



## May 2021 In Review

AP Capital MIC's 135<sup>th</sup> consecutive monthly dividend was made on Tuesday, June 1st. The current monthly dividend rate is 5.65% per annum. In May, AP's underwriting team advanced 17 mortgages for \$13.3 MM. The Loan-to-Values (LTV) of 58.77% in May mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$6.7 MM from 13 mortgages.

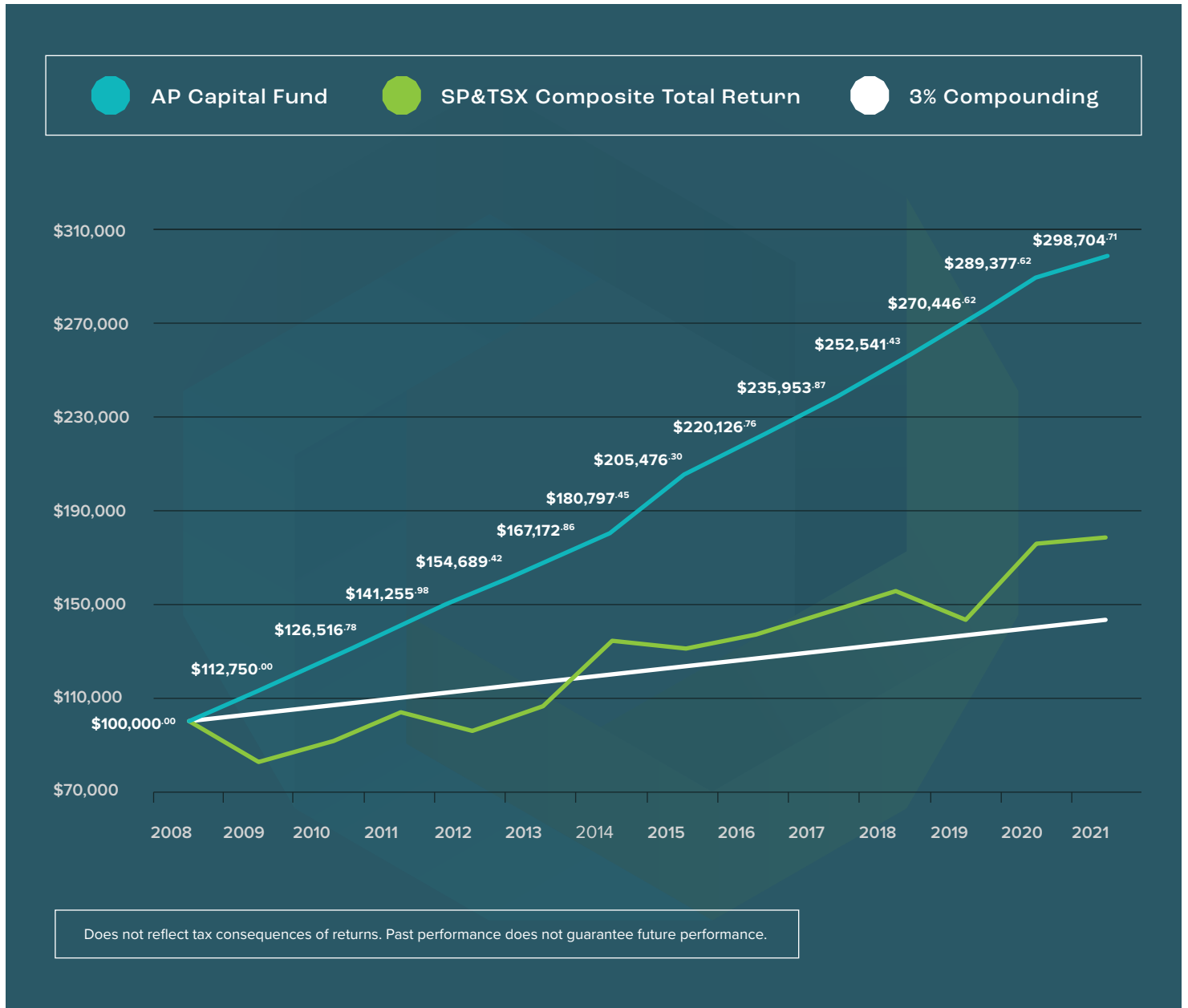
## Market Update

As we near the mid-year mark of 2021, AP Capital's management team is pleased with the fund's performance in the opening two quarters. Portfolio health is felt to be strong and defensive in nature as we look ahead. Successful payment collection from current borrowers exceed prior periods and new deal origination has kept pace with the fund's equity and capital availability. Looking ahead, we expect a return to more balanced real estate markets from a price perspective. Interest rates continue to stay low, both in terms of prime rate as well as in the alternative lending market that AP operates. We expect the low rate environment to persist through the end of 2021. New deal origination, and quality of deals, remain at stable levels. Our underwriting team continues to show preference for lower risk mortgages; preferring highly marketable homes with lower band Loan-to-Values (LTV). House prices have seen a substantial increase in the past year, and we aim to guard against a pricing pullback by remaining disciplined with the lower band LTV mortgages. We wish all an enjoyable start to summer.

## Monthly Distributions

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, visit Computershare's InvestorOnline portal for updated account holdings. Registered account holders on DRIP, access your trustee account for updated account balances. Please 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.

Shareholder Capital	<b>\$96.6 MM</b>
Credit Facility	<b>\$28.0 MM</b>
Lendable Funds	<b>\$124.6 MM</b>
Mortgages in Portfolio	<b>238</b>
Portfolio to Loan Value (LTV)	<b>55.7%</b>
Mortgage funds in BC	<b>90%</b>
Mortgage funds in AB	<b>9.9%</b>
Mortgage funds in ON	<b>0.1%</b>
Mortgage funds in 1 <sup>st</sup> position	<b>80.2%</b>
Mortgage funds in 2 <sup>nd</sup> position	<b>19.8%</b>
Residential Mortgages	<b>97.3%</b>
Detached Properties	<b>66.9%</b>
Condos	<b>8.5%</b>
Townhouses/other	<b>22.3%</b>
Owner Occupied	<b>54.4%</b>
Mortgages in foreclosure	<b>5</b>
% of portfolio in foreclosure	<b>4.0%</b>
Average LTV on foreclosures	<b>67.3%</b>
10-year average return	<b>8.6%</b>
3-year average return	<b>7%</b>
2020 return	<b>6.8%</b>
Consecutive months of ≥5.65% distribution	<b>135</b>
Shareholder Accounts	<b>1,238</b>
Shareholders 5.65% monthly cash	<b>50%</b>
Shareholders share re-investment (DRIP)	<b>50%</b>
Open/cash shareholders	<b>60%</b>
Registered (RRSP, TFSA, etc) shareholders	<b>40%</b>



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