

# MIC Fast Facts

## May 2019 in Review

In May, AP Capital MIC's underwriting team advanced 10 mortgages for \$3.15M with a weighted loan-to-value (LTV) of 67.99%. The weighted average interest rate on May mortgages was 9.31%. Mortgage payouts received in the month summed \$5.13M from 15 mortgages repaid.

## A closer look at sold home data

AP Capital MIC primarily lends against single detached homes in the Metro Vancouver to Fraser Valley region. These regions make up the 2.8M population of what is often referred to as the Lower Mainland. Media reporting on real estate and housing largely lumps together all product types when describing what the market is doing. For AP, single detached is a far more important data set. Looking closer at this subset of data (excluding condos/apartments and townhouses), the average single detached home in the Lower Mainland region has declined in price by 9.1% year over year. The rate of decline appears to be slowing with a 3.6% decline over the last 6 months. Real estate is a very location based asset and individual areas see wider gaps in price movement. The lowest mover in price is Ladner (declined 2.9% y/o/y and yet up 2.5% in last 6 months). The largest mover in price is West Vancouver (declined 16.6% y/o/y and down 8% in last 6 months). *Source: Real Estate Board of Greater Vancouver*

Every mortgage advanced by AP Capital MIC includes an independent appraisal, and these appraisals factor in current market conditions and recent comparable sales. AP's underwriting team is keenly aware of lending in a declining market and the impact of house price declines. We remain confident in detached housing as an asset class and continue to see good borrower behavior (monthly payments) as well as deal flow from the mortgage broker channel.

## Monthly Distributions:

AP Capital MIC's 7% p.a. monthly distribution for May was made on Monday, June 3. This was the fund's 111<sup>th</sup> consecutive monthly distribution of 7% p.a. Shareholders who elect for monthly cash will see the direct deposit in their bank account, or via cheque. Shareholders electing for DRIP

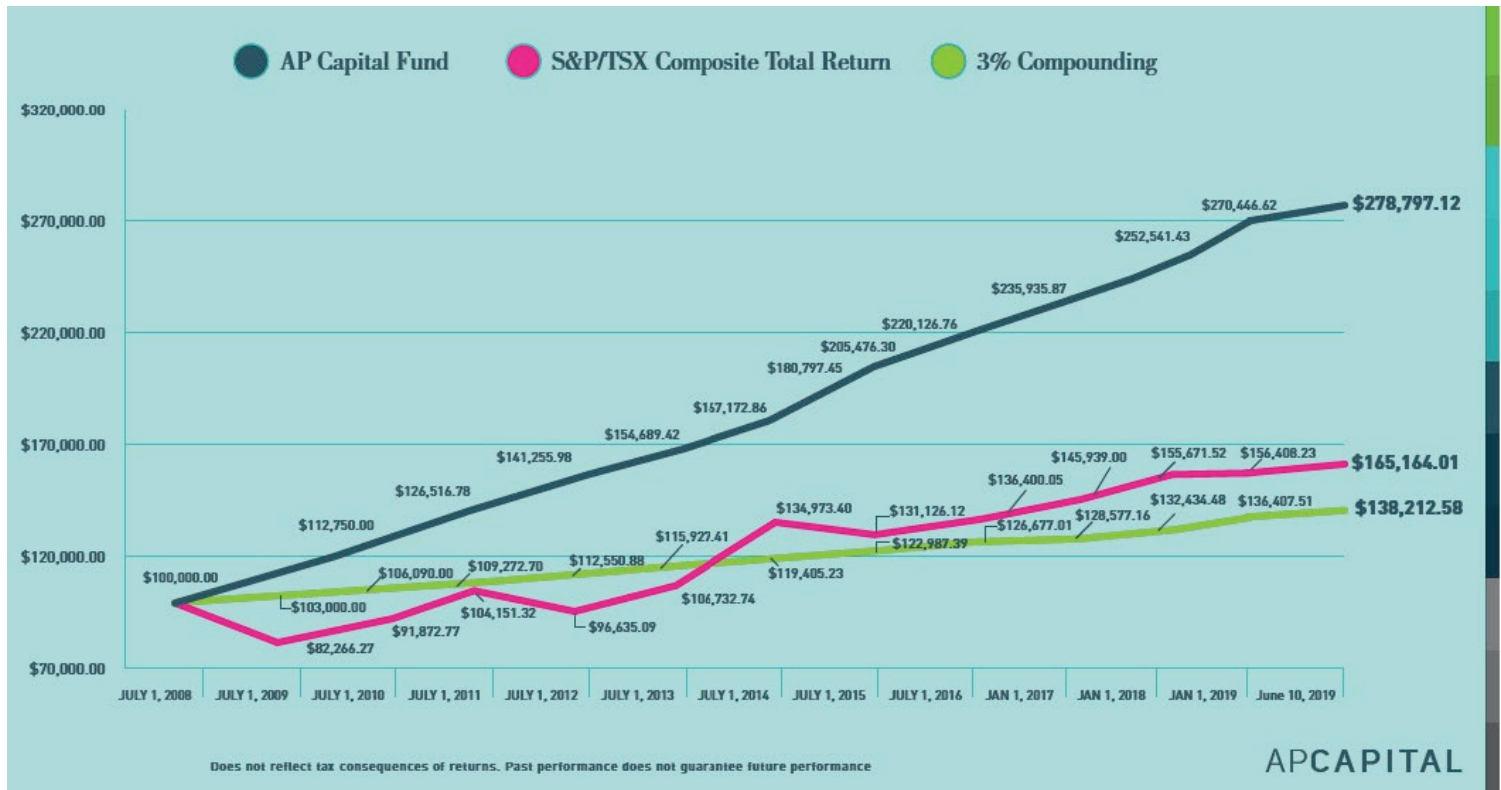
## May 31, 2019

Shareholder Capital	\$84.06 MM
Credit Facility	<u>\$28.00 MM</u>
Lendable Funds	\$112.06 MM
Mortgages in portfolio	228
Portfolio Loan to Value (LTV)	58.15%
Mortgage funds in BC	97.14%
Mortgage funds in AB	2.78%
Mortgage funds in ON	0.08%
Mortgage funds in 1st position	69.54%
Mortgage funds in 2nd position	30.46%
Residential Mortgages	100%
Single Detached Homes	86%
Condos	9%
Townhouses/other	5%
Owner Occupied	74.1%
Mortgages in foreclosure	3
% of portfolio in foreclosure	5.73%
Average LTV on foreclosures	68.45%
10-year average return	9.17%
3-year average return	7.10%
2018 return	7.09%
Consecutive months of $\geq 7\%$ distribution	111
Shareholder Accounts	1,177
Shareholders 7% monthly cash	48.29%
Shareholders share re-investment (DRIP)	51.71%
Open/cash shareholders	55.76%
Registered (RRSP, TFSA, etc) shareholders	44.24%

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(dividend reinvestment) will have their accounts updated with the issued shares. For Open DRIP account holders, logon to Computershare for updated account holdings. RRSP, TFSA or other registered account holders on DRIP, access your trustee account for updated account balances. 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"



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