

# A Fixed Income Solution

## From the Desk of the CEO

With investors balking at volatility, while at the same time looking for higher yield, it is time to look at mortgage-based funds as a low-risk investment that provides the return traditional fixed-income products cannot. They are an overlooked but important asset class for a well-balanced portfolio. Our fund was designed specifically to meet that need of our portfolio clients.

Frontenac is a well-diversified mortgage pool that is professionally managed by our team of experts, with the mandate to provide capital preservation with a reasonable return. Those who invest in Frontenac gain access to a pool of well diversified mortgages, primarily first charge position, without leverage, in the stable residential real estate market of Ontario. Our strategy for the fund consists of lending short-term mortgages and providing intelligent lending solutions to borrowers who do not qualify for traditional bank financing.

Our purpose is to service this space and to find good quality mortgages that provide a return for our investors matching the Schedule A Bank 5 -Year GIC + 3% in the current environment. This fund provides a secure income-producing vehicle that is well-diversified with real asset security. Returns are not directly correlated to interest rate or equity volatility.

Frontenac Mortgage Investment Corporation has been designed for the conservative investor that understands the value of holding an income-producing vehicle for the long term. Our management team are real estate and credit experts with an outstanding track record of over 30 consecutive years of positive returns. We gained our reputation over this time by gaining the trust of our clients through competency, consistency and taking care in what we do.

-Matthew Robinson

## Investment Objective

**Target Return: Schedule A Bank 5-Year GIC + 3%.**

To provide investors access to the Canadian alternative mortgage market as a wellmanaged and conservative fund.

## Fund Description

Manager: W.A. Robinson Asset Management Ltd.  
Type: Mortgage Investment Corporation  
Initial Public Offering: 2005  
FundSERV Code: WAR 110/111 (F Class)  
Liquidity: Annual Redemption at NAV - Nov 30  
Minimum Investment: \$5,000

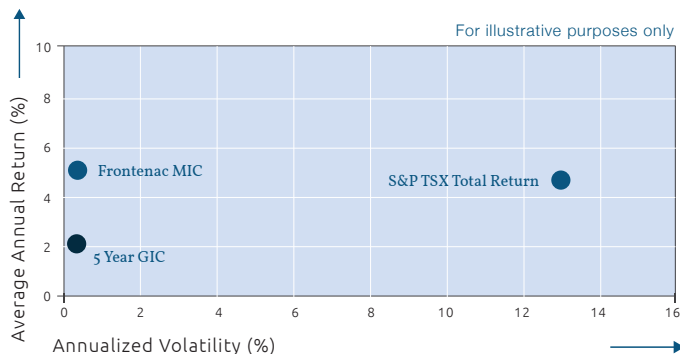
## Fund Performance

<b>5.76%</b>	<b>5.27%</b>	<b>5.62%</b>	<b>5.76%</b>
Year to Date	3 year	5 year	10 year

## Portfolio Information – As of June 30, 2018

Net Assets: \$198,897,000  
NAV Purchase Value: \$29.85  
First Mortgages: 99.80%  
Avg. Loan Size: \$300,000  
Number of Mortgages: 708

## Risk vs. Reward: Comparing Frontenac with the Benchmarks

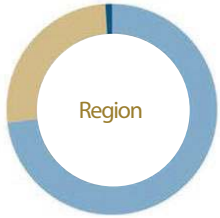


## Calendar Year Rates of Return

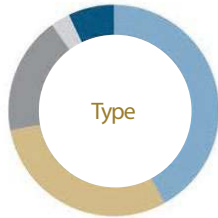
2017	2016	2015	2014
4.22%	6.00%	5.60%	6.27%
2013	2012	2011	2010
6.02%	5.64%	6.67%	5.01%
2009	2008	2007	2006
5.88%	6.25%	7.20%	5.78%
2005	2004	2003	2002
5.70%	6.30%	7.60%	6.50%

Note: Returns prior to 2005 are from predecessor funds. Returns are based on dividends being reinvested under company dividend reinvestment plan. YTD Annualized Return unaudited.

Portfolio Summary – As of June 30, 2018



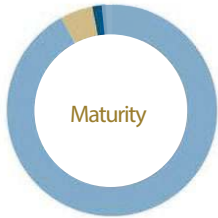
■ Eastern Ontario - 74.5%  
■ Other Ontario - 25.4%  
■ Quebec - 0.1%



■ Residential - 49.8%  
■ Residential Developments - 21.6%  
■ Residential Construction - 20.1%  
■ Commercial - 2.2%  
■ Vacant Land - 6.3%



■ 6.49% or lower - 5.2%  
■ 6.5% to 7.49% - 2.9%  
■ 7.5% to 8.49% - 18.5%  
■ 8.5% to 9.49% - 28.2%  
■ 9.5% to 10.49% - 30.8%  
■ 10.5% to 11.49% - 6.3%  
■ 11.5% to 12.49% - 8.1%



■ 1 year or less - 92.8%  
■ 1.1 to 2 years - 6.7%  
■ 2.1 to 3 years - 0.5%

Read a Fund's prospectus before investing. Pooled funds are not guaranteed, their values change frequently and past performance may not be repeated; investors may experience a gain or loss. Indicated returns are net of management fee, which is 1.0% plus expenses, and net of mortgage administration fee of 1.0%. Investors will pay management fees and operating expenses.

Frontenac is a unique product in the MIC space

- Sold on prospectus in BC, AB, SK, MB, ON, NS, NB, NL
- Sold by OM elsewhere in Canada
- Traded on FundServ – not traded on TSX
- Primarily residential first mortgages in Ontario (primarily Eastern Ontario)
- No leveraging (line of credit is used for cash management purposes only)
- Raise capital through advisors across Canada
- 30+ consecutive years of positive returns

How it fits into a portfolio

- Compliments traditional fixed income such as Bonds & GICs
- Investments secured by Canadian Real Estate
- Choice of DRIP or cash for monthly distributions
- Interest bearing Investment for RRSPs, RRIFs, TSFAs
- Consistent monthly income (cash option) for fixed income individuals

Partners



Auditor



Legal



Registrar



Custodian



Leadership of the Fund

Matthew Robinson, B.Sc., CIM, holds the Advising Representative designation with the Ontario Securities Commission. Matthew is an expert on real estate in Ontario obtaining both his Real Estate Broker licence and his Mortgage Broker designation. As Portfolio Manager and CEO of W.A. Robinson Asset Management Ltd. and Pillar Financial Services Inc., Matthew provides vision and leadership to his team to care for the operations of Frontenac Mortgage Investment Corporation.

For more information, contact

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