



## March 2023 In Review

AP Capital MIC's 157th consecutive monthly distribution was made on Monday, April 3rd. In March, AP's underwriting team advanced 25 mortgages for \$11MM. The Loan-to-Values (LTV) of 60.67% in March mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$17.7MM from 26 mortgages.

## Fund Update

**Q:** Who are the applicants and borrowers from AP Capital mortgage fund?

**A:** Our underwriting team has seen a variety of applicant types over our 16 year history. The first category of borrower is **business-for-self** individuals that fall outside of conventional bank underwriting guidelines. Through tax planning, these applicants are able to justify higher interest rates from AP Capital as these higher costs are often offset through business/personal income allocations and associated taxes. The second category of borrowers are those that otherwise could qualify with a bank lender, however, given **time urgency**, they come to AP as funding can occur in as little as 2 to 3 business days. The third category of borrowers are **investor-class** and the business model of these applicants is based around generating capital gains in their real estate portfolio. They often do not show consistent taxable income year over year, leaving bank financing challenging. AP is able to leverage their real estate assets to provide well secured loans. A fourth category includes a few different scenarios where second mortgages may be secured. These include applicants requiring debt consolidations or bridge financing solutions. A common scenario is where breaking or refinancing an existing fixed rate bank mortgage may be cost prohibitive when compared to securing an AP Capital second mortgage.

While borrower scenarios vary, our priority is in securing mortgages against marketable properties at conservative loan to values.

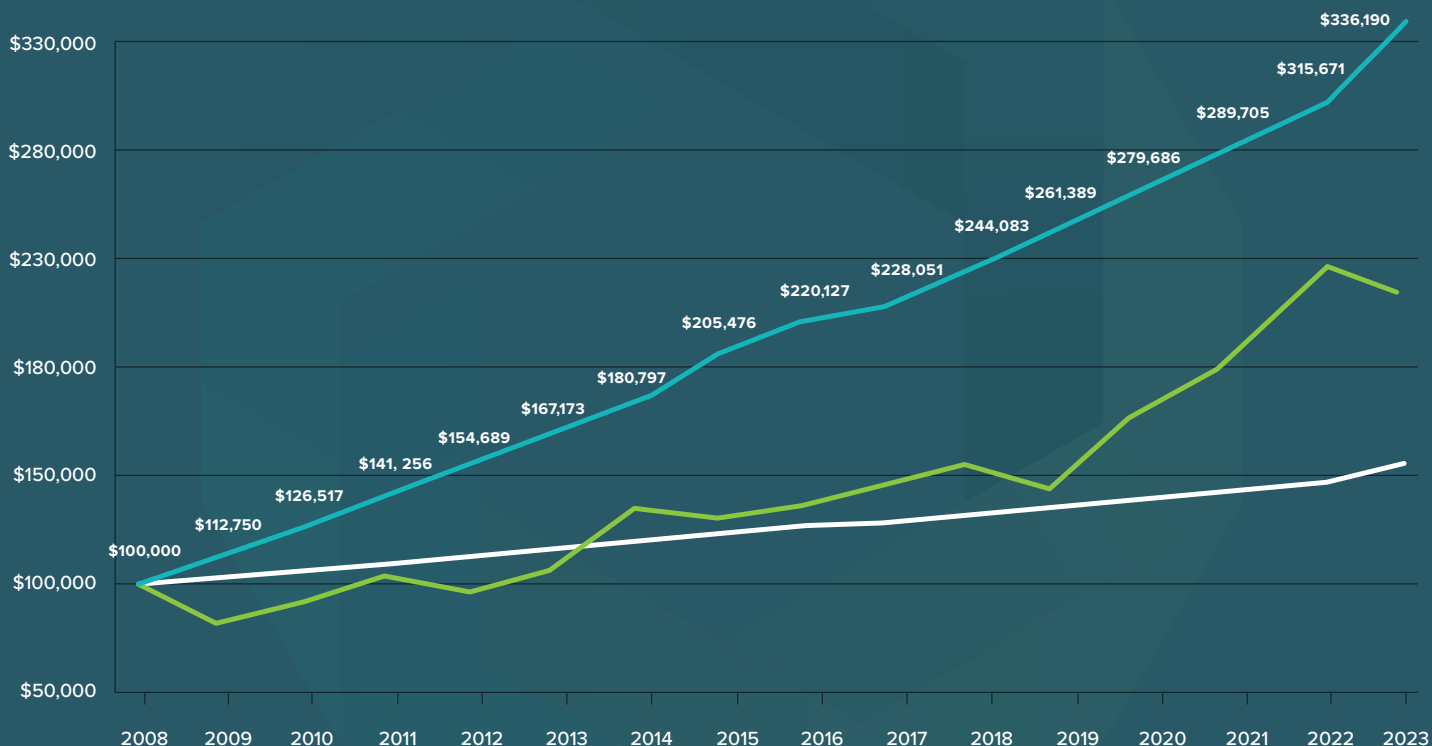
## Monthly Distributions

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".

Lendable Funds	<b>\$221.96 MM</b>
Mortgages in Portfolio	<b>327</b>
Portfolio Loan to Value (LTV)	<b>58%</b>
Mortgage funds in BC	<b>93%</b>
Mortgage funds in AB	<b>7%</b>
Mortgage funds in 1 <sup>st</sup> position	<b>83%</b>
Mortgage funds in 2 <sup>nd</sup> position	<b>17%</b>
Residential Mortgages	<b>94%</b>
Single Detached Home	<b>53%</b>
Condo	<b>4%</b>
Townhouse	<b>3%</b>
Other	<b>34%</b>
Owner Occupied	<b>36%</b>
Average credit score of borrowers	<b>709</b>
% of portfolio in foreclosure	<b>5%</b>
Average LTV on foreclosures	<b>54%</b>
Consecutive months of distributions	<b>157 mo</b>
Current monthly distribution	<b>7.5% p.a.</b>
Shareholder Accounts	<b>1,328</b>
Shareholders monthly cash distributions	<b>50%</b>
Shareholders share re-investment (DRIP)	<b>50%</b>
Open/cash shareholders	<b>71%</b>
Registered (RRSP, TFSA, etc) shareholders	<b>29%</b>



● 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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