MIC Fund Facts

Version.190

December 2025 In Review

AP Capital MIC's 190th consecutive monthly distribution was made on Friday, January 2nd, 15 years 10 months without a missed dividend. In December, AP's underwriting team advanced 23 mortgages for $9.88 million. The Loan-to- Values (LTV) of 61% in December falls well below the fund's 70% target. Mortgage payouts received in the month summed $20.33 million from 31 mortgages.

Fund Update

This update is courtesy of one of our capital partners based in Toronto, Canada, who recently wrote:

AP Capital approaches real-estate–backed lending as a credit discipline, not a real estate equity investment. The firm does not lend unless it would be comfortable owning the underlying property itself, not because ownership is the objective, but because collateral serves as the ultimate safety net if borrowers default.

For a lender, equity is an additional protection, not a source of return. Equity exists to absorb volatility in property values before the lender is exposed. As a result, lenders experience losses only when two things happen at once: a decline in property value sufficient to exhaust the equity's protection, and borrower default that forces reliance on the property.

AP Capital structures its lending to remain far removed from equity risk. Lender outcomes are driven by borrowers consistently making their payments over a defined time window, and by property values remaining above conservative thresholds, rather than by long-term property appreciation or real estate market cycles. Alternatively, in real estate investing (i.e., through a REIT structure), risk is tied to property values.

Through short-term, primarily first-position loans, AP Capital's exposure sits structurally above equity risk. Losses require a convergence of three unlikely events during our short loan term: a major value drop, a borrower default, and the failure of our conservative safety buffers. AP's entire underwriting process is designed to make that perfect storm very unlikely.

To a prosperous 2026!

Mortgages Under Administration	**$295 MM**
Mortgages funded since inception	**$1.2 B**
Mortgages in Portfolio	**464**
Mortgages funded since inception	**2,788**
Portfolio Loan to Value (LTV)	**58%**
Mortgage funds in BC	**93%**
Mortgage funds in AB	**7%**
Mortgage funds in 1st position	**79%**
Mortgage funds in 2nd position	**21%**
Residential Mortgages	**98%**
Single Detached Homes	**59%**
Serviced & Urban Lots	**30%**
Condos	**6%**
Townhouses & Duplex / MFD	**3%**
Owner Occupied	**43%**
Average credit score of borrowers	**717**
% of portfolio in foreclosure	**6.12%**
Average LTV on foreclosures	**51%**
Monthly distributions	
Class B shares	**7.00% p.a.**
Class F shares	**7.50% p.a.**
Consecutive months of distributions	**190**
Shareholder Accounts	**1,744**
Shareholders monthly cash distributions	**53%**
Shareholders share re-investment (DRIP)	**47%**
Open/cash shareholders	**67%**
Registered (RRSP, TFSA, etc) shareholders	**33%**

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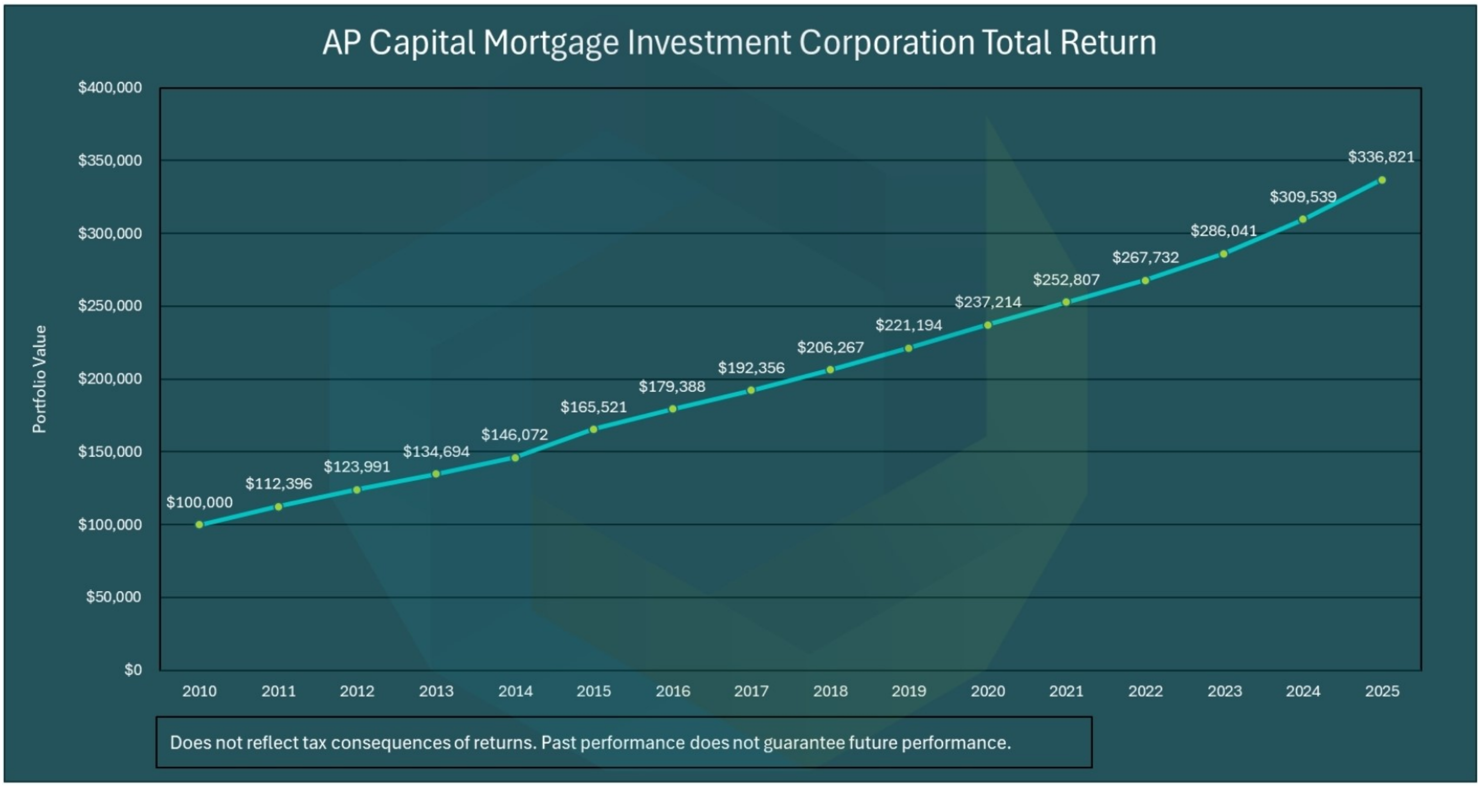

Simple Interest Audited Yield (net of fees)

Year	B Class	F Class
2018	7.09%	7.65%*
2019	7.00%	7.71%
2020	6.80%	7.33%
2021	5.68%	6.23%
2022	6.34%	6.87%
2023	7.84%	8.36%
2024	8.46%	9.02%

*Introduction of F class shares

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