



October 2021 In Review

AP Capital MIC's 140th consecutive monthly dividend was made on Monday, November 1st. The current monthly dividend rate is 5.65% per annum. In October, AP's underwriting team advanced 20 mortgages for \$12.1 MM. The Loan-to-Values (LTV) of 59.51% in October mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$9.1 MM from 15 mortgages.

Fund Update

AP Capital MIC is pleased to announce the increase in its bank line of credit from \$28M to \$50M CAD. This increase shows the growing confidence by our bank partner in AP Capital's business and overall fund composition and growth, as well as portfolio performance over the Covid19 period. For shareholders of AP Capital MIC, the line of credit provides increased yield opportunity without compromising underwriting discipline. AP underwriters can maintain lower deal-level risk while increasing returns to shareholders, as the use of line of credit funds are at lower interest rates than our rates to borrowers. Many factors influence the return generated by AP Capital MIC, none more than the interest rate environment. Positive signals in terms of interest rates are on the horizon as central bankers talk more consistently about higher interest rates in 2022 and beyond.

AP Capital is also proud to announce that CEO Ches Hagen has been elected as the President of the BC MIC Managers Association. The BCMMA represents 30 mortgage investment corporations headquartered in BC. This group represents approximately \$3 billion in collective mortgages under administration. The BCMMA interacts with regulators and the public on what a MIC is and its role in the economy, all the while establishing and upholding the MIC industry standards for ethics, education and professionalism. Working closely with the BCMMA board, Mr. Hagen looks forward to furthering the cause of elevating the alternative lending industry in the province.

Monthly Distributions

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, visit Computershare's InvestorOnline portal for updated account holdings. Registered account holders on DRIP, access your trustee account for updated account balances. Please 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" are deducted.

Lendable Funds **\$166.27 MM**

Mortgages in Portfolio **249**

Portfolio to Loan Value (LTV) **58%**

Mortgage funds in BC **91%**

Mortgage funds in AB **9%**

Mortgage funds in ON **0%**

Mortgage funds in 1st position **85.5%**

Mortgage funds in 2nd position **14.5%**

Residential Mortgages **95.2%**

Detached Properties **68.6%**

Condos **6.6%**

Townhouses/other **21%**

Owner Occupied **47%**

Mortgages in foreclosure **3**

% of portfolio in foreclosure **0.5%**

Average LTV on foreclosures **73.6%**

10-year average return **8.6%**

3-year average return **7%**

2020 return **6.8%**

Consecutive months of ≥5.65% distribution **140**

Shareholder Accounts **1,228**

Shareholders monthly cash distribution **52%**

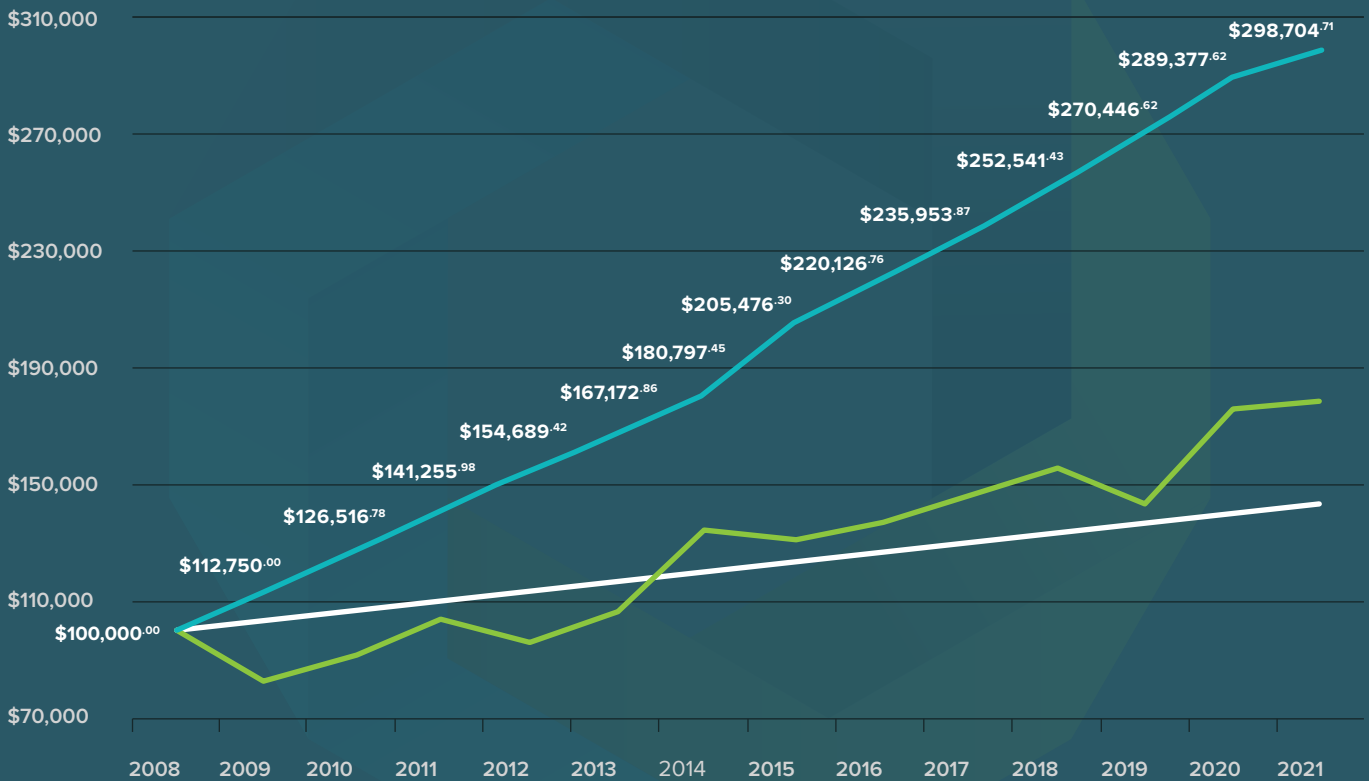
Shareholders share re-investment (DRIP) **48%**

Open/cash shareholders **67%**

Registered (RRSP, TFSA, etc) shareholders **33%**



● AP Capital Fund
 ● SP&TSX Composite Total Return
 ● 3% Compounding



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

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