MIC Fund Facts

Version.197

July 2026 In Review

Current Monthly Distribution: 6.25% p.a. Class B

Current Monthly Distribution: 6.75% p.a. Class F

In July, AP's underwriting team advanced 39 mortgages for $15.3 Million. The Loan-to-Values (LTV) of 57% in July falls well below the fund's 70% target. Mortgage payouts received in the month summed $17.56 million from 29 mortgages.

AP Capital MIC's 197th consecutive monthly distribution (16 years, 5 months) was made on Tuesday, August 4th.

Fund Update

As of August 2026, the Fund's active foreclosure exposure sits at 3.80% of total assets under management. This represents a significant contraction from earlier in the year, where the year-to-date average stood at 5.76%. This positive trajectory was primarily driven by the successful resolution and payout of several foreclosed positions during July. For broader historical perspective, the current level sits below our 10-year (120-month) trailing average of 4.14%, highlighting stable credit conditions relative to our long-term baseline.

These operational metrics reflect our disciplined enforcement framework. Traditional Canadian banks do not publicly report mortgage defaults until arrears exceed 90 days, and only begin foreclosure process after this. As a specialized short-term, one-year lender, AP Capital operates with a far more proactive mandate. When a borrower fails to meet their payment obligations, we decisively initiate legal foreclosure proceedings—frequently by day 45. Over the past decade, our team has successfully navigated more than 100 files through the foreclosure workflow. Expedited legal action remains our primary lever to protect principal and reduce timeline risk. The effectiveness of this model can be measured by how capital losses have impacted investor yield. Across the past 12-year tracking period, the impact of capital losses on investor yield has been less than 0.03% per annum (annualized average), demonstrating the structural resilience of our underwriting criteria and workout protocols.

We remain committed to rigorous credit discipline and proactive portfolio management to deliver consistent, risk-adjusted returns.

Mortgages Under Administration	$285 MM
Mortgages funded since inception	$1.32 B
Mortgages in Portfolio	460
Mortgages funded since inception	2,977
Portfolio Loan to Value (LTV)	57%
Mortgage funds in BC	92%
Mortgage funds in AB	8%
Mortgage funds in 1st position	79%
Mortgage funds in 2nd position	21%
Residential Mortgages	98%
Single Detached Homes	54%
Serviced & Urban Lots	34%
Condos	8%
Townhouses & Duplex / MFD	4%
Owner Occupied	40%
Average credit score of borrowers	715
% of portfolio in foreclosure	3.80%
Average LTV on foreclosures	58%
Monthly distributions	
Class B shares	6.25% p.a.
Class F shares	6.75% p.a.
Consecutive months of distributions	197
Shareholder Accounts	1,761
Shareholders monthly cash distributions	48%
Shareholders share re-investment (DRIP)	52%
Open/cash shareholders	66%
Registered (RRSP, TFSA, etc) shareholders	34%

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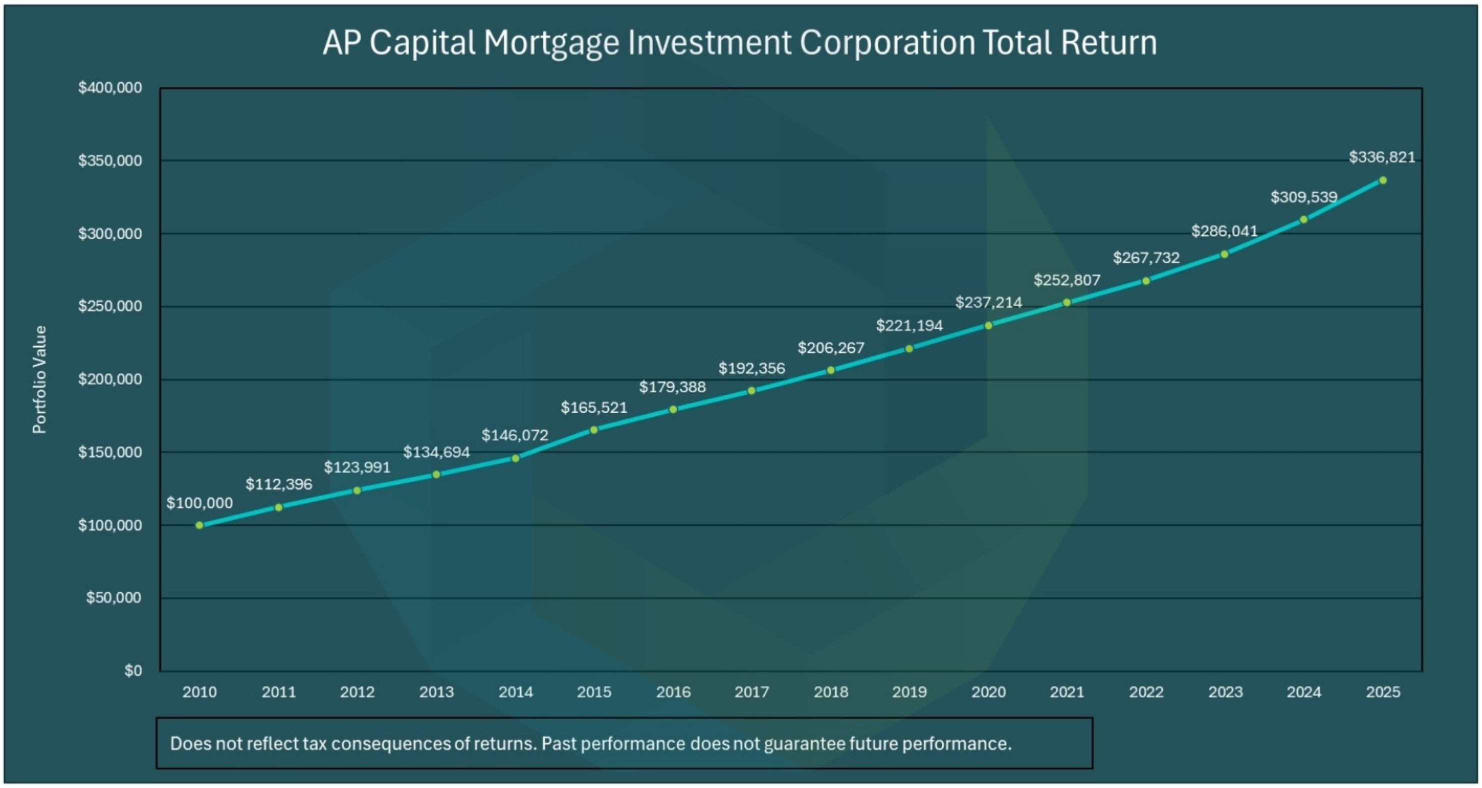

Simple Interest Audited Yield (net of fees)

Year	B Class	F Class
2015	13.65%	
2016	7.20%	
2017	7.03%	
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%	8.365
2024	8.46%	9.02%
2025	7.69%	8.33%

*Introduction of F class shares