



January 15, 2015

Dear Shareholder:

Please find below important information regarding your investment in **Canadian Horizons First MIC Fund Inc.** (the "MIC"):

**Allowance for Mortgage Impairment**

As part of the MIC's ongoing investment review process, they have recently completed an assessment of the mortgage portfolio. The review includes an evaluation of the assets underlying mortgages to estimate the recoverable amount of principal and interest from each investment. The analysis incorporates numerous pieces of information including, but not limited to, the local and general economic conditions, the property itself, the type of development or potential development, neighbouring projects, appraisals (where applicable), and any other data which would help to determine the ability to receive full repayment.

As a result of this review, the MIC, where necessary, has taken allowances based on the estimated recoverable amounts on impaired mortgages. This has resulted in a reduction in the Redemption Price of the MIC. The Redemption Price of the MIC at December 31, 2014 is therefore \$0.95 per Series A1 share, \$0.95 per Series B1 share, and \$0.95 per Series F1 share.

While no one is happy with the need for these allowances, we believe it is a necessity that reflects the realities of these mortgage positions in the current marketplace.

Recovery on distressed loans continues to be a priority, and we are making progress on several fronts. As has always been the case, there are no guarantees as to the amount received or the timing of the process.

**Carecana - Investor Relations**

Please direct all inquiries and administrative requirements, to Carecana Investor Relations at:

**Carecana Investor Relations**

Toll Free: 1-855-278-3611

Email: [investor@carecanacorp.com](mailto:investor@carecanacorp.com)

We have created an e-mail distribution list that notifies investors of new developments or additions to the Carecana website. If you have not already done so, please complete the form available on the Carecana website. It can be reached from Carecana's homepage or by clicking on the follow link: [Carecana E-mail Notification List](#).

Please continue to visit Carecana's website for information regarding the CareVest and Canadian Horizons funds – [www.carecanacorp.com](http://www.carecanacorp.com).

Yours truly,

**Carecana Management Corp.**  
**Manager of the MIC**