



March 18, 2014

Dear Shareholder,

Retractions

During the February 2014 retraction notice period, CareVest Senior Mortgage Investment Corporation (the "MIC") received valid retraction requests that are sufficient to fill the MIC retraction limits for 2014. As the number of shares tendered for retraction exceeds the monthly limit, the MIC will retract such shares tendered for retraction on a pro rata basis.

In accordance with the Class A Share terms, there are 10 monthly retraction dates in 2014, on the last business day of each month except December and January. The first retraction date is February 28, 2014 and the first retraction payment will be sent on March 31, 2014. On the February 28, 2014 retraction date the MIC retracted approximately 1.7% of each valid request.

As the calculation of the retraction limitation is 1% of the average number of shares outstanding for the 90-days immediately preceding a given retraction date, the pro rata amount may change on future retraction dates. The valid retraction requests received represent approximately 58% of the Class A Shares outstanding at February 28, 2014. The retraction price will be the NAV per Class A Share on the relevant retraction date, and therefore the amount of the retraction payments can vary. As in the past, registered shareholders will receive a retraction confirmation along with the retraction payments detailing the amounts. The retraction will also be reflected in your monthly statements.

As the 2014 retraction limits have been filled, **no further retraction notices will be accepted for retraction by the MIC for the balance of 2014.** The next scheduled opportunity to submit a retraction request for holders of Class A Shares of the MIC will be in February 2015. Retraction notices for shares which are not retracted during 2014 may be submitted at that time.

The monthly retraction limitations, which are in line with limitations implemented by many other industry members, are designed to allow the MIC to continue operations for the benefit of shareholders as a whole. In particular they prevent the need to liquidate longer term mortgage assets at potentially reduced prices to meet short term retraction requests beyond certain levels, as such an imbalance is not in the economic interests of shareholders as a whole. The limitations are working as contemplated and will allow operations of the MIC to continue to function for the benefit of all shareholders.

Shareholders who included an e-mail address on their request form will be notified directly of these results.

Yours truly,

Carecana Management Corp.