

FREQUENTLY ASKED QUESTIONS

- 1) How long has Fisgard been in business? What is the fund size and number of investors?

Fisgard Capital was incorporated in 1994 to take advantage of the RSP, pooling and tax saving features of the 'Mortgage Investment Corporation' (MIC). The company is a natural evolution of years of mortgage business dating back to 1967. As of April 3, 2008 there are 3,009 investors having invested a total of \$187,127,299.

- 2) Is Fisgard an Income Trust? How am I taxed?

Fisgard is not an Income Trust. The company flows 100% of its net income to its investors, and is not taxed. The higher return to investors is reflected accordingly. For income tax purposes the returns that our investors receive are taxed as interest, not as dividends.

- 3) How do I transfer my RRSP, RESP or other Registered Plan to Fisgard? Can I contribute monthly?

We handle the transfer for you. Simply provide the name of your plan holder and plan number. You can make monthly contributions by pre-authorized payments or automatic bank withdrawal.

- 4) How do I receive my dividends? Can I obtain my account information online?

Most Fisgard investors receive dividends by Electronic Funds Transfer; others by mail. Investors can use our password-protected online service to access their investment accounts 365 days a year.

- 5) Is my money locked in? What happens if I die and my spouse needs the money?

Fisgard has 1-year and 5-year fixed term investments that can be redeemed only at maturity. Most people choose the 5-year investment as it pays 2% more than the 1-year and is secured by the same portfolio of mortgages; and most re-invest dividends to compound the growth of their investment. Many place money in 5-year and 1-year, re-investing some dividends and taking the rest in cash. Investors change from cash dividends to re-invested dividends and vice-versa any time they want. You can change your dividend election by telephone, it's that easy. Fisgard's *Compassionate Early Redemption* allows a surviving spouse to have the investment redeemed earlier than the maturity date.

- 6) Are investors notified of when their investment is due?

Yes. With each Quarterly Dividend Statement investors are notified of investments that mature the following quarter. See page 7 for a sample Quarterly Dividend Statement.

- 7) Is the investment guaranteed?

No. Our underlying security is the Canadian real estate property against which we have mortgage charges plus the personal guarantees of the owners of the property.

- 8) Have Fisgard investors lost money?

Fisgard investors have never lost money; and we have always exceeded our net cash dividend objective of 8% to 10%. We have produced an average yearly net cash dividend of 11.7% since 1995.

9) What types of mortgages does Fisgard invest in? And where does Fisgard invest?

Our mortgages are secured by real estate property, primarily residential property in BC and Alberta, arguably the most secure real estate in North America. We prefer small mortgages, and we invest in locations that demonstrate growth and economic stability. We invest only in Canada.

Fisgard bases its mortgage investments on the value of the property in relation to the mortgage amount and credit-worthiness of the borrower. We invest in 1st and 2nd mortgages provided the property and the borrower meet the strict equity and financial strength criteria we insist on. As of April 3, 2008 Fisgard's mortgage portfolio is \$213 Million, with 85% in 1st mortgages and 15% in 2nd mortgages.

10) Is my money invested in a specific mortgage or diversified throughout the portfolio?

Your investment is secured by Fisgard's entire mortgage portfolio (302 mortgages as of April 3, 2008, secured by over 600 real estate titles). Many of our mortgages are secured by more than one property, an investment property *plus* the borrower's home for instance.

11) How does Fisgard find mortgage borrowers?

We have been in the mortgage business for a long time and we are well known and respected among brokers, home buyers, builders, renovators and developers who require mortgage money. We offer competitive rates and we have a reputation for fairness, reliability and quality service, so we are presented with good mortgage opportunities. It takes a long time to build a good solid reputation. We've been providing quality service for forty years. We are lenders, not brokers - a very important distinction.

12) Does Fisgard have a succession plan?

Yes. An important feature of Fisgard's business plan is succession planning. Fisgard has the advantage of being a debt-free family company that has been in business for a long time, and will be in business for many years to come. The company has a strict policy of being 3-deep at all company positions, including directors and administration. There is no company position that cannot be filled by at least three Fisgard staff at any time. This is good insurance for our investors and mortgage borrowers.

13) How are Fisgard employees paid?

Fisgard employees and managers are paid by wage or salary; we are not paid by commission or a percentage of profit.

14) When Fisgard quotes a dividend return, what deductions are made from this figure?

When Fisgard quotes rates of return, the rates of return are absolute NET returns after all costs have been deducted. What you see is what you get.

15) Does Fisgard charge mortgage brokerage fees to its borrowers?

Fisgard Capital does not charge brokerage fees. Fisgard's manager is paid to manage the mortgage portfolio, and is not paid by borrowers to arrange mortgage money from Fisgard Capital for them. Fisgard Capital lends its own money, and does not broker mortgages for a fee.