



## September 2023 In Review

AP Capital MIC's 163rd consecutive monthly distribution was made on Tuesday, October 3rd. In September, AP's underwriting team advanced 18 mortgages for \$7.2MM. The Loan-to-Values (LTV) of 54.99% in September mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$6.3MM from 13 mortgages.

## Fund Update

At AP Capital, we wholeheartedly subscribe to the adage, "Defense wins championships." This principle, often echoed in the world of sports, aligns with our approach to the mortgage industry. Our strategy revolves around managing our portfolio in such a way that we remain resilient in the face of unforeseen challenges. One of the cornerstones of our defensive strategy is the Loan-to-Value (LTV) ratio. By ensuring that there is ample real estate value securing our loans against properties, we fortify ourselves against delinquencies and non-payment when they occur. This protective measure ensures that we have a substantial cushion to cover both the principal and interest owed. However, LTV alone is not a complete defensive strategy. The underlying property may prove challenging to market and sell at the expected value. Having managed more than 1,900 mortgages over a span of 16 years, we've come to understand the importance of "marketability" in our underwriting process. A property's marketability plays a crucial role in our defense. A highly marketable property holds a distinct advantage over a property with a seemingly lower-risk LTV, especially if the latter is remote or highly unique with a limited pool of interested buyers. In contrast, a property located in a highly marketable urban area, can be marketed and sold because of broader appeal. These more often than not, exhibit more predictable value retention. So far in 2023, our team has advanced over 200 mortgages, with LTVs below 60% on average; defense strategy #1. While the marketability factor can have subjective elements, we incorporate this perspective into our assessment of every deal we fund; defense strategy #2.

We'd like to remind our valued investors that AP Capital's monthly distribution increased in October, reaching 8.05% per annum. The upcoming payment on November 1st, whether opted for through DRIP or in cash, will reflect this enhanced yield. Until next month, onward and upward!

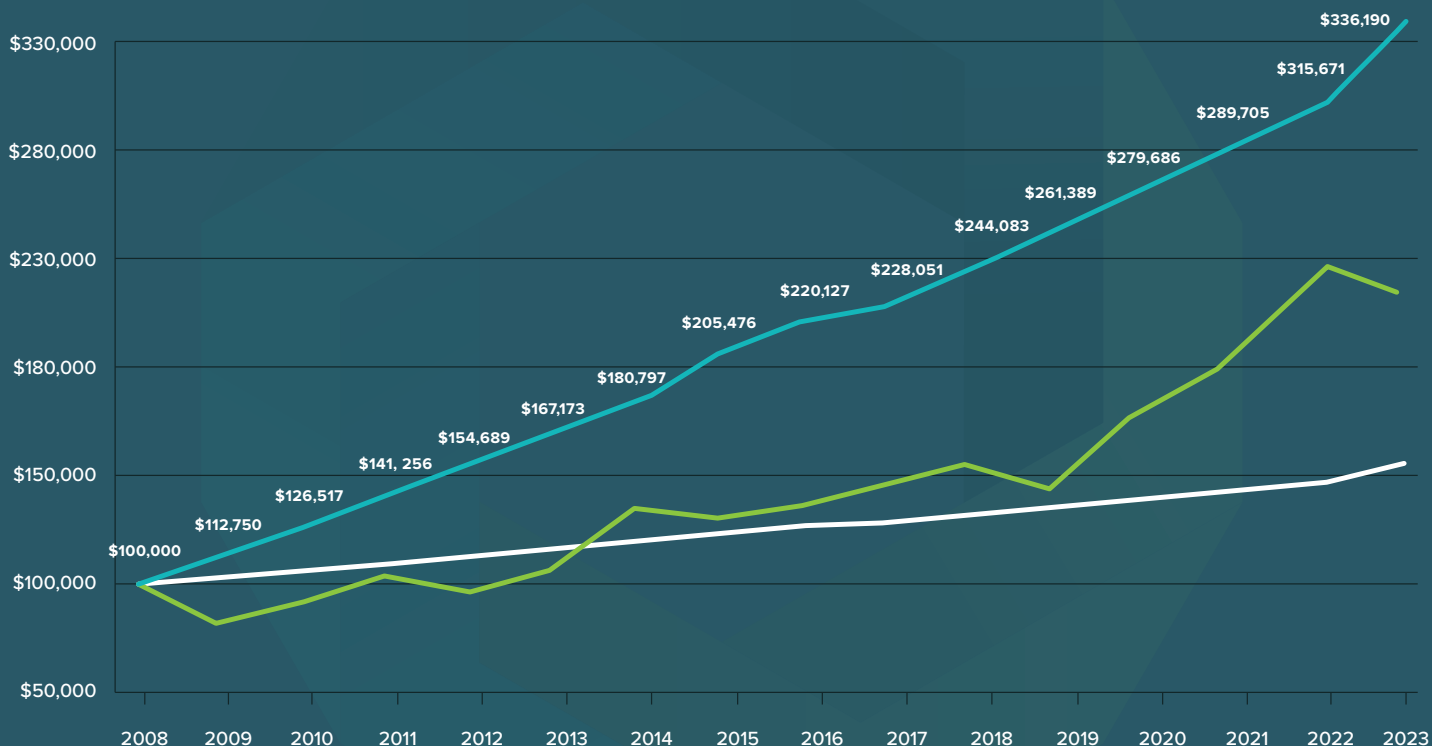
## Monthly Distributions

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".

<b>Mortgages Under Administration</b>	<b>\$219.66MM</b>
Mortgages in Portfolio	335
Portfolio Loan to Value (LTV)	58%
Mortgage funds in BC	92%
Mortgage funds in AB	8%
Mortgage funds in 1 <sup>st</sup> position	83%
Mortgage funds in 2 <sup>nd</sup> position	17%
Residential Mortgages	95%
Single Detached Home	58%
Condo	5%
Townhouse	4%
Other	29%
Owner Occupied	39%
Average credit score of borrowers	703
% of portfolio in foreclosure	5%
Average LTV on foreclosures	57%
Consecutive months of distributions	163 mo
Current monthly distribution	8.05% p.a.
Shareholder Accounts	1,359
Shareholders monthly cash distributions	56%
Shareholders share re-investment (DRIP)	44%
Open/cash shareholders	70%
Registered (RRSP, TFSA, etc) shareholders	30%



● 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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