



January 2023 In Review

AP Capital MIC's 155th consecutive monthly distribution was made on Wednesday, February 1st. In January, AP's underwriting team advanced 24 mortgages for \$6.4MM. The Loan-to-Values (LTV) of 58.22% in January mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$16.93MM from 10 mortgages.

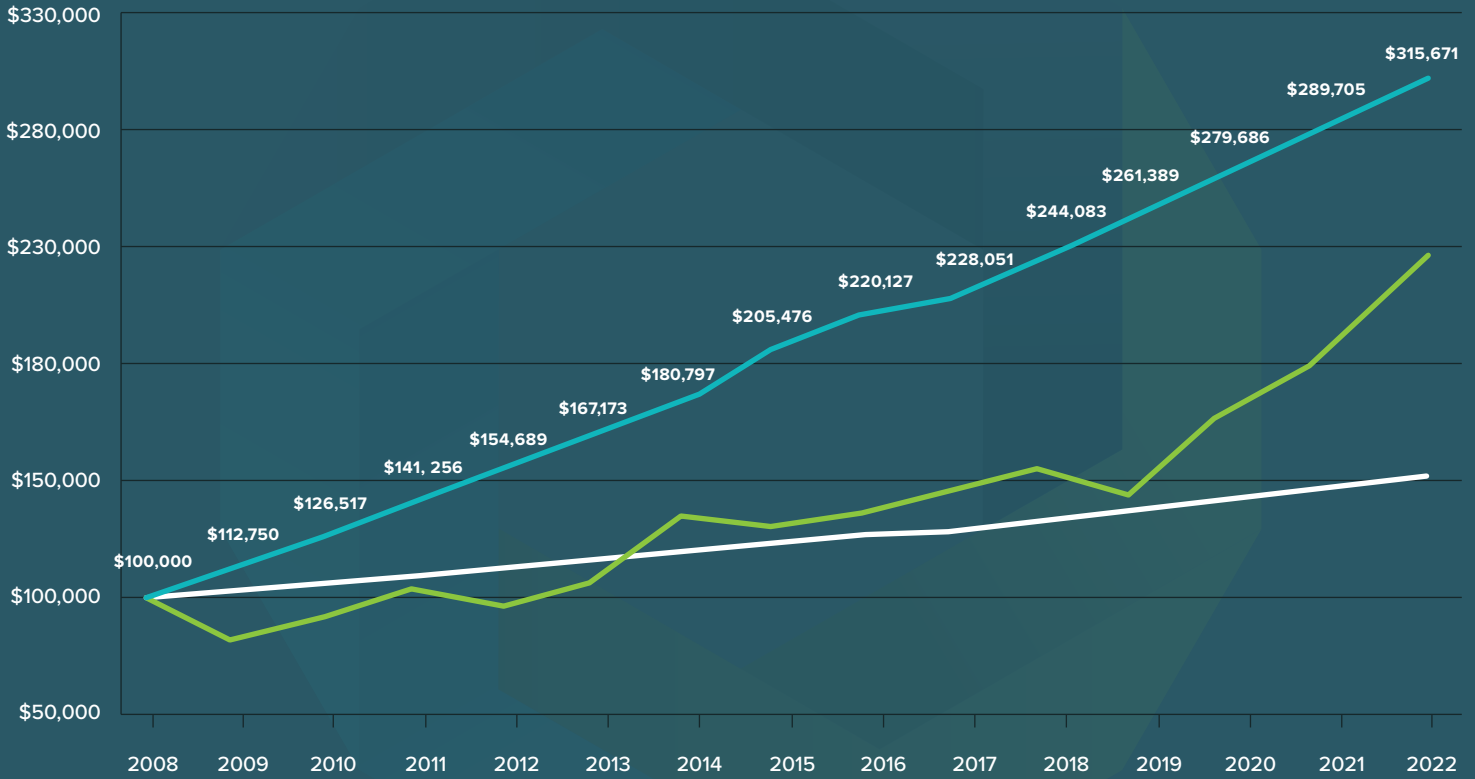
Fund Update

AP Capital MIC's board of directors is pleased to announce a 100 basis point (1%) increase in the fund's monthly distribution to Class B and Class F shareholders. **February's monthly distributions will increase from 6.50% to 7.50% p.a.** This is the fourth increase in the fund's monthly distribution over the past 12 months and takes us above the pre-pandemic level. As we begin 2023, we do so with a weighted average interest rate charged to mortgage borrowers 2% higher than one year ago. In this higher-rate environment, we expect potential new challenges as the housing economy adjusts to higher financing costs. Home prices and sales transactions (of Single Detached Homes / SDH) have decreased in the past 12 months from the frenzied pace during ultra-low interest rates from March 2020 to March 2022. While transactions have declined, so too has the supply of SDHs available for sale. This housing supply constraint is proving to act as a backstop to significant home price declines in many neighborhoods and communities in Western Canada. While declining prices have occurred in some communities, these declines vary widely by neighborhood. We expect 2023 to normalize pricing as demand and supply come more into balance with a less volatile interest rate market. However, if central bankers continue increasing interest rates, this balanced market could be interrupted. At AP Capital, we are experiencing additional lending opportunities due in part to Canada's conventional financial institutions facing regulatory guidelines that have made qualifying more challenging for some Canadians. Federal regulatory requirements (both rate qualifying and GDS / TDS requirements) are constraining some borrowers who wish to purchase or refinance a home. These factors have contributed to improved credit quality in AP borrowers over the past years and are evident in the increasing average credit score of all AP borrowers; from pre-pandemic of 670 (Feb 2020) to 707 (Jan 2023). We have added this Average Credit Score to the Fast Facts table contained in these updates. 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	\$224.97 MM
Mortgages in Portfolio	333
Portfolio Loan to Value (LTV)	57.8%
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	57%
Condos	4%
Townhouses	4%
Other	30%
Owner Occupied	41%
Average borrower credit score	707
% of portfolio in foreclosure	0.8%
Average LTV on foreclosures	77%
10-year average return	7.95%
3-year average return	6.5%
Consecutive months of distributions	155
Shareholder Accounts	1,333
Shareholders monthly cash distributions	50%
Shareholders share re-investment (DRIP)	50%
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	

THESE MATERIALS SHOULD BE READ IN CONJUNCTION WITH THE OFFERING MEMORANDUM DATED APRIL 30, 2022, 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. ALL PURCHASES OF SHARES IN AP CAPITAL MORTGAGE INVESTMENT CORPORATION MUST BE MADE THROUGH AN APPROVED REGISTRANT (IIROC OR EXEMPT MARKET DEALER). 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.