



January 2026 In Review

AP Capital MIC's 191st consecutive monthly distribution was made on Monday, February 2nd, 15 years 11 months without a missed dividend. In January, AP's underwriting team advanced 26 mortgages for \$8.43 million. The Loan-to-Values (LTV) of 54% in January falls well below the fund's 70% target. Mortgage payouts received in the month summed \$4.08 million from 9 mortgages.

Fund Update

Resilience Through Specialization

The Canadian real estate market is currently experiencing a divergence. While commercial and development sectors face significant headwinds, AP Capital's disciplined focus on single-family residential mortgages continues to deliver remarkable stability.

Despite broader market strains, the fund's fundamental health remains as strong as at any point in our history. As of February 1, 2026, AP Capital MIC grew to \$301M (up from \$254.6M YoY), supported by a conservative weighted-average LTV of 58.2% and an average loan size of \$632,000. Housing in our target markets continues to transact, and general economic conditions remain supportive of household mortgage obligations.

Key Performance Indicators

- **Payment Performance:** Our NSF rate (mortgage payments failing on the first attempt) has improved to 4.1% over the last four months, down from 4.7% during the same period last year. Currently, 96% of AP borrowers pay successfully on the first automated draw. For the remaining 4.1%, our team initiates immediate collection protocols, typically recovering funds within days.
- **Yield Migration:** Our current monthly distributions—7.0% (Class B) / 7.5% (Class F)—reflect a 24-month decline in market interest rates. While we forecast a possible compression of 0.5%–1.0% by year-end, this is strictly a function of the interest rate environment, not a deterioration in credit quality.
- **Loss Stability & Foreclosure Management:** Loss provisions remain consistent with our 3-year and 5-year averages; we have budgeted a conservative 0.25% loss provision for 2026. It is important to note that at AP, foreclosure is viewed as a structured collection tool rather than a failure. Having managed over 100 such files over the last decade with immaterial impact to net income, our history proves that when you lend intelligently at the outset, the legal recovery process effectively preserves shareholder principal.

While the broader industry experiences pockets of significant challenge, AP's data shows a borrower base performing exceptionally well. We remain committed to capital preservation within the most resilient sector of Canadian real estate.

Mortgages Under Administration	\$301 MM
Mortgages funded since inception	\$1.2 B
Mortgages in Portfolio	477
Mortgages funded since inception	2,814
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	58%
Serviced & Urban Lots	30%
Condos	7%
Townhouses & Duplex / MFD	3%
Owner Occupied	43%
Average credit score of borrowers	717
% of portfolio in foreclosure	5.61%
Average LTV on foreclosures	50%
Monthly distributions	
Class B shares	7.00% p.a.
Class F shares	7.50% p.a.
Consecutive months of distributions	191
Shareholder Accounts	1,743
Shareholders monthly cash distributions	52%
Shareholders share re-investment (DRIP)	48%
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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