



July 2025 In Review

AP Capital MIC's 185th consecutive monthly distribution was made on Friday, August 1st. In July, AP's underwriting team advanced 45 mortgages for \$25 million. The Loan-to-Values (LTV) of 58% in July falls well below the fund's 70% target. Mortgage payouts received in the month summed \$10.2 million from 18 mortgages.

Fund Update

The AP Mortgage Fund has annually targeted a return of 7% to 8% (net of fees) and has achieved this result with our 10-year average return at 7.66% for Class B (a modest premium for Class F, which was introduced in 2018). This performance reflects our commitment to prioritizing quality and stability, a strategy that remains central to our approach. Since the onset of the Covid-19 pandemic, the interest rate environment has been dynamic, with significant central bank cuts in 2020, rising rates from 2022 through mid-2023, and a decline in Bank of Canada (BoC) rates since June 2024. These fluctuations appear to be stabilizing, with central banks globally signaling a more predictable (dare we say flat) rate environment in the near to medium term, barring no major shocks. As a mortgage fund, our portfolio experiences a natural lag in response to BoC interest rate changes. The interest rate declines since June 2024 are gradually reflected in AP's rates to borrowers. In turn, this impacts net income/yield for distribution to shareholders as older mortgages in the portfolio are replaced with new loans at lower interest rates. Looking ahead to the final two quarters of 2025, we anticipate additional modest reductions in our monthly distribution to accommodate this lag; however, we do not expect a continued downward trend in our net income/yield. There is a floor, and we are approaching it as we anticipate a stabilization of rates.

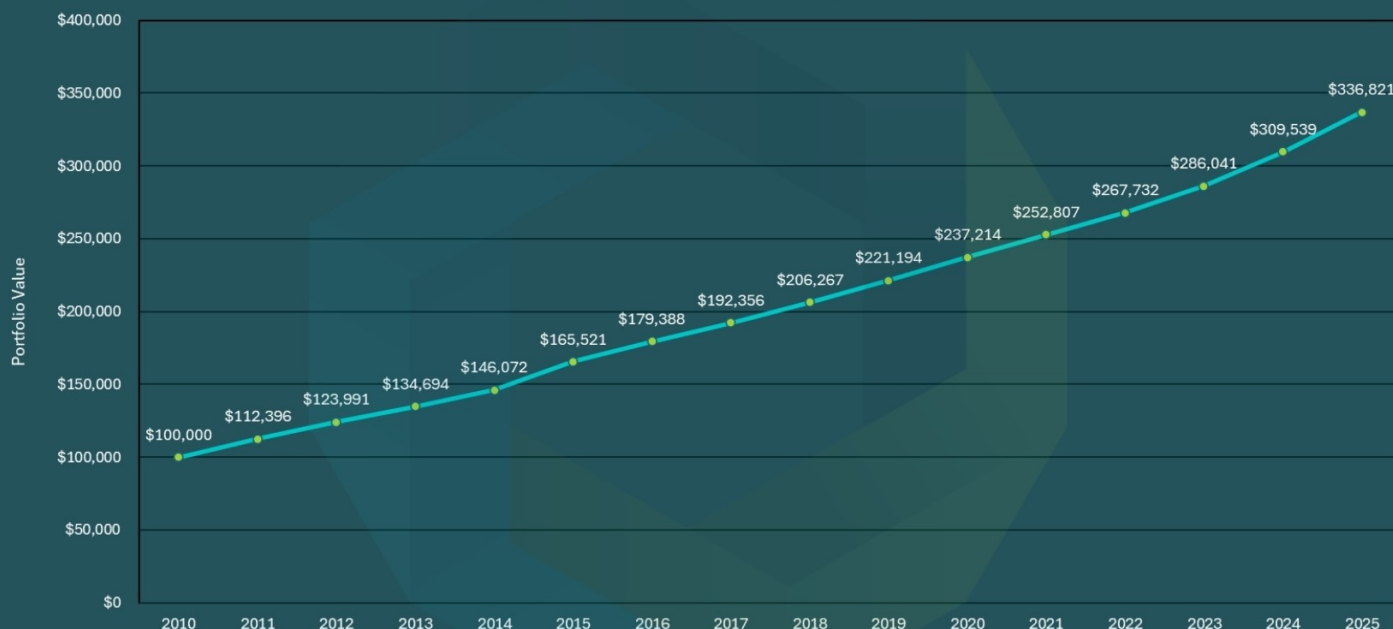
At AP Capital, our focus remains on underwriting high-quality mortgages to ensure steady and reliable performance, aligning with the preferences shareholders have shared with us: stability, capital preservation, and consistency as the top priorities. We remain committed to delivering on this mandate while navigating the evolving rate landscape.

Thank you for your continued trust in AP Capital.

Mortgages Under Administration	\$293 MM
Mortgages funded since inception	\$1.1 B
Mortgages in Portfolio	481
Mortgages funded since inception	2,650
Portfolio Loan to Value (LTV)	57%
Mortgage funds in BC	94%
Mortgage funds in AB	6%
Mortgage funds in 1 st position	79%
Mortgage funds in 2 nd position	21%
Residential Mortgages	98%
Single Detached Homes	62%
Serviced & Urban Lots	28%
Condos	7%
Townhouses	1%
Owner Occupied	45%
Average credit score of borrowers	717
% of portfolio in foreclosure	4.18%
Average LTV on foreclosures	46%
Monthly distributions	
Class B shares	7.5% p.a.
Class F shares	8% p.a.
Consecutive months of distributions	185
Shareholder Accounts	1,707
Shareholders monthly cash distributions	54%
Shareholders share re-investment (DRIP)	46%
Open/cash shareholders	67%
Registered (RRSP, TFSA, etc) shareholders	33%



AP Capital Mortgage Investment Corporation Total Return



Does not reflect tax consequences of returns. Past performance does not guarantee future performance.

Interest Yield (net of fees)

Year	B Class		F Class	
	Cash***	Drip**	Cash***	Drip**
2018	7.09%	7.32%	7.65%*	7.92%*
2019	7.00%	7.76%	7.71%	8.62%
2020	6.80%	8.17%	7.33%	8.84%
2021	5.68%	7.19%	6.23%	8.04%
2022	6.34%	8.51%	6.87%	9.46%
2023	7.84%	11.29%	8.36%	12.41%
2024	8.46%	13.22%	9.02%	14.60%

*Introduction of F class shares

** DRIP reflects annual return only if no redemptions took place since 2018

*** Cash yield shows audited interest rate

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