

MIC Fast Facts

April 2020 in Review:

AP Capital MIC's 122nd consecutive monthly distribution of 7% p.a. was made on Friday, May 1st. In April, the AP's underwriting team advanced 18 mortgages for \$4.3 MM, with a concerted focus on lower risk deals as indicated by the weighted Loan to Value (LTV) of 44.77%. Twelve of the eighteen mortgages are 1st position security. Mortgage payouts received in the month summed \$5.2 MM from 13 mortgages repaid.

Portfolio Management:

The team at AP Capital has continued to function operationally through the last 10 weeks without interruption. While the fund has originated new deals and managed payouts in a similar manner as in prior periods, the primary focus of the team has been on the management of the current portfolio (as noted in the March 31 Fast Facts). Increased internal reporting, coupled with an enhanced focus on managing and communicating with borrowers, has led to some promising results. On a typical month (pre Covid-19), our fund successfully collects over 90% of monthly payments. The balance (~10%) is typically due to end-of-term mortgages that are being paid out and the final payment being added to the principal payout at maturity. Naturally, a small percentage of borrowers are notoriously problematic, and since our inception, we have managed these with rigorous follow up and collections. As we entered the crisis period of Covid-19, we saw an immediate decline in the March 1st collection to 82.5%. This was within our band of comfort but approaching a concerning level. The April 1st payment collection increased to 86.4% after a concerted effort by the team to communicate with borrowers the requirement to make their mortgage payments on time. This strategy further proved successful as May 1st payments reached 92.0% collection. Essentially a return to pre Covid-19 levels. We are encouraged by these results. One might ask, what is the cause of this return to more normal collection rates? The concerted effort by the AP team to focus on the portfolio's performance? The existence of some light at the end of the Covid tunnel giving borrowers confidence in their own financial situation? Or is it the century long trend of Canadians prioritizing their mortgage payments? While likely a combination of factors, the AP team is proud of the payment performance achieved in these last 10 weeks. As we look ahead, we continue to both cautiously lend to borrowers on new deals as well as maintain the continued focus on managing the current portfolio of borrowers and their obligation to pay their mortgage payments. The performance of the fund over the last 10 weeks gives management confidence to maintain the 7% per annum monthly distribution at this time.

April 30, 2020

Shareholder Capital	\$94.23 MM
Credit Facility	\$28.00 MM
Lendable Funds	\$122.23 MM
Mortgages in portfolio	273
Portfolio Loan to Value (LTV)	57.38%
Mortgage funds in BC	89.61%
Mortgage funds in AB	10.31%
Mortgage funds in ON	0.07%
Mortgage funds in 1st position	70.89%
Mortgage funds in 2nd position	29.11%
Residential Mortgages	97.71%
Detached Properties	76.87%
Condos	10.40%
Townhouses/other	4.10%
Owner Occupied	65.12%
Mortgages in foreclosure	11
% of portfolio in foreclosure	8.25%
Average LTV on foreclosures	64.63%
10-year average return	8.66%
3-year average return	7.09%
2019 return	7.15%
Consecutive months of ≥7% distribution	122
Shareholder Accounts	1,285
Shareholders 7% monthly cash	51%
Shareholders share re-investment (DRIP)	49%
Open/cash shareholders	56%
Registered (RRSP, TFSA, etc) shareholders	44%

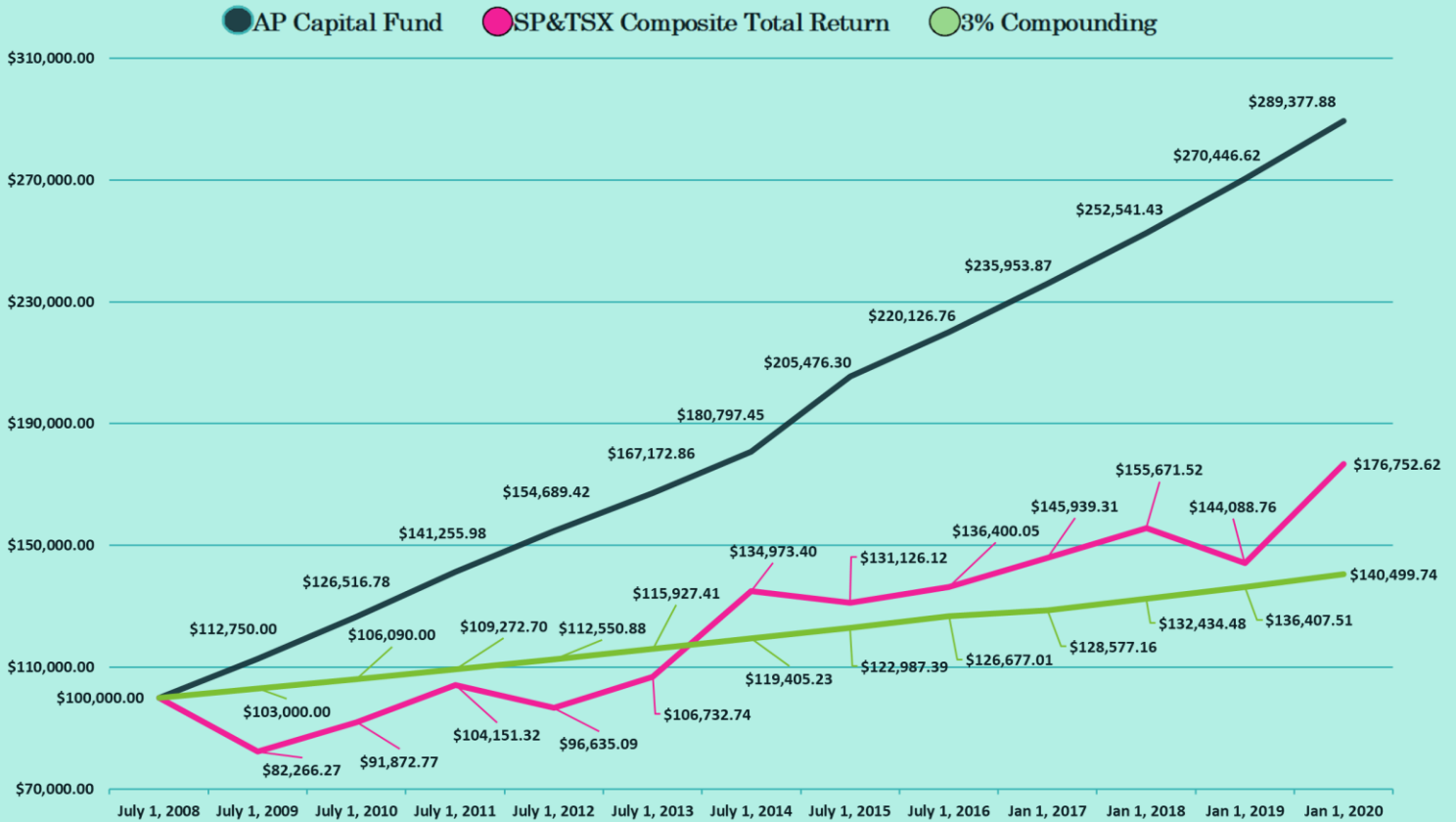


MIC Fast Facts

Monthly Distributions:

AP Capital MIC's 7% p.a. monthly distribution for April was made on Friday, May 1st. Shareholders who elect for 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.

MIC Fast Facts



Does not reflect tax consequences of returns. Past performance does not guarantee future performance

DISCLAIMER:

THESE MATERIALS SHOULD BE READ IN CONJUNCTION WITH THE OFFERING MEMORANDUM DATED APRIL 29, 2020, INCLUDING THE RISK FACTORS IDENTIFIED THEREIN. THIS UPDATE HAS BEEN PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO BE A SOLICITATION TO PURCHASE SHARES OF AP CAPITAL MORTGAGE INVESTMENT CORPORATION OR ADVICE REGARDING THE SUITABILITY OF THE INVESTMENT FOR SPECIFIC INVESTORS. ANY OPINIONS EXPRESSED HEREIN ARE EFFECTIVE AS AT THE DATE OF THE REPORT. MANAGEMENT DOES NOT UNDERTAKE TO NOTIFY THE READER OF ANY SUBSEQUENT CHANGE OF CIRCUMSTANCE OR OPINION. HISTORIC RETURNS SET OUT ABOVE ARE NET OF ALL FUND EXPENSES AND MANAGEMENT FEES. PAST RESULTS ARE NOT INDICATIVE OF FUTURE PERFORMANCE. FOR FURTHER INFORMATION AND DISCLOSURES PLEASE REFER TO THE INVESTOR SECTION ON OUR WEBSITE.

Printed in Canada.