



December 2022 In Review

AP Capital MIC's 154th consecutive monthly distribution was made on Tuesday, January 3rd. The current monthly dividend rate is 6.5% per annum. In December, AP's underwriting team advanced 16 mortgages for \$9.04 MM. The Loan-to-Values (LTV) of 61.7% in December mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$12.17MM from 14 mortgages.

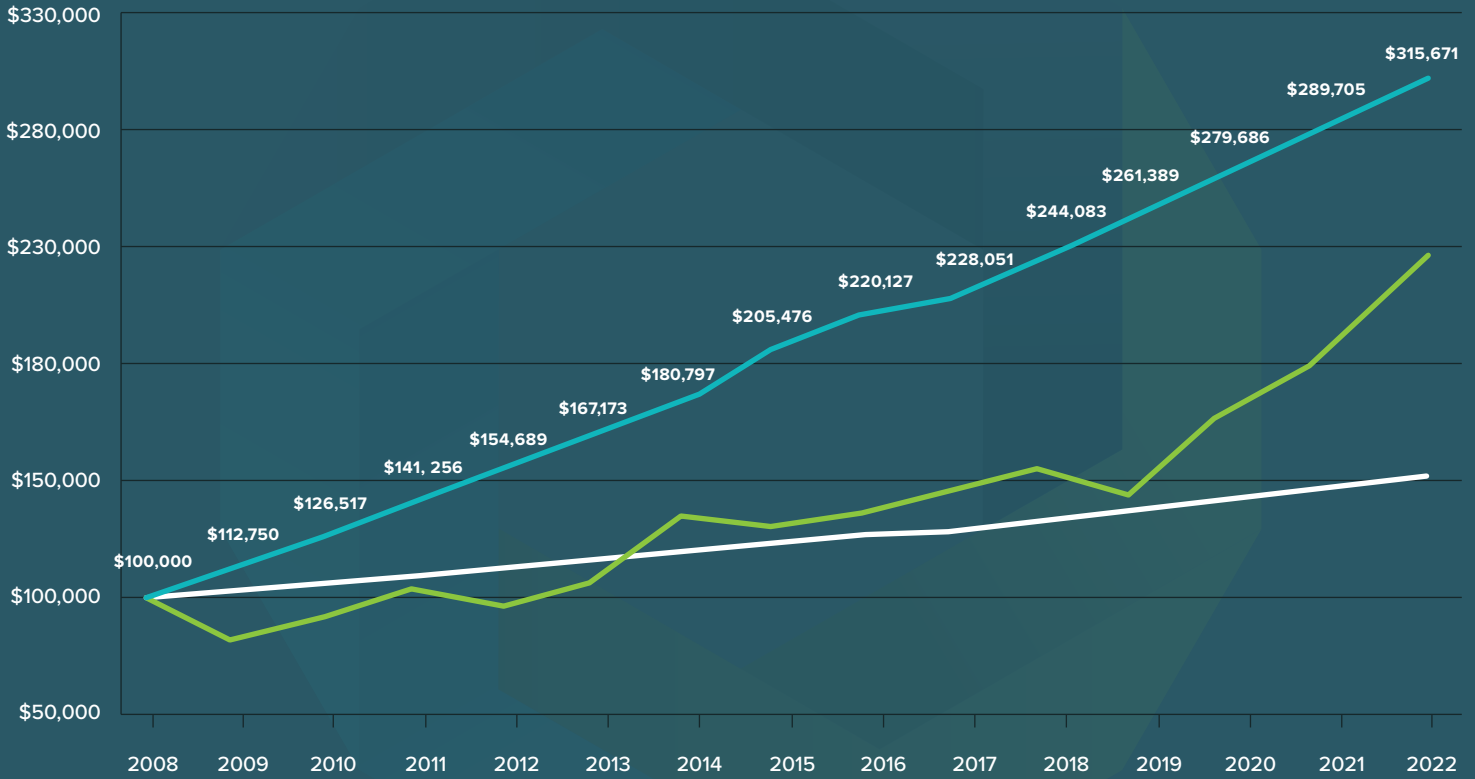
Market Update

Since early 2020 the underwriting team at AP Capital has steadily funded mortgages at or near 60% loan to value (LTV); 10% below our fund's historical LTV target of 70%. This purposeful defensive approach was initially due to concerns over early pandemic market shocks that were expected, and a legitimate risk at the time. As markets reacted contrary to expectations, and home prices increased across nearly all markets, the AP team remained steadfast in its approach to underwriting. As we manage in today's environment, where rates have substantially increased in less than one year, we feel very well positioned to manage our portfolio as well as future demand. Market adjustments are underway and neighborhood by neighborhood is impacted to varying degrees. With our portfolio of 328 mortgages at 58% LTV (Dec 31, 2022), we have more than ample equity to manage delinquent borrowers and potentially eroding equity protection in those properties. The opening months of 2023 are shaping up to be slower in terms of industry-wide real estate transactions; however, we feel well positioned to take advantage of many new opportunities including refinances and equity take outs. Deal flow (applications from borrowers) in the opening weeks is showing positive signs and we expect that the typical brisk spring market will bring increasing activity and opportunities. Similar to our defensive position in underwriting over the last 36 months, we also plan for borrower delinquencies and foreclosures. We plan for challenges, deal with them head-on when they occur, and make quick decisions to limit their impacts. Until next month.

Monthly Distributions

AP Capital MIC's monthly distributions (in cash or shares/DRIP) are managed by transfer agent SGGG Fund Services. Online access to shareholder account services are available. Registered account holders (i.e. RRSP, TFSA), please access your trustee accounts for balances. All distributions and returns are "after deduction of Management Fees".

Lendable Funds	\$230.52 MM
Mortgages in Portfolio	328
Portfolio Loan to Value (LTV)	57.9%
Mortgage funds in BC	93%
Mortgage funds in AB	7%
Mortgage funds in ON	0%
Mortgage funds in 1 st position	83%
Mortgage funds in 2 nd position	17%
Residential Mortgages	94%
Detached Properties	56%
Condos	4%
Townhouses	3%
Other	31%
Owner Occupied	41%
Mortgages in foreclosure	2
% of portfolio in foreclosure	0.19%
Average LTV on foreclosures	61.63%
10-year average return	7.95%
3-year average return	6.5%
Consecutive months of distributions	154
Shareholder Accounts	1,333
Shareholders monthly cash distributions	51%
Shareholders share re-investment (DRIP)	49%
Open/cash shareholders	72%
Registered (RRSP, TFSA, etc) shareholders	28%



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

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

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