

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

First National AlarmCap Income Fund (the "Fund")

2. Date of Material Change

December 3, 2008

3. News Release

The Fund issued a news release on December 3, 2008 through the facilities of Canada Newswire.

4. Summary of Material Change

On December 3, 2008, Mr. Fred Fong was appointed as President and Chief Executive Officer of the Fund.

5. 5.1 Full Description of Material Change

On December 3, 2008, Mr. Fred Fong was appointed as President and Chief Executive Officer of First National AlarmCap GP Inc., the general partner of the operating entity of the Fund. Mr. Fong brings 14 years of direct operating experience in the security alarm business to the Fund, including 10 years as Chief Financial Officer of VoxCom Incorporated ("VoxCom") and 4 years as Executive Vice President (Operations). VoxCom began in the late 1980s and grew to 122,000 residential and commercial subscribers before being purchased by the UE Waterheater Income Fund in 2007. During his tenure with VoxCom, Mr. Fong led the company in building the systems and the management team to support both its organic and external acquisition growth initiatives.

Subsequent to his VoxCom experience, Mr. Fong pursued a successful consulting practice in Canada and the U.S. Recently, he has been engaged by First National AlarmCap Income Fund in a consulting capacity. Mr. Fong is a Chartered Accountant and a graduate of the University of Alberta.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

No information has been omitted.

8. Executive Officer

The name and business number of the representative who is knowledgeable about the contents of this material change and this report is:

Donald H. McPherson
Chairman
First National AlarmCap Income Fund
Tel: (403) 218-6375
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9. Date of Report

December 12, 2008