



## September 2021 In Review

AP Capital MIC's 139th consecutive monthly dividend was made on Friday, October 1st. The current monthly dividend rate is 5.65% per annum. In September, AP's underwriting team advanced 15 mortgages for \$13.6 MM. The Loan-to-Values (LTV) of 56.92% in September mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$5.5 MM from 12 mortgages.

## Fund Update

The AP Capital MIC team manages the full lifecycle of every mortgage file in the fund's portfolio. We source mortgages through licensed mortgage brokers and fund only deals we choose. Our lawyer and notary partners carry out the conveyancing process and AP Capital MIC is listed as a mortgage on title in the same way as a chartered bank. For investors in AP Capital MIC, each mortgage represents a diversification of your invested capital across the entire portfolio of mortgages (244 on Sep 30, 2021). Once funded, the AP Capital team manages each mortgage until full payment at loan maturity. Pre-authorized debits (PAD) from borrower accounts are closely monitored each month, and any delayed payments are resolved as our number one priority. In the event of borrower default, or pro-longed challenges with payment at maturity, we work closely with our lawyer partners in foreclosing on the property. Collecting full mortgage principal, plus outstanding interest owing, is our primary goal on every loan. Currently, the AP Capital MIC portfolio is at its lowest foreclosure rate in over 5 years (0.5% of mortgage principal is in foreclosure). Foreclosure files can be a concerning reporting point to investors; and while they reflect challenging files, they do not inherently increase the risk of overall portfolio performance. Foreclosure is the last resort in the collection process and is essentially no more than the final tool. Since AP launched in 2007, AP Capital MIC has managed well over 1,000 mortgages with many files going through foreclosure process to ensure full collection of funds owed. No material effect on returns to investors has resulted.

## 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.

Lendable Funds **\$141.75 MM**

Mortgages in Portfolio **244**

Portfolio to Loan Value (LTV) **55%**

Mortgage funds in BC **91%**

Mortgage funds in AB **9%**

Mortgage funds in ON **0%**

Mortgage funds in 1<sup>st</sup> position **86.6%**

Mortgage funds in 2<sup>nd</sup> position **13.4%**

Residential Mortgages **97.4%**

Detached Properties **68.3%**

Condos **6.5%**

Townhouses/other **22.5%**

Owner Occupied **47.2%**

Mortgages in foreclosure **3**

% of portfolio in foreclosure **0.5%**

Average LTV on foreclosures **73.6%**

10-year average return **8.6%**

3-year average return **7%**

2020 return **6.8%**

Consecutive months of ≥5.65% distribution **139**

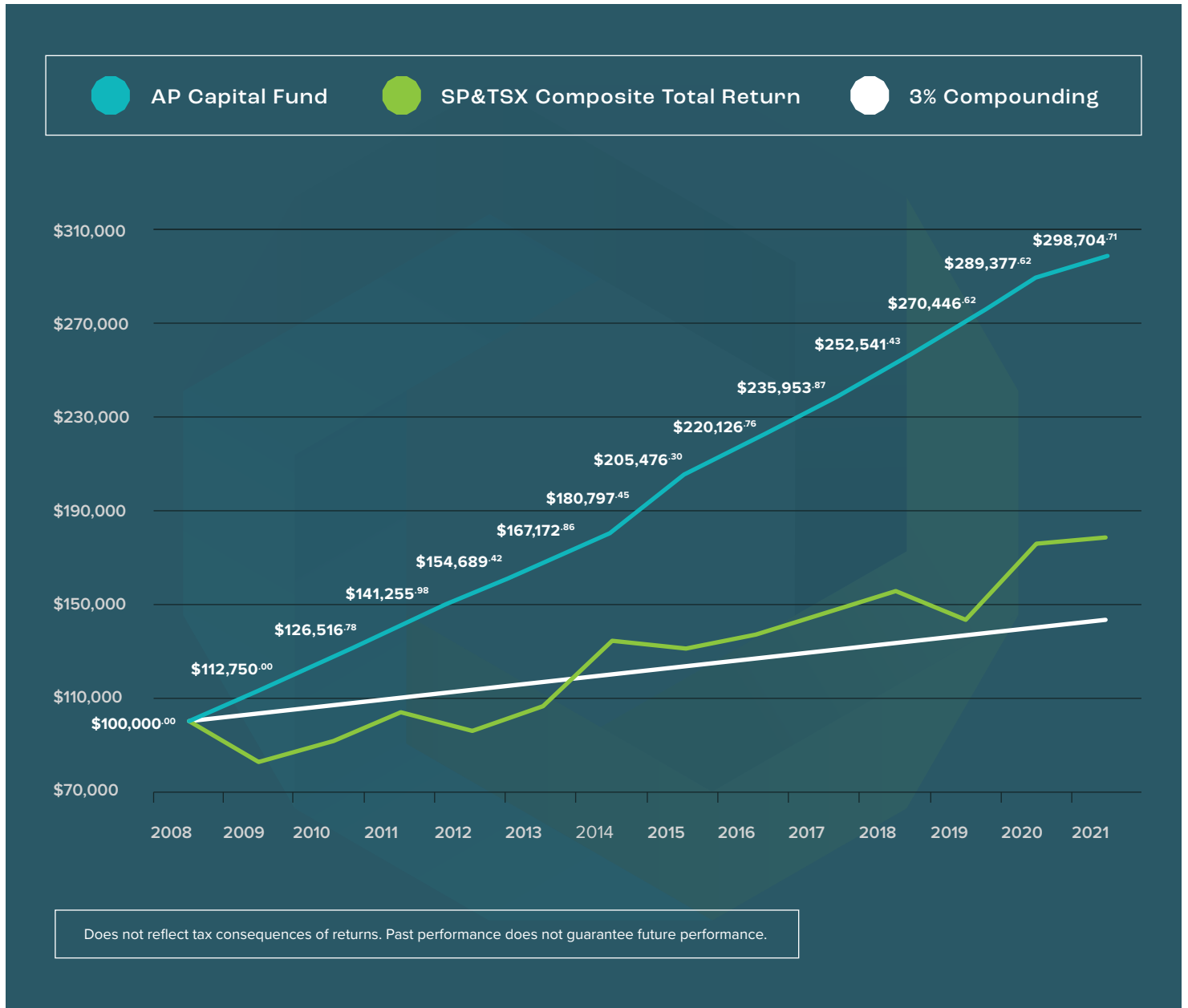
Shareholder Accounts **1,231**

Shareholders 5.65% monthly cash **51%**

Shareholders share re-investment (DRIP) **49%**

Open/cash shareholders **66%**

Registered (RRSP, TFSA, etc) shareholders **34%**



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