



January 2025 In Review

AP Capital MIC's 179th consecutive monthly distribution was made on Monday, February 3rd. In January AP's underwriting team advanced 36 mortgages for \$19MM. The Loan-to-Values (LTV) of 61% in January falls well below the fund's 70% target. Mortgage payouts received in the month summed \$12.5MM from 22 mortgages.

Impact of Potential Tariffs

Recently, we have been asked how a potential tariff exchange between Canada and the United States could impact AP Capital. To gain insight, we examined British Columbia's reliance on U.S. exports (focus on BC as over 90% of AP Capital's mortgage activity occurs in the province). From a direct tariff standpoint, BC has the second-lowest percentage of exports to the U.S. among all provinces. Currently, 54% of BC's exports are destined for the U.S., compared to Ontario's 81%. These BC exports also span diverse industries, including energy, forestry, consumer goods, metals, minerals, and agriculture. BC's economic resilience is strengthened by its diversified economy and exports, which helps mitigate risks associated with shifts in trade policy. While the long-term effects of potential tariffs remain uncertain to BC and Canada, early indicators suggest they may not persist for an extended period.

One way to gauge public market sentiment for overall economic impacts to Canada, is through the performance of Canada's largest publicly traded companies. If investors were significantly concerned, we might expect to see a decline in the share prices of Canada's largest banks. However, this has not been the case as Royal Bank of Canada, the country's largest bank, remains near all-time highs, with only a minor dip in the past 30 days since tariff talks have consumed the news. While stock markets don't tell a complete story of economic conditions, they do provide real-time insights into investor confidence. Meanwhile, not all investors are as confident in stock market investing, as reported by The Wall Street Journal "Investors Haven't Been This Pessimistic About Stocks Since 2023" (Feb 7, 2025). Time will tell how public markets respond to tariff uncertainties.

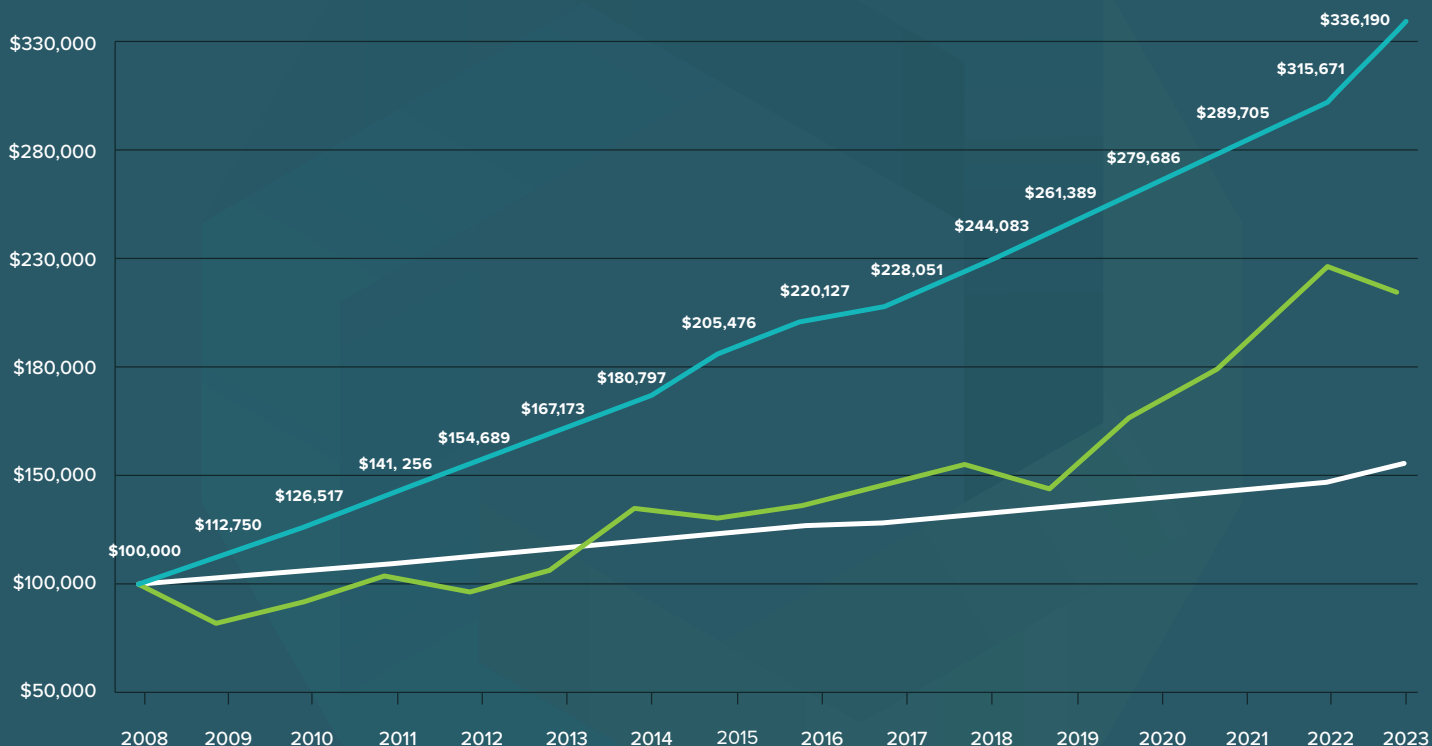
At AP Capital, we remain confident in the strength of Canadian residential real estate. Our mortgage fund is in healthy condition, supported by rigorous underwriting practices and proactive management of accounts. The demand for housing in Canada remains strong, and home prices in key markets - primarily urban BC - continue to demonstrate stability.

As always, we are committed to prudent decision-making and long-term success. We appreciate your trust in AP Capital and will continue to monitor economic conditions closely.

Mortgages Under Administration	\$255 MM
Mortgages funded since inception	\$1 B
Mortgages in Portfolio	418
Mortgages funded since inception	2,432
Portfolio Loan to Value (LTV)	58%
Mortgage funds in BC	91%
Mortgage funds in AB	9%
Mortgage funds in 1 st position	78%
Mortgage funds in 2 nd position	22%
Residential Mortgages	97%
Single Detached Homes	59%
Serviced & Urban Lots	34%
Condos	6%
Townhouses	1%
Owner Occupied	42%
Average credit score of borrowers	711
% of portfolio in foreclosure	5.11%
Average LTV on foreclosures	49%
Monthly distributions	
Class B shares	8.50% p.a.
Class F shares	9.00% p.a.
Consecutive months of distributions	179
Shareholder Accounts	1,611
Shareholders monthly cash distributions	51%
Shareholders share re-investment (DRIP)	49%
Open/cash shareholders	67%
Registered (RRSP, TFSA, etc) shareholders	33%



● 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.

2014	8.15%	2019	B class	7.00%
			F class	7.71%
2015	13.65%	2020	B class	6.80%
			F class	7.33%
2016	7.20%	2021	B class	5.68%
			F class	6.23%
2017	7.03%	2022	B class	6.34%
			F class	6.87%
2018	B Class	2023	B class	7.84%
	F Class		F Class	8.36%

*Introduction of F class shares

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