to receive their dividends in cash, monthly dividends are automatically re-invested into additional shares of the Corporation at the then prevailing book value per share.

Under the terms of the Corporation's prospectus, shareholders may redeem shares in the Corporation only once per year, in November, except in certain exceptional circumstances.

Recent Developments

Since December 31, 2016, the Company has not adopted any changes that have a material effect on its operations, except as noted in this section.

Changes in Accounting Standards

(i) International Financial Reporting Standards 9 "Financial Instruments" ("IFRS 9")

IFRS 9 is a new accounting standard that replaces IAS 39 "Financial Instruments: Recognition and Measurement" and is effective for annual periods beginning on or after January 1, 2018, which for us is the fiscal year ending December 31, 2018. Early adoption is permitted if an entity applies all the requirements of the standard. The Company intends to adopt IFRS 9 effective January 1, 2018.

IFRS 9 includes requirements for classification and measurement of financial assets and liabilities, as well as impairment of financial assets. IFRS 9 uses an expected-loss impairment model based upon forward looking information that will result in earlier recognition of expected losses.

IFRS 9 is required to be applied on a retrospective basis, with certain exceptions. As permitted, Frontenac Mortgage Investment Corporation has elected under the transitional provisions of IFRS 9 not to restate comparative figures and will recognize any measurement difference between the previous carrying amount and the new carrying amount as at January 1, 2018 through an adjustment to opening retained earnings. Based on our current analysis, we believe that the implementation of IFRS 9 will not have a material impact on the Company's financial statements as our financial assets are mainly of a short-term duration. We continue to refine certain aspects of our impairment analysis leading up to our first 2018 interim reporting.

Classification and measurement

IFRS 9 requires that the Company's business model and a financial instrument's contractual cash flows determine its classification and measurement in the financial statements. Upon initial recognition, each financial asset will be classified as either fair value through profit or loss (FVTPL), amortized cost, or fair value through other comprehensive income (FVOCI). All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent solely principal and interest. Otherwise it is recorded at FVTPL.

Impairment

The impairment requirements of IFRS 9 apply to financial assets that are measured at amortized cost or FVOCI, and off-balance sheet lending commitment such as loan commitments and letters of credit (which are collectively referred to in this note as financial assets).

The determination of the provision for mortgage losses will move from an incurred credit loss model, whereby credit losses are recognized when a defined loss event occurs under IAS 39, to an expected loss model under IFRS 9, where provisions are recorded upon initial recognition of the financial asset based upon expectations of future credit losses at that time. Under IFRS 9, Frontenac Mortgage Investment Corporation will recognize a loss allowance equal to 12-month expected credit losses, if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1), representing the expected credit losses from default events that are possible within the next 12 months.

IFRS 9 requires the recognition of credit losses for the remaining life of the financial assets (lifetime expected losses) that are considered to have experienced a significant increase in credit risk (Stage 2) and for financial assets that are credit impaired at the reporting date (Stage 3). The lifetime expected credit losses represent the expected loss in value due to possible default events over the life of a financial instrument weighted by the likelihood of a loss. To identify whether the credit risk of a financial asset has significantly increased since initial recognition, management will consider forward-looking information, including macroeconomic factors as well as information related to the specific borrower, including the outstanding balance upon default. As such, the transfer to Stage 2 will depend on predetermined criteria. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company shall revert to recognizing 12 months of expected credit loss.

Credit impaired financial assets will be transferred to Stage 3 when there is objective information that the assets are credit impaired. To determine whether a financial asset is credit impaired, an event must be identified that has a detrimental impact on the estimated future cash flows. Interest revenue is calculated on gross carrying amount for financial assets in Stage 1 and 2 and on the net carrying amount for financial assets in Stage 3.

(ii) International Financial Reporting Standard 15 - Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 replaces the existing standards for revenue recognition. The new standard establishes a framework for the recognition and measurement of revenues generated from contracts with customers, with the exception of revenue earned from contracts within the scope of other standards, such as financial instruments, insurance contracts and leases. We plan to adopt IFRS 15 effective January 1, 2018. As most of our contracts are financial instruments and therefore out of the scope for IFRS 15, the Company believes that the implementation of IFRS 15 will not have a material impact on the Company's financial statements.

Changes in Securities Regulations

During 2014, the Canadian Securities Administrators (CSA) amended the legislation governing non-redeemable investment funds, including the Corporation. The amendments impose specific restrictions on investments in “non-guaranteed mortgages”. Non-guaranteed mortgages are mortgage loans that are not fully and unconditionally guaranteed, or insured, either by the Government of Canada or by an authorized corporation, such as Canadian Mortgage and Housing Corporation (CMHC). Historically, the mortgage loans offered by the Corporation do not qualify for CMHC insurance and accordingly, the Corporation’s mortgage loans meet the definition of a “non-guaranteed mortgage”. Consequently, the Corporation is taking steps to cease being regulated as an investment fund and instead be regulated as a corporate issuer.

The Manager has committed to the Ontario Securities Commission that the transition from an investment fund issuer to a corporate issuer will be completed upon the earlier of (i) the net assets of the Corporation reaching $250 million; and (ii) September 26, 2019. As part of that agreement to transition, the Manager has accepted certain changes to its stated operating policies, such changes designed to provide comfort to the Commission that the operations and investments of the Corporation during the transition will be consistent with past practices. Specifically, the Manager has accepted that during this transition period: (i) the credit line facilities of the Corporation will not exceed 15% of its net assets, (ii) no more than 25% of the Corporation’s mortgage loans will be on commercial properties, and (iii) no more than 10% of the Corporation’s mortgage loans will be second mortgages. As the Corporation has historically operated well within these guidelines, the Manager does not foresee any negative impact to its future operations or expected results of the Corporation as a result of these restrictions.

Related Party Transactions

Pillar Financial Services Inc. (“Pillar”) is the administrator and W.A. Robinson Asset Management Ltd. (“W.A.”) is the manager for the Company. These companies are related parties in that they share common management. The Company signed new contracts for these services in 2008 under which Pillar and W.A. each charge an annual fee of 1% of the total asset value calculated on a monthly basis. These contracts were renewed for a further five year period in 2013.

Administration and management fees paid under these agreements totaled $4,229,612 for the year ended December 31, 2017 (year ended December 31, 2016 - $4,121,390) including applicable sales taxes. The increase in the dollar value of the administration and management fees from 2015 is a reflection of the year-over-year increase in the total assets of the Corporation.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Corporation and are intended to help you understand the Corporation's financial performance for the past five years. This information is derived from the Corporation's audited annual financial statements.

Net Assets of the Corporation per Share:

	2017 $	**2016 $**	**2015 $**	**2014 $**	**2013 $**
Net assets, beginning of year	30.00	30.00	30.00	30.00	30.00
Increase (decrease) from operations:					
Total revenue	2.47	2.82	2.77	2.92	2.86
Total expenses [excluding distributions]	(.76)	(0.80)	(0.87)	(0.90)	(0.87)
Realized gains (losses) during period	(.16)	(0.11)	(0.23)	(0.06)	(0.06)
Unrealized gains (losses) during period	(.27)	(0.16)	(0.03)	(0.13)	(0.17)
Total increase (decrease) from operations	1.27	1.75	1.64	1.83	1.76
Distributions:					
From net income (excluding dividends)	(1.43)	(1.75)	(1.64)	(1.83)	(1.76)
From dividends		-	-	-	-
From capital gains		-	-	-	-
Return of capital		-	-	-	-
Total Distributions	(1.43)	(1.75)	(1.64)	(1.83)	(1.76)
Net assets, end of year	29.84	30.00	30.00	30.00	30.00

(1) Book value and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

The Corporation distributes any net income to shareholders monthly in the form of dividends. Unless a shareholder elects to receive their monthly dividends in cash, these dividends are automatically re-invested into additional shares of the Corporation.

Ratios and Supplemental Data (December 31):

	2017	2016	2015	2014	2013
Net assets	$183,226,117	$191,904,019	$169,536,542	$138,301,639	$123,080,458
Number of shares outstanding	6,141,401	6,396,798	5,651,215	4,610,052	4,102,680
Management expense ratio	2.55%	2.67%	2.93%	3.02%	2.89%
Management expense ratio before waivers or absorptions	2.55%	2.67%	2.93%	3.02%	2.89%
Portfolio turnover rate	46.88%	39.61%	47.90%	47.29%	48.85%
Trading expense ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per share	$29.84	$30.00	$30.00	$30.00	$30.00

Notes:

(1) The management expense ratio is based on total expenses (excluding realized and unrealized losses) for the stated period and is expressed as an annualized percentage of daily average net assets during the period. The management expense ratio is calculated by dividing the total expenses for the stated period by the Corporation's daily average net assets during such period.

(2) The Corporation's portfolio turnover rate indicates how actively the Corporation's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Corporation buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. For the Corporation, the portfolio turnover rate is based on the dollar value of the Corporation's mortgages. In the case of the Corporation, because it does not incur any trading expenses, the portfolio turnover rate bears no relationship with the level of trading expenses.

(3) The trading expenses ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Administration and management fees

Pillar Financial Services Inc. ("Pillar") is the administrator and W.A. Robinson Asset Management Ltd. ("W.A.") is the manager for the Company. The Company signed new contracts for these services in 2008 under which Pillar and W.A. each charge an annual fee of 1% of the total asset value calculated on a monthly basis.

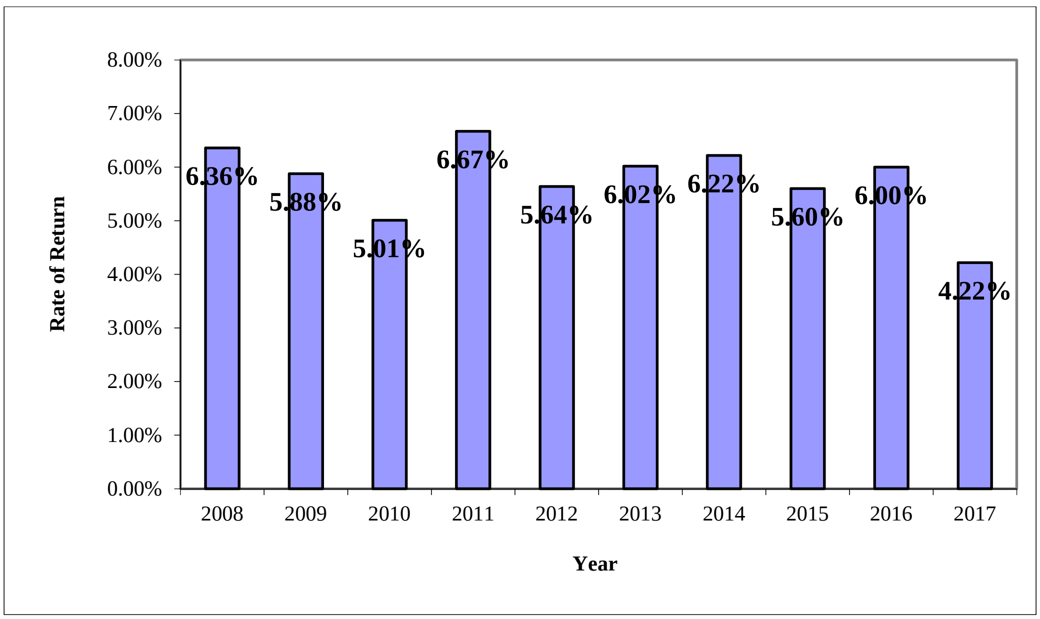
Administration and management fees paid under these agreements totaled $4,229,612 for the year ended December 31, 2017 (year ended December 31, 2016 - $4,121,390) including applicable sales taxes. The increase in the dollar value of the administration and management fees from 2015 is a reflection of the year-over-year increase in the total assets of the Corporation.

PAST PERFORMANCE

This section presents information on the Corporation's past performance. Although past performance can help you understand the risks of investing in the Corporation, it is not indicative of future performance. The returns listed in this section include reinvested distributions (which increase returns over time) but do not take into account any income taxes that might reduce returns. The Corporation's returns are reported after accounting for fees and expenses which lower the overall Corporation returns.

Year-by-Year Returns

The bar chart below shows the Corporation's annual performance for each of the past ten years and illustrates how the Corporation's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown as at the last day of each financial year assuming monthly dividends were re-invested under the Corporation's dividend re-investment plan.



Annual Compound Returns

The following table presents the Corporation's annual compound return for each share:

One year	4.22%
Three year	5.27%
Five year	5.62%
Ten year	5.75%

Summary of Investment Portfolio

Asset	Market Value $	% of Net Assets
Mortgage investments	189,980,578	103.67%
Bank credit line and indebtedness	(16,659,627)	(9.05%)
Net accrued receivables/(payables)	9,905,166	5.38%
Total net assets	183,226,117	100.00%

The following investments represent the Corporation's twenty-five largest holdings as at December 31, 2017:

TOP 25 HOLDINGS	Province	Outstanding Principal	Loan to Value (1)	Term (months)	Interest Rate	Position	% of NAV
Rural Ontario multi-residential waterfront development	ON	13,271,049	83%	24	4.85%	1st	7.24%
Ottawa area multi-residential development	ON	12,514,073	78%	24	8.00%	1st	6.83%
Rural Ontario multi-residential development	ON	12,050,590	65%	12	11.50%	1st	6.58%
Rural Ontario multi-residential development	ON	4,308,874	51%	25	9.99%	1st	2.35%
Rural Ontario multi-residential development	ON	3,470,210	62%	12	10.50%	1st	1.89%
Ottawa area multi-residential	ON	1,413,608	88%	12	4.99%	1st	0.77%
Toronto area residential	ON	1,691,496	44%	13	6.99%	1st	0.92%
Schomberg & Aurura area residential	ON	1,595,881	62%	13	6.99%	1st	0.87%
Kemptville Area commercial vacant land	ON	1,593,239	29%	13	9.00%	1st	0.87%
Ottawa area residential & vacant land	ON	1,591,538	42%	25	10.99%	1st	0.87%
Ottawa downtown residential triplex	ON	1,565,675	75%	25	7.99%	1st	0.85%
Ottawa residential duplex construction	ON	1,329,004	80%	28	9.99%	1st	0.73%
Rural Ontario multi-residential waterfront development	ON	1,295,994	80%	23	5.00%	1st	0.71%
Pontypool area single residential construction	ON	1,221,150	68%	12	9.99%	1st	0.67%
Ontario rural residential & tourist commercial	ON	1,140,032	65%	13	8.99%	1st	0.62%
Ottawa area multi-residential development	ON	1,091,662	50%	13	9.99%	1st	0.60%
Barrie area industrial	ON	989,217	60%	48	10.00%	1st	0.54%
Ottawa area 8 unit rental construction	ON	943,277	70%	13	9.99%	1st	0.51%
Ottawa area vacant land	ON	897,677	51%	13	7.99%	1st	0.49%
Buckhorn ON single residential waterfront	ON	854,000	70%	12	12.00%	1st	0.47%
Ottawa area 4 unit residential construction	ON	830,890	64%	12	9.99%	1st	0.45%
Cumberland area single residential construction	ON	800,000	80%	12	8.99%	1st	0.44%
Rural Ontario multi-residential development	ON	797,173	54%	24	9.00%	1st	0.44%
Ottawa area single residential construction	ON	785,281	80%	22	7.49%	1st	0.43%
Construction financing of 2 semis in Ottawa	ON	775,000	64%	12	9.99%	1st	0.42%

(1) For fully completed properties, loan-to-value determined based on appraisal done by arm's length third party at time of funding. For construction properties, loan-to-value based on appraised of final value by arm's length third party adjusted for percentage of completion.

PORTFOLIO ALLOCATIONS			(based on outstanding principal balances)

BY TYPE		**BY REGION**	
Residential	47.6%	Ontario	99.9%
Residential construction	16.7%	Quebec	0.1%
Residential developments	26.0%		
Commercial	2.9%		
Vacant land	6.8%		
	100.0%		100.0%

BY INTEREST RATE		**BY MATURITY**	
6.49% or lower	5.7%	One year or less	86.3%
6.50% to 7.49%	4.8%	1.1 to 2 years	13.6%
7.50% to 8.49%	21.5%	2.1 to 3 years	0.1%
8.50% to 9.49%	23.3%	3.1 to 5 years	0.0%
9.50% to 10.49%	29.9%	more than 5 years	0.0%
10.50% to 11.49%	4.7%		
11.50% to 12.49%	10.1%		
	100.0%		100.0%

BY MORTGAGE POSITION	
First mortgages	99.8%
Other	0.2%
	100.0%

The actual holdings will change following this date due to on-going portfolio transactions in the Corporation. A quarterly portfolio update may be obtained by contacting the Corporate Secretary by telephone toll-free at (877) 279-2116 or by mail at Frontenac Mortgage Investment Corporation, The Simonett Building, 14216 Road 38, Sharbot Lake, Ontario, K0H 2P0.