



Suite 1800
555 - 4th Avenue S.W.
Calgary, AB T2P 3E7

Tel: (403) 648-3613
Fax: (403) 262-9520
www.carecanacorp.com

January 29, 2019

Dear Shareholder

Carecana™ Management Corp. ("Carecana") is pleased to provide you with the following update regarding your investment in **CareVest Senior Mortgage Investment Corporation** (the "MIC"):

2018 Overview

Portfolio activities for 2018 include: (Figures as at December 31, 2018)

- Closed sales of \$16.5 million of non-performing assets
- Continued to fund retraction requests, in accordance with the terms of the MIC's shares, resulting in \$11.8 million being paid out during 2018, and over \$111 million since 2013

Examples of 2018 recovery efforts include:

British Columbia

- Closed sales on the final 5 units from a 98 unit condominium project
- Closed sale of 1 parcel of raw land in January 2018
- Closed sale of 1 parcel of raw land in December 2018

Alberta

- Closed sales of 2 single family lots out of 6 remaining in a country residential development
- Closed sales of 3 single family lots (total to date 10) out of 96 serviced lots on a 44 acre site
- Closed sale of 1 parcel of raw land in June 2018

Following on the success of certain realizations in 2018, Carecana's management will continue to pursue opportunities to convert remaining non-performing assets within the MIC's portfolio at strong net realizable value to the MIC.

The recovery of each default loan and inventory position is complex, and is subject to market uncertainty. For these reasons, and any other unforeseeable factors, the process takes time and Carecana appreciates your patience.

2018 Net Asset Value Per Share

After applying International Financial Reporting Standards (IFRS) at each reporting date the Net Asset Value per Class A Share of the MIC at December 31, 2018 has decreased by \$0.01 to \$8.35.

2019 Retraction Notice Period

Shareholders wishing to submit a retraction request for all or a portion of their Class A shares may do so by submitting retraction forms during the next available retraction notice period scheduled for February 10 to 15, 2019.

If you made a request in 2018, you will need to submit a new request in 2019.

The 2019 retraction forms are available online at Carecana's website under the '[Shareholder Administration](#)' section. Instructions for completing and submitting the forms are included. The MIC is not able to accept or act on a retraction request received outside of the MIC's retraction notice period so please make sure you submit the form to Carecana between **February 10 to 15, 2019**.

The MIC's shareholder approved monthly and annual retraction limits allow the MIC to avoid the need to liquidate longer term assets in the short term at potentially reduced prices. This approach permits the MIC to maximize the recovery on default mortgages and inventory assets and continue operations for the benefit of shareholders as a whole.

Electronic Document Delivery

Electronic document delivery of MIC monthly Investor Statements has been in effect for almost three years. For investors who have still not opted for this service, your **annual** MIC Investor Statement will be sent by mail. Annual statements will cover the period from May 1, 2018 to April 30, 2019.

For MIC investors who are interested in electronic document delivery but have yet to sign up, please refer to the Carecana E-Delivery Consent form located on Carecana's website at (www.carecanacorp.com) under the MIC's '[Shareholder Administration](#)' section. If you have any questions related to signing up for this service, please contact Carecana Investor Relations by phone at 1-855-278-3611 or email investor@carecanacorp.com.

Future Updates

Carecana's website (www.carecanacorp.com) continues to be the primary source for MIC shareholder news and updates. As always, shareholders wishing to be notified of updates may subscribe to Carecana's "E-mail Notification List" through the website which supplies broadcasts when certain updates to the website are made. Carecana encourage shareholders to subscribe to the list to receive timely delivery of these notices.

Yours truly,

Carecana Management Corp.
Roy Goddard, President