

MIC Fast Facts

August 2020 in Review:

AP Capital MIC's 126th consecutive monthly distribution of 6.5% p.a. or greater was made on Tuesday, September 1st. In July, AP's underwriting team advanced 9 mortgages for \$4.8 MM. The focus remains on quality deals with lower risk when comparing loan amount to value of the property (Loan to Value or LTV). The LTV of 58.21% on August mortgages falls well below the fund's 70% target. Additionally, eight of the nine mortgages were in first position security. Mortgage payouts received in the month summed \$7.5 MM from 13 mortgages.

Market Update:

Historically low interest rates are dominating the landscape of real estate in Canada post Covid. Conventional banks are now offering rates below 2% and the Bank of Canada has indicated that low interest rates are here "for a long time." While these record low rates certainly bolster demand for Canadian residential real estate and serve to support and increase house prices, they have caused downward pressure on rates from all lending sources, including MICs and other non-bank lenders. At AP Capital we continue to source quality mortgage opportunities at lower rates than historical, and our underwriting team remains unwavering in terms of risk appetite. We choose lower rate / high quality over higher rate / higher risk. As we look ahead to the remaining months of 2020 and beyond, our commitment to shareholders is to keep stable financial performance and maintain risk at historical norms. The reduction of our monthly distribution by 0.50% in September was an early move to accommodate the lower interest rates in the mortgage market and we will continue to assess trends as we make future distribution decisions. The health of AP Capital MIC's mortgage portfolio is strong, and management is focused on continued stability in the fund and its performance.

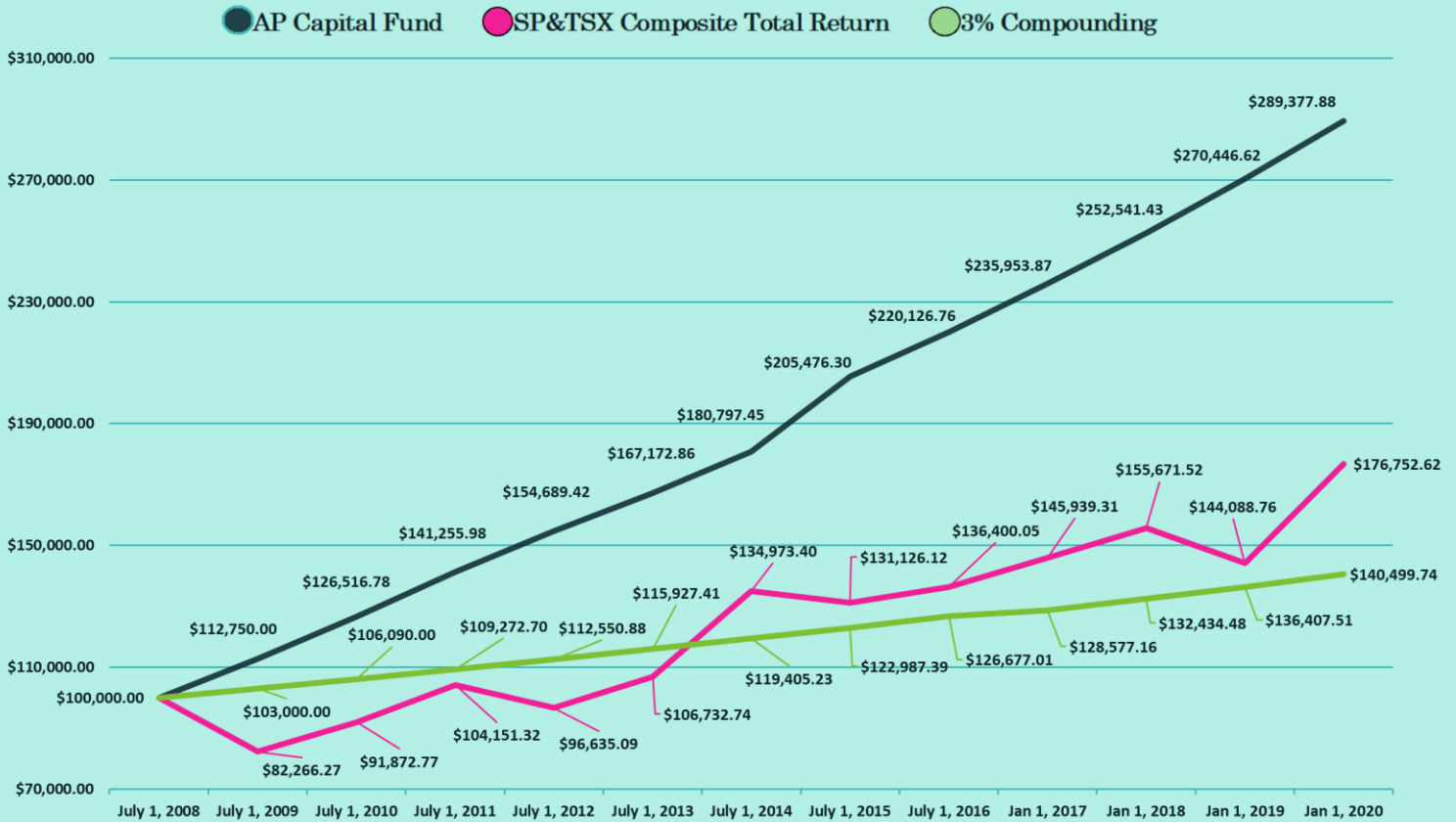
Monthly Distributions:

AP Capital MIC's 6.5% p.a. monthly distribution for August was made on Tuesday, September 1st. Shareholders who elect for monthly cash will see the direct deposit in their bank account, or via cheque. Shareholders electing for DRIP (dividend reinvestment) will have their accounts updated with the newly issued shares. For Open DRIP account holders, go online 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" are deducted.

August 31, 2020

Shareholder Capital	\$97.71 MM
Credit Facility	\$28.00 MM
Lendable Funds	\$125.71 MM
Mortgages in portfolio	248
Portfolio Loan to Value (LTV)	58.21%
Mortgage funds in BC	87.23%
Mortgage funds in AB	12.69%
Mortgage funds in ON	0.08%
Mortgage funds in 1 st position	68.74%
Mortgage funds in 2 nd position	31.26%
Residential Mortgages	97.01%
Detached Properties	73.53%
Condos	12.20%
Townhouses/other	11.76%
Owner Occupied	66.23%
Mortgages in foreclosure	10
% of portfolio in foreclosure	8.78%
Average LTV on foreclosures	64.5%
10-year average return	8.66%
3-year average return	7.09%
2019 return	7.15%
Consecutive months of ≥6.5% distribution	126
Shareholder Accounts	1,283
Shareholders 7% monthly cash	49%
Shareholders share re-investment (DRIP)	51%
Open/cash shareholders	57%
Registered (RRSP, TFSA, etc) shareholders	43%

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

DISCLAIMER:

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