

FAQs

How do I invest in First Circle Mortgage Investment Corporation (FC MIC)?

- Because the steps differ depending on the details of each investment, please contact us at (604) 986 - 3200, invest@firstcircle.ca, or via the contact information below.
- Our staff will be available throughout the investment process to provide any additional information required.

What returns can I expect?

- While historical returns are not indicative of future returns, First Circle Financial has generated compounded investor returns of 9.5% since it was established in 1991.

How does investing with FC MIC differ from traditional investing?

- FC MIC represents an alternative to traditional equity and fixed income investments. As such, investing with FC MIC may provide diversification to your portfolio.
- FC MIC shares are an exempt market investment product, meaning that the shares are not publicly traded.

Can I invest in a registered plan or through my company?

- Yes, we offer RRSP, TFSA, LIFRA, RRIF, and LIF
- You can also hold shares inside your company

How much capital do I need to start investing

- The minimum initial investment is \$25,000.

What does it cost to invest?

- There is no cost to invest directly.
- Investing via a registered account (e.g. RRSP, TFSA) involves setting up a self-directed registered account. A nominal annual administration fee applies to these accounts to cover costs.

How often do investors receive information about their investments?

- We distribute investment statements quarterly.
- We also send newsletters outlining our performance quarterly. These emails link to our most recent financial results.

Where can I find more information?

- Our Offering Memorandum ([LINK](#)) provides a comprehensive overview of our investment product.
- Our investor page ([LINK](#)) provides an overview of our investment product and links to additional information.
- Additional information is available upon request and we are happy to answer any questions you may have. Please contact us at invest@firstcircle.ca.

How often will I receive dividends?

- We pay monthly dividend “instalments” and quarterly dividend “top-ups.” (Note that registered plan (e.g. RRSP) holders who have selected cash dividends will receive cash quarterly.)
- All of FC MIC’s profits are distributed to investors each quarter.

How will my dividends be taxed?

- FC MIC’s dividends are taxed as interest income in the hands of investors.

Can I redeem my shares?

- Yes. However, the timing of redemptions is subject to FC MIC’s liquidity needs and approval by management or the Board of Directors.

- Redemptions within the first three years are subject to fees of 2.0%, 1.0%, and 0.5%, respectively.
- A \$250 administration fee applies to all redemptions.
- We aim to complete redemptions within a week on a best efforts basis.

How is First Circle Financial compensated for managing FC MIC?

- First Circle Financial administers FC MIC's mortgage portfolio and bears the costs of administering the mortgages in FC MIC's portfolio, such as salaries, rent, advertising, technology costs, and so on.
- As consideration for these services, First Circle Financial receives a management fee equal to 1.5% of FC MIC's invested assets as well as mortgage administration fees charged to borrowers.
- All FC MIC returns are published net of management fees.

How long has First Circle been managing MICs?

- Since 1991.

What is a mortgage investment corporation (MIC)?

- MICs were created in the 1970s to provide an alternative source of mortgage financing and diversify the mortgage market.
- MICs pool investor capital to fund a portfolio of mortgages and distribute all profits to investors
- MICs are governed by specific regulations outlined in the Income Tax Act (ITA) of Canada and are not subject to corporate tax under the ITA (subject to meeting relevant criteria)

What types of mortgages does the FC MIC invest in?

- FC MIC is primarily focused on residential mortgages located in southwestern BC. We also offer commercial, construction and land mortgages.
- Portfolio details can be found on our investor page.

Who does FC MIC lend to?

- FC MIC typically lends to borrowers who are unable to qualify for conventional financing (but have sufficient equity in the subject property and a reasonable exit strategy), want a very quick funding turnaround, or want short-term flexible financing. For example, many of our borrowers have large downpayments and high net worth but are self-employed without sufficient T4 income to qualify with a bank. Similarly, our borrowers often use us as a stepping stone towards qualifying for a conventional mortgage.