



Quarterly Report OCTOBER 2015

Audited year-end return to AP Capital Mortgage Investment Corporation Class B Common Shareholders - 15.28%

AP Capital Mortgage Investment Corporation (AP Capital MIC) announces the audited return for the year ending June 30, 2015 of 15.28% to Class B Common Shareholders. Management of AP Capital is very pleased with the performance of the fund in the fiscal year, which included profitable mortgage activity as well as a one-time capital transaction that significantly bolstered the year's return. The capital transaction resulted from a single mortgage from 2010 on a commercial property in Fort McMurray, AB. Later in 2010, the mortgage evolved into partial preferred ownership of the 50,700 square foot three level multi-tenanted office building. AP Capital MIC is a mortgage lender and management is focused on the fund's mortgage portfolio performance. As a result, the sale of this non-mortgage asset was pursued.

The sale occurred in June 2015 to a non arms-length party – AP Capital Real Estate Investment Trust (AP Capital REIT). AP Capital MIC received its fair market value portion of the sale proceeds and these result in the significant boost in the year's return to AP Capital MIC's Class B Shareholders. AP Capital REIT is an exciting newly formed investment fund by AP Capital that is focused on commercial real estate acquisition and management. The Fort McMurray property is the REIT's first asset and expansion of the fund is ongoing. The fund has a targeted monthly distribution of 7% p.a. to its unitholders.

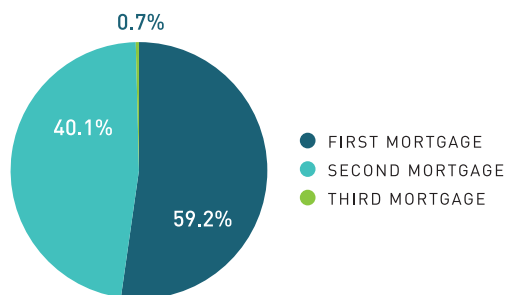
FUND OVERVIEW

Type of offering	Mortgage Investment Corporation	Monthly Distribution to Investor	7% p.a. paid monthly
Fund Offering	\$50,000,000.00	Past Performance	2015; 15.28% 2014; 8.15%, 2013; 8.07%
Current Fund Size	\$36,676,621.00	Fund Manager	AP Capital MIC Management Corporation
Remaining Available Investment	\$13,323,379.00	Type of Mortgages	Primarily Residential Mortgages
Credit Facility	\$10,000,000.00 (HSBC)	Average Loan to Value	67.48%
Open for Investment	Yes	Number of Mortgages	269
Share Issue Price	\$100 per Class B Share	Average Mortgage Size	\$152,190.30
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>		

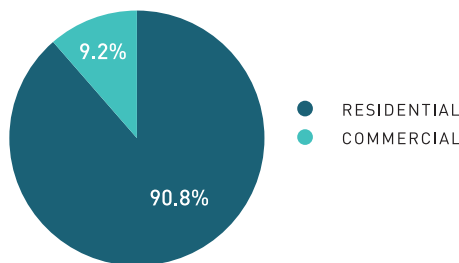


PORTFOLIO DIVERSIFICATION

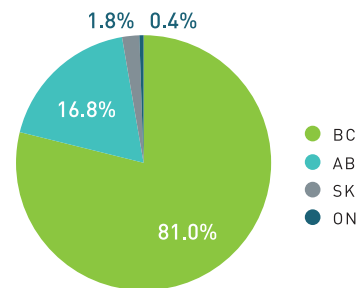
SECURITY RANK



ASSET CLASS



GEOGRAPHIC REGION



RECENT FUNDINGS

Principal	Position	Location	Mortgage Type	Interest Rate
\$91,875.00	First	Abbotsford, BC	Residential	8.50%
\$75,000.00	Second	Surrey, BC	Residential	12.50%
\$82,300.00	Second	Calgary, AB	Residential	9.95%
\$50,000.00	Second	Surrey, BC	Residential	7.95%
\$150,000.00	Second	Vancouver, BC	Residential	7.50%
\$250,000.00	Second	North Vancouver, BC	Residential	9.95%
\$150,000.00	Second	Vancouver, BC	Residential	7.50%
\$145,000.00	Second	Port Moody, BC	Residential	9.45%
\$150,000.00	Second	Surrey, BC	Residential	7.95%
\$225,000.00	Second	Surrey, BC	Residential	8.99%

DISTRIBUTION HISTORY

2011	2012	2013	2014	2015
11.65 %	9.50 %	8.07 %	8.15 %	15.28 %

A LOOK AHEAD

AP Capital management looks to the year ahead with confidence. Mortgage activity in Western Canada is very active and signs show continued strength in the key sector of residential real estate mortgages. AP Capital MIC maintains its funding philosophy of advancing short term (one year) 1st and 2nd mortgages against residential homes in urban communities of British Columbia and Alberta; with a stronger focus on British Columbia. Mortgage concentration remains on single detached residential homes in neighborhoods with comparables. As in past years, loan origination will continue through the mortgage broker community as well as established relationships with major lenders in Canada. Conventional mortgage rates remain at all time lows by major banks and this appears unlikely to change in the near or middle term. AP Capital does not compete in the conventional lending space; however, bank rates have created headwinds in the non-conventional short term mortgage market where AP Capital MIC is active. Nevertheless, management

expects to achieve its target of 7% to investors in the 2015/16 fiscal year. AP Capital welcomed several new team members in 2015 and management is confident in the fund's ongoing operational growth and performance. External stakeholders also play a key role in AP Capital's continuing success and relationships are strong with mortgage brokers, banking partners, share management partner Computer-share, licensed and registered investment dealers, the fund's numerous lawyers, and chartered accountants MNP LLP. As we enter fall and look ahead to the holiday season, AP Capital would like to wish everyone well in the final months of 2015.

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