



For Immediate Release

FIRST NATIONAL ANNOUNCES TERMINATION OF THE FIRST NATIONAL MORTGAGE INVESTMENT FUND

Toronto, Ontario, November 15, 2017 – Stone Asset Management Limited (the “Manager”), the manager of First National Mortgage Investment Fund (the “Fund”) (TSX: FNM.UN), in consultation with the Fund’s promoter and mortgage advisor, First National Financial LP, has determined, in accordance with the terms of the Fund’s declaration of trust, to terminate the Fund on or about December 19, 2017. Unitholders are not required to take any action.

The Fund was initially created to provide unitholders with exposure to an actively managed, diversified portfolio (the “Portfolio”) of mortgages. The Fund obtains exposure to the Portfolio through the use of a forward purchase and sale agreement (the “Forward Agreement”) which is to expire pursuant to its terms on December 19, 2017 (the “Forward Termination Date”).

Under the transitional provisions of tax rules enacted by the Canadian federal government in December 2013, the favourable tax treatment for the Forward Agreement will expire no later than the Forward Termination Date. Following the Forward Termination Date, it will no longer be possible for the Fund to provide its unitholders with exposure to the Portfolio on the originally intended tax-advantaged basis. The Forward Agreement is integral to the structure of the Fund and its investment objectives.

As a result of the upcoming Forward Termination Date, loss of the intended favourable tax treatment and reduction in the size of the Fund’s assets as a result of redemptions over the past number of years, the Manager has determined to terminate the Fund on or about

the Forward Termination Date. Pursuant to the terms of the Fund's declaration of trust, the Manager, as trustee of the Fund, has the right to terminate the Fund without unitholder approval in circumstances in which continued operation is no longer economically practical.

As part of the termination, First National Financial LP has agreed in principle to purchase the portfolio of mortgages held by FN Mortgage Investment Trust (the "Trust") prior to the Forward Termination Date at fair market value, allowing the Trust to liquidate the Portfolio and to allow the Fund to distribute cash to the unitholders of the Fund on its termination. The Fund's independent review committee assessed the transactions and provided a recommendation that, in the committee's opinion after reasonable inquiry, the proposed transactions achieve a fair and reasonable result for the Trust, the Fund and its unitholders.

Unitholder Distributions

Prior to the termination of the Fund, the Fund will pay to its unitholders a special distribution in an amount necessary to eliminate the Fund's liability for non-refundable income tax under Part I of the *Income Tax Act* (Canada), if any. The distribution will be paid in units which will be automatically consolidated immediately after the distribution. Thereafter, after paying, or providing for, all liabilities and obligations of the Fund, all Fund property, being cash, will be distributed to the unitholders of the Fund on a pro rata basis. Following such distribution, the Fund will terminate.

The Fund intends to distribute one final monthly cash distribution in the amount of \$.05 per unit on or about December 15 to unitholders of record November 30, 2017 for the period from November 1 to November 30.

The Manager will apply to delist the units of the Fund from the Toronto Stock Exchange. It is expected that the units will be delisted at the close of trading on or about December 15, 2017.

Following the settlement of the Forward Agreement, the Manager will also terminate FN Mortgage Investment Trust.

About First National Mortgage Investment Fund

The Fund was designed to provide unitholders with tax-advantaged monthly distributions by investing in Canadian mortgage loans originated by First National Financial LP. For more information, visit the Fund's website at: www.firstnational.ca/investor-relations/first-national-mortgage-investment-fund.

About First National Financial Corporation

First National Financial Corporation (*TSX: FN, TSX: FN.PR.A, TSX: FN.PR.B*) is the parent company of First National Financial LP, a Canadian-based originator, underwriter and servicer of predominantly prime residential (single-family and multi-unit) and commercial mortgages. With more than \$100 billion in mortgages under administration, First National is Canada's largest non-bank originator and underwriter of mortgages and is among the top three in market share in the mortgage broker distribution channel. For more information, please visit www.firstnational.ca.

About Stone Asset Management Limited

Stone Asset Management Limited ("SAM") manages the Fund. Established in 1999, SAM is an independent, Canadian-owned asset management company that specializes in structuring and managing high quality investment products. Its professionals are well regarded in the Canadian investment community for their disciplined investment process. The Fund's daily unit price can be found at: www.stoneco.com/allproducts/first-national-mortgage-investment-fund/.

Unitholder Information

For further information, unitholders may contact their Financial Advisors or Stone Client Services at 1 800 795 1142 or clientservices@stoneco.com. As noted, unitholders are not required to take any action.

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