



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.

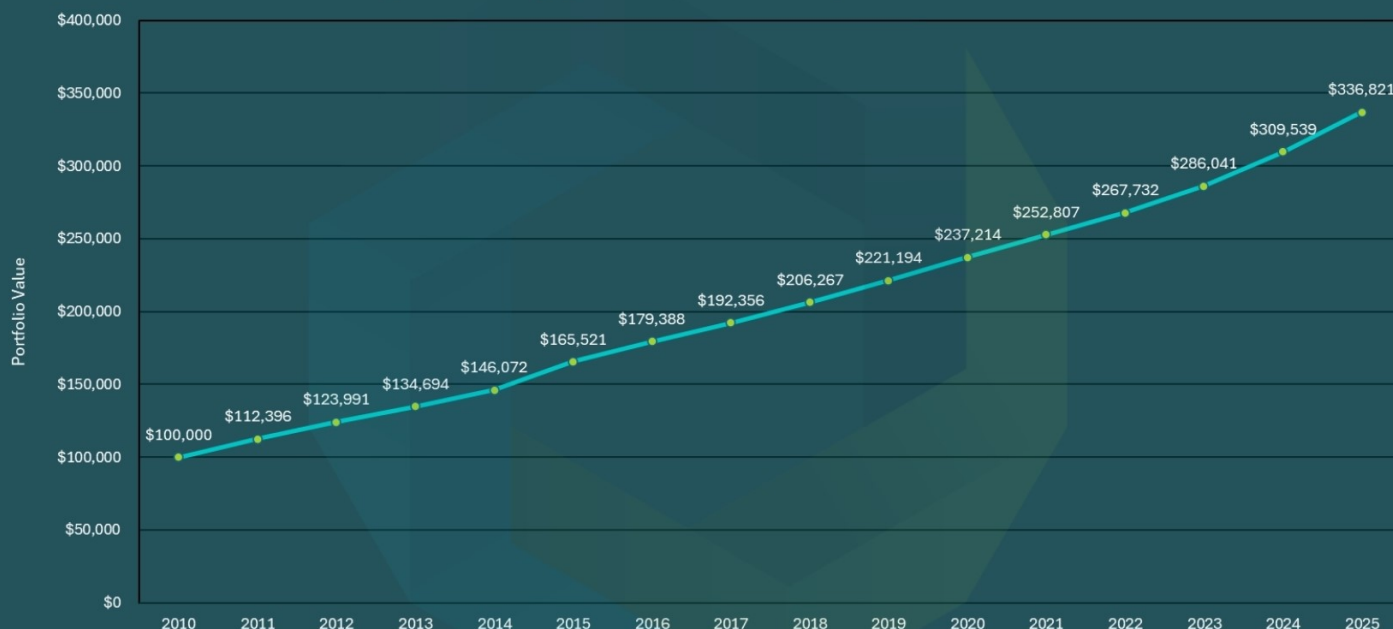
Through short-term, primarily first-position loans, AP Capital's exposure sits structurally above equity risk. Losses require a convergence of three unlikely events during our short loan term: a major value drop, a borrower default, and the failure of our conservative safety buffers. AP's entire underwriting 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 1 st position	79%
Mortgage funds in 2 nd 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%



AP Capital Mortgage Investment Corporation Total Return



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

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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