

MIC Fast Facts

August 2019 in Review:

AP Capital MIC's 114th consecutive monthly distribution of 7% p.a. was made on Monday, September 3. In August, AP Capital MIC's underwriting team advanced 25 mortgages for \$9.25M with a weighted loan-to-value (LTV) of 63.01%. The weighted average interest rate on August mortgages was 9.15%. Mortgage payouts received in the month summed \$5.74 M from 14 mortgages repaid.

Housing market sees summer uptrend in sales:

The introduction of new and increased taxes on housing, as well as more onerous home financing requirements from Canada's big banks, can not seem to sustain the curtailing of demand for BC's Lower Mainland real estate. The area's population continues to rise and with it, the demand for all forms of housing. 2019 started with slow home sales and declining prices across the Lower Mainland. In more recent months, that trend has flattened and many industry participants see market activity returning to more normal levels. Real Estate Board of Greater Vancouver President Ashley Smith stated in the board's August update "Home sales returned to more historically normal levels in July and August compared to what we saw in the first six months of the year."

In the single detached market where AP Capital primarily lends, sales transactions in Greater Vancouver show a 24.5% increase in August 2019 over August 2018. In the Fraser Valley a similar trend appears with an 18% sales transaction increase year over year on detached homes. Benchmark prices on detached homes are down 9.8% year over year in Greater Vancouver (\$1,406,700 avg price) and down 5.4% y/o/y in the Fraser Valley (\$954,100 avg price). These price declines are slowing as month to month benchmark price comparisons are flattening in the detached market across the Lower Mainland.

At AP Capital, we are looking forward to a brisk fall. Our investment in new team members has increased deal flow and we are positioned well for the quarters to come.

Monthly Distributions:

AP Capital MIC's 7% p.a. monthly distribution for August was made on Monday, September 3. Shareholders who elect for

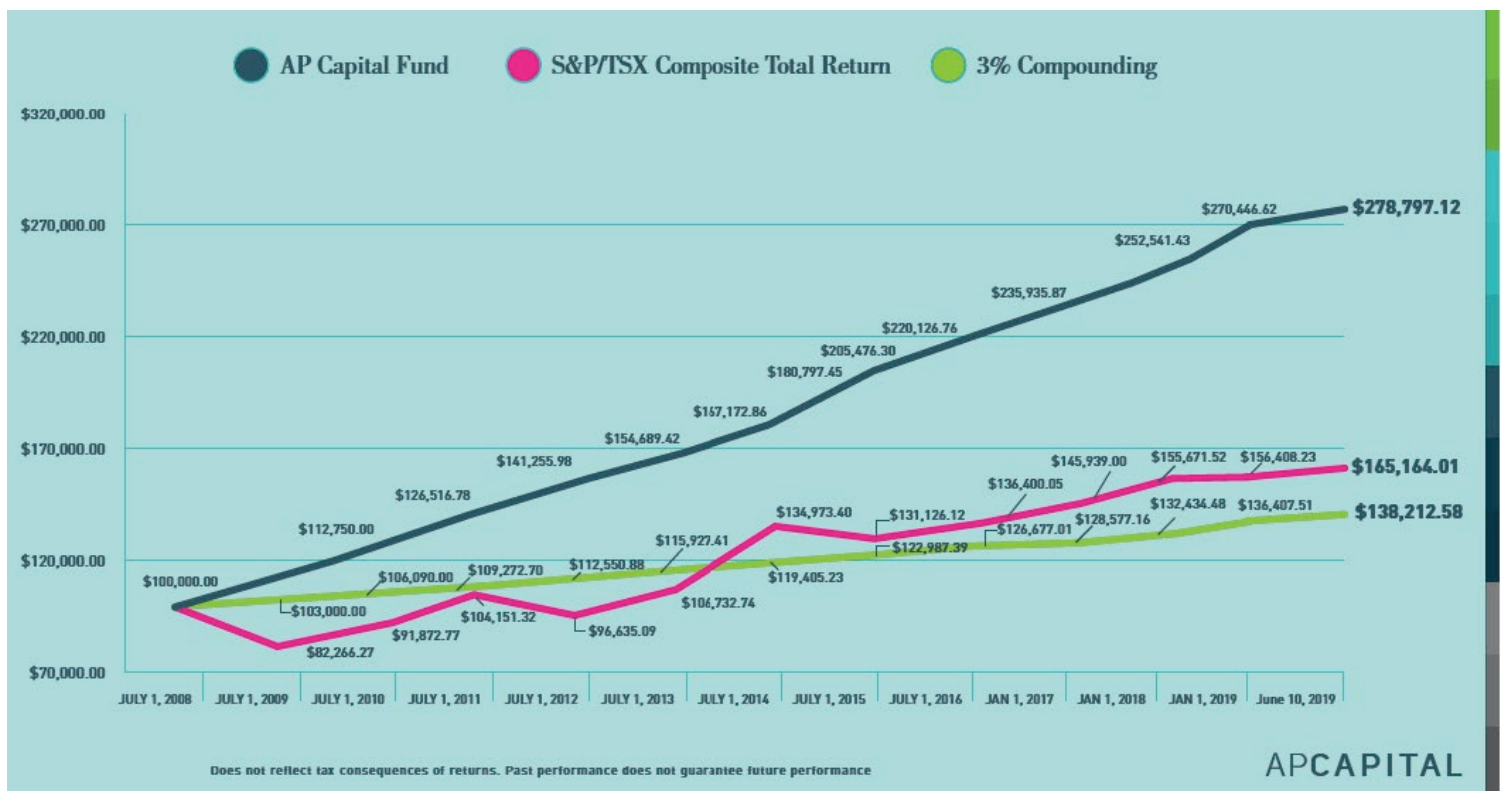
August 31, 2019

Shareholder Capital	\$90.86 MM
Credit Facility	<u>\$28.00 MM</u>
Lendable Funds	\$118.86 MM
Mortgages in portfolio	250
Portfolio Loan to Value (LTV)	58.67%
Mortgage funds in BC	96.44%
Mortgage funds in AB	3.49%
Mortgage funds in ON	0.07%
Mortgage funds in 1st position	69.89%
Mortgage funds in 2nd position	30.11%
Residential Mortgages	100%
Single Detached Homes	83%
Condos	9%
Townhouses/other	8%
Owner Occupied	71.4%
Mortgages in foreclosure	5
% of portfolio in foreclosure	7.41%
Average LTV on foreclosures	65.19%
10-year average return	9.17%
3-year average return	7.10%
2018 return	7.09%
Consecutive months of $\geq 7\%$ distribution	114
Shareholder Accounts	1,211
Shareholders 7% monthly cash	49%
Shareholders share re-investment (DRIP)	51%
Open/cash shareholders	57%
Registered (RRSP, TFSA, etc) shareholders	43%

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monthly cash will see the direct deposit in their bank account, or via cheque. Shareholders electing for DRIP (dividend reinvestment) will have their accounts updated with the newly issued shares. For Open DRIP account holders, go online to Computershare for updated account holdings. RRSP, TFSA or other registered account holders on DRIP, access your trustee account for updated account balances. Note: There is often a significant delay in trustee accounts reflecting up-to-date account balances. Contact AP Capital if you would like a real-time account snapshot.

All distributions and returns noted are "after Management Fees"



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