



## December 2023 In Review

AP Capital MIC's 166th consecutive monthly distribution was made on Tuesday, January 2nd. In December, AP's underwriting team advanced 33 mortgages for \$13.8 MM. The Loan to-Values (LTV) of 56.8 7% in December mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$15.4MM from 16 mortgages.

## Fund Update

The team at AP Capital wants to wish you a Happy New Year! As we start 2024, we look at the ever evolving economic landscape and its impact on our business. Here are a few considerations to guide AP's strategy in 2024.

**Interest Rate Outlook - Stability :** We expect 2024 to bring stability to interest rates with a slight trend towards declining rates. We expect and forecast our yield, net of fees, will remain above 8% p.a. through 2024.

**Alternative Mortgage Market in Canada - A Haven of Opportunities:** Big Banks in Canada are increasingly rejecting loan applications largely due to higher qualifying rates, creating opportunities for alternative lenders like AP Capital. The average credit score of an AP borrower exceeds 705; a signal of good borrower quality.

**Housing Market Resilience - A Silver Lining:** The persistent imbalance between supply and demand remains a foundation of Western Canada's market strength. The demand for housing remains steady, and the limited supply of homes continues to support property values. With AP's portfolio Loan-to-Value at 59%, we are well positioned to manage unforeseen market changes.

**The Role of Private Credit Alternative Mortgage Funds:** Investment markets can be notoriously volatile. In such unpredictable times, it becomes attractive to explore investments that offer stability plus attractive returns. Investing in a private credit alternative mortgage fund stands out as a compelling option. Speak to your financial advisor to consider introducing or expanding your position in 2024.

The team at AP wants to thank you for your continued trust and partnership. In 2024, we remain committed to diligently managing our investments and navigating the evolving economic landscape. Until next month.

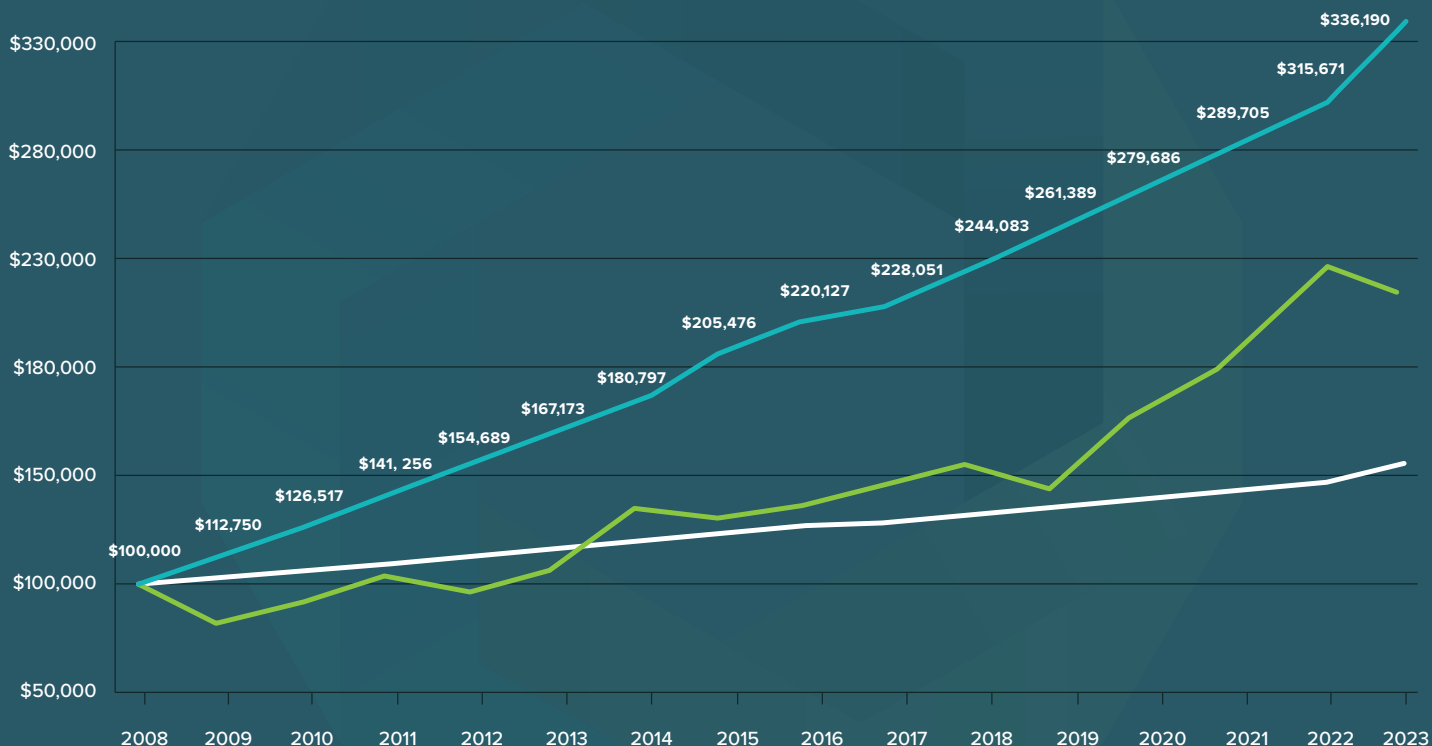
## Monthly Distributions

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".

<b>Mortgages Under Administration</b>	<b>\$215.14MM</b>
Mortgages in Portfolio	344
Portfolio Loan to Value (LTV)	59%
Mortgage funds in BC	92%
Mortgage funds in AB	8%
Mortgage funds in 1 <sup>st</sup> position	81%
Mortgage funds in 2 <sup>nd</sup> position	19%
Residential Mortgages	94%
Single Detached Home	56%
Condo	5%
Townhouse	3%
Other	31%
Owner Occupied	36%
Average credit score of borrowers	706
% of portfolio in foreclosure	4.8%
Average LTV on foreclosures	54%
Consecutive months of distributions	166 mo
Current monthly distribution	8.05% p.a.
Shareholder Accounts	1,400
Shareholders monthly cash distributions	56%
Shareholders share re-investment (DRIP)	44%
Open/cash shareholders	70%
Registered (RRSP, TFSA, etc) shareholders	30%



● AP Capital MIC    
 ● S&P/TSX Composite Total Return    
 ● 3% Compounding



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%	6.80%	5.68%	6.34%
DECEMBER 2018	DECEMBER 2019	DECEMBER 2020	DECEMBER 2021	DECEMBER 2022

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