



Quarterly Report JULY 2015

FISCAL YEAR 2014/2015 IS COMPLETE

AP Capital Mortgage Investment Corporation (initially launched as Alta Pacific) was incorporated in 2007. The fund was officially launched in the summer of 2008 after management finalized the offering documentation for investors and completed the policies and procedures for mortgage lending. The managing partners and their families in BC and Alberta were the fund's initial investors and the first loan advanced was a 1st mortgage for \$45,000 on a residential home in Parkland County, AB (just west of Edmonton). That mortgage, like hundreds since, generated strong returns for shareholders.

Since 2008, AP Capital has grown steadily and now proudly holds more than 750 shareholders and manages approximately \$40 million in investor capital. The fund has advanced nearly 500 mortgages since inception and with sound portfolio management these mortgages have led to steady returns. The close of the eighth fiscal year occurred on June 30th, 2015. The year included adding more than 300 new investor subscriptions and advancing or renewing 228 mortgages. AP Capital has expanded with the addition of new team members and the fund starts its ninth year with 274 mortgages in the current portfolio. Today, AP Capital MIC is an established business with a proud history and promising future. The past year had strong mortgage activity and management expects 2015-2016 to follow a similar path with mortgage lending generating consistent returns to its shareholders. Auditors Meyers Norris Penny LLP will complete their audit process over the next 60-90 days. Upon completion in late September, the fund's return to shareholders will be announced and final distributions made. Management expects that year end returns will exceed the target return to investors of 7%. Diligent mortgage management as well as the sale of the fund's interest in its sole non-mortgage revenue generating asset are both contributors to this year's performance.

FUND OVERVIEW

Type of offering	Mortgage Investment Corporation	Monthly Distribution to Investor	7% p.a. paid monthly
Fund Offering	\$50,000,000.00	Past Performance	2014; 8.15%, 2013; 8.07%
Current Fund Size	\$38,621,200.00	Fund Manager	AP Capital MIC Management Corporation
Remaining Available Investment	\$11,378,800.00	Type of Mortgages	Primarily Residential Mortgages
Credit Facility	\$10,000,000.00 (HSBC)	Average Loan to Value	68.50%
Open for Investment	Yes	Number of Mortgages	274
Share Issue Price	\$100 per Class B Share	Average Mortgage Size	\$130,181.27
Minimum Investment	\$10,000.00		
RRSP/RRIF/TFSA Eligible	Yes		
Redemption Rights	Redeemable on request <small>(redemption fees including deferred service charge may apply)</small>		

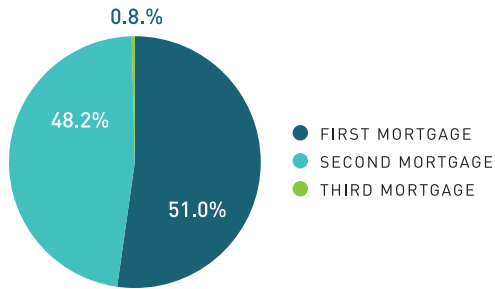
THE TEAM AT AP CAPITAL WISHES ALL A SAFE AND ENJOYABLE SUMMER!

AP Capital's Quarterly Report does not constitute an offer to sell or a solicitation of any investment product, which can only be made by the Offering Memorandum (OM) through an approved Exempt Market Dealer. Each potential investor should read the OM in its entirety and carefully consider the risks and disclosures as set out therein before making an investment decision. Past performance does not guarantee future results.

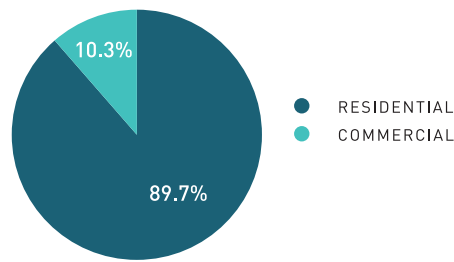


PORTFOLIO DIVERSIFICATION

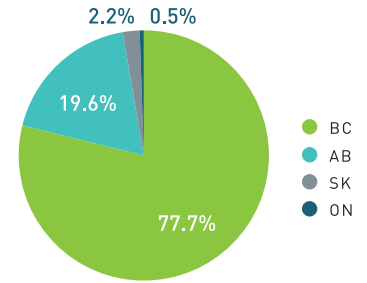
SECURITY RANK



ASSET CLASS



GEOGRAPHIC REGION



RECENT FUNDINGS

Principal	Position	Location	Mortgage Type	Interest Rate
\$615,000.00	First	Vancouver, BC	Residential	7.50%
\$161,500.00	First	Duncan, BC	Residential	9.95%
\$20,000.00	Second	Calgary, AB	Residential	9.95%
\$150,000.00	Second	Burnaby, BC	Residential	10.49%
\$162,500.00	Second	Vancouver, BC	Residential	8.95%
\$152,250.00	Second	Burnaby, BC	Residential	12.00%
\$200,000.00	Second	West Vancouver, BC	Residential	7.95%
\$78,505.00	Second	Red Deer, AB	Residential	9.95%
\$800,000.00	First	Maple Ridge, BC	Residential	9.95%
\$77,000.00	First	Sherwood Park, AB	Residential	7.95%

DISTRIBUTION HISTORY

2011	2012	2013	2014
11.65 %	9.50 %	8.07 %	8.15 %

EXCITING NEWS FOR AP CAPITAL SHAREHOLDERS

Management of AP Capital is excited to announce the launch of its new fund - **AP Capital Real Estate Investment Trust (REIT)**. **AP Capital REIT** operates a fund whereby it purchases and manages commercial real estate that generates revenue from tenant lease payments. The **AP Capital** team is very experienced in both mortgage lending as well as asset acquisition and management. **AP Capital REIT's** annual returns are projected to be similar to that of **AP Capital MIC**; with some added benefits from real estate ownership. We bring the launch of **AP Capital REIT** to the attention of MIC shareholders as each shareholder will be granted units (shares)

in **AP Capital REIT** as a component of their MIC distributions for the fiscal year 2014-2015. This resulted from the sale of **AP Capital MIC's** beneficial interest in a company which sold its asset to **AP Capital REIT**. This asset is a revenue producing office/retail building in the heart of Fort McMurray, AB. The sale of **AP Capital MIC's** beneficial interest resulted in a gain to MIC shareholders leading to a distribution in the form of units in **AP Capital REIT**. Management is excited to announce this transaction and expects MIC shareholders will be pleased with the bonus distribution that makes up the MIC's 2014-2015 total return.

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More information will be provided in future correspondence as the audit is completed and AP Capital MIC's year ending yield is announced.

