



May 2022 In Review

AP Capital MIC's 147th consecutive monthly dividend was made on Wednesday, June 1st. The current monthly dividend rate is 6.3% per annum. In May, AP's underwriting team advanced 27 mortgages for \$16 MM. The Loan-to-Values (LTV) of 59.97% in May mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$10.5 MM from 14 mortgages.

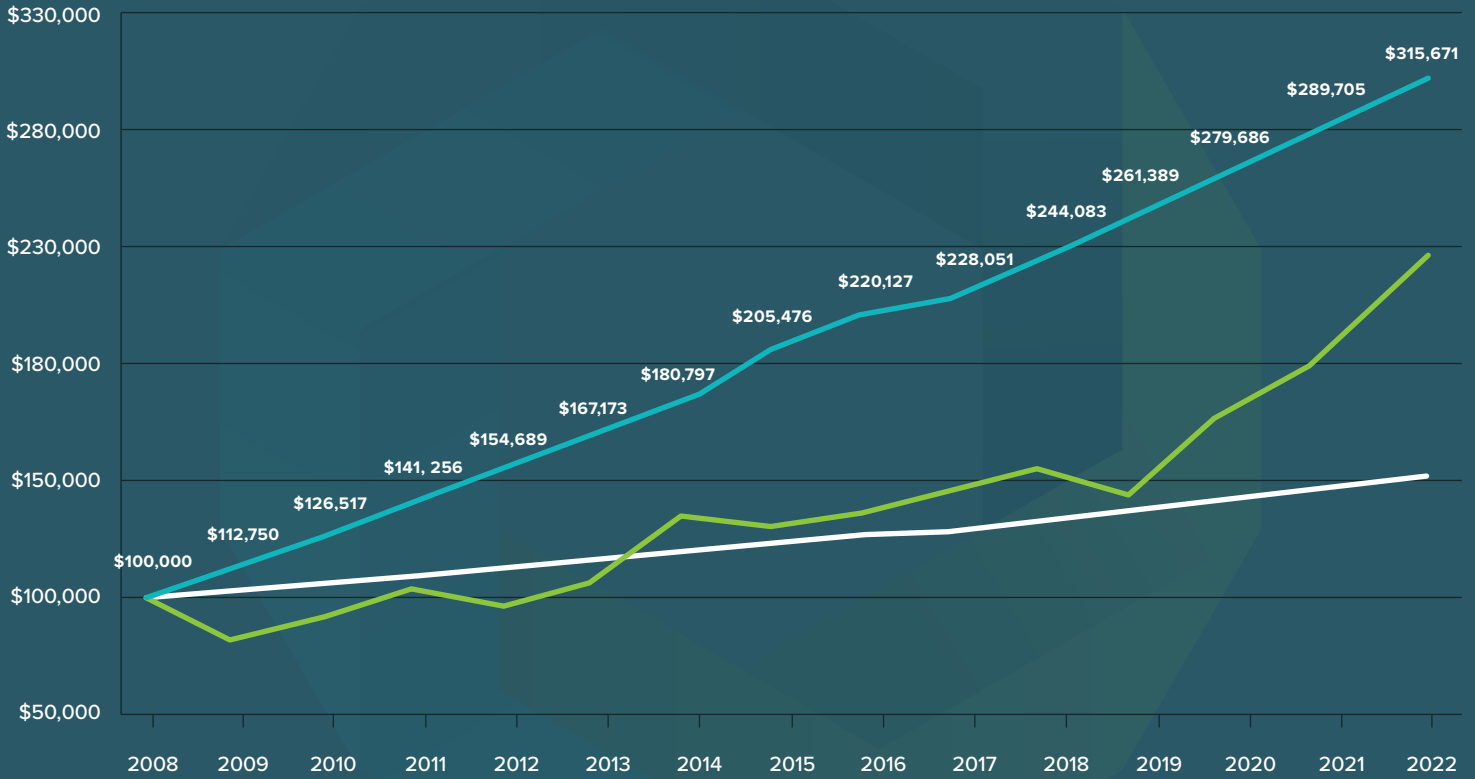
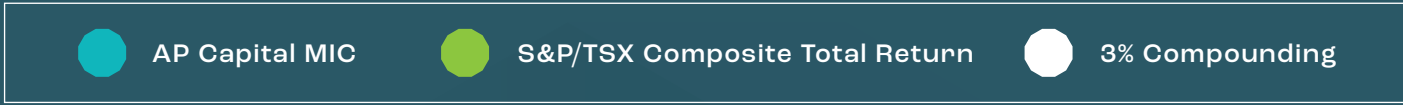
Market Update

In the opening months of 2020, the prime interest rate in Canada was 3.95% and all signs from central bankers pointed to an increasing rate environment that year. Covid moved swiftly into our world and by mid March we were in lockdown. Within the first weeks of the pandemic, the Bank of Canada reacted starkly by decreasing interest rates 1.50% in just 21 days (three separate 0.50% rate decreases). To start 2022, we have seen the Bank of Canada increase the overnight rate three times, adding back 1.25%; bringing prime to its current rate of 3.7%. Expectations are that rates will continue to rise and most pundits agree that we can expect bank rates to surpass pre-pandemic's 3.95% prime at some point soon. At AP Capital we are an active lender wherever interest rates sit. When we launched 15 years ago, prime in Canada was 6.0% and the non-bank alternative lending industry was active. We advance mortgages at approximately prime + 5% and are confident in our current portfolio's composition, downside protection, and borrower payment performance. The discipline of our underwriting and mortgage admin teams support our continued stability at AP, and we look ahead with anticipation. We expect shareholder yield (increased to 6.30% p.a. for July 1 distribution) to continue to rise as we manage our business in this changing rate environment.

Monthly Distributions

Our team is in the process of transitioning from Computershare as our transfer agent to SGGG. We have used SGGG in parallel for more than 2 years and expect this transition to be seamless. Shareholders who elect for monthly cash will see the direct deposit in their bank account. Shareholders electing for DRIP (dividend reinvestment) will have their accounts updated with the newly issued shares. For Open DRIP account holders, we will be circulating new directions on how to access your SGGG account online. Registered account holders on DRIP, access your trustee account for updated 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	\$192 MM
Mortgages in Portfolio	281
Portfolio to Loan Value (LTV)	58.1%
Mortgage funds in BC	89%
Mortgage funds in AB	11%
Mortgage funds in ON	0%
Mortgage funds in 1 st position	83%
Mortgage funds in 2 nd position	17%
Residential Mortgages	94.5%
Detached Properties	60.5%
Condos	5%
Townhouses/other	27.8%
Owner Occupied	44%
Mortgages in foreclosure	2
% of portfolio in foreclosure	0.6%
Average LTV on foreclosures	66.5%
10-year average return	8%
3-year average return	6.5%
2021 return	5.65%
Consecutive months of distributions	147
Shareholder Accounts	1,246
Shareholders monthly cash distribution	55%
Shareholders share re-investment (DRIP)	45%
Open/cash shareholders	68%
Registered (RRSP, TFSA, etc) shareholders	32%



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

12.75%	12.21%	11.65%	9.51%	8.07%
JULY 2009	JULY 2010	JULY 2011	JULY 2012	JULY 2013
8.15%	13.65%	7.13%	3.6% (6mos.)	7.03%
JULY 2014	JULY 2015	JULY 2016	JANUARY 2017	JANUARY 2018
7.09%	7.15%	6.80%	5.65%	
JANUARY 2019	JANUARY 2020	JANUARY 2021	JANUARY 2022	

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