



## December 2023 In Review

AP Capital MIC's 166th consecutive monthly distribution was made on Tuesday, January 2nd. In December, AP's underwriting team advanced 33 mortgages for \$13.8 MM. The Loan to-Values (LTV) of 56.8 7% in December mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$15.4MM from 16 mortgages.

## Fund Update

The team at AP Capital wants to wish you a Happy New Year! As we start 2024, we look at the ever evolving economic landscape and its impact on our business. Here are a few considerations to guide AP's strategy in 2024.

**Interest Rate Outlook - Stability :** We expect 2024 to bring stability to interest rates with a slight trend towards declining rates. We expect and forecast our yield, net of fees, will remain above 8% p.a. through 2024.

**Alternative Mortgage Market in Canada - A Haven of Opportunities:** Big Banks in Canada are increasingly rejecting loan applications largely due to higher qualifying rates, creating opportunities for alternative lenders like AP Capital. The average credit score of an AP borrower exceeds 705; a signal of good borrower quality.

**Housing Market Resilience - A Silver Lining:** The persistent imbalance between supply and demand remains a foundation of Western Canada's market strength. The demand for housing remains steady, and the limited supply of homes continues to support property values. With AP's portfolio Loan-to-Value at 59%, we are well positioned to manage unforeseen market changes.

**The Role of Private Credit Alternative Mortgage Funds:** Investment markets can be notoriously volatile. In such unpredictable times, it becomes attractive to explore investments that offer stability plus attractive returns. Investing in a private credit alternative mortgage fund stands out as a compelling option. Speak to your financial advisor to consider introducing or expanding your position in 2024.

The team at AP wants to thank you for your continued trust and partnership. In 2024, we remain committed to diligently managing our investments and navigating the evolving economic landscape. Until next month.

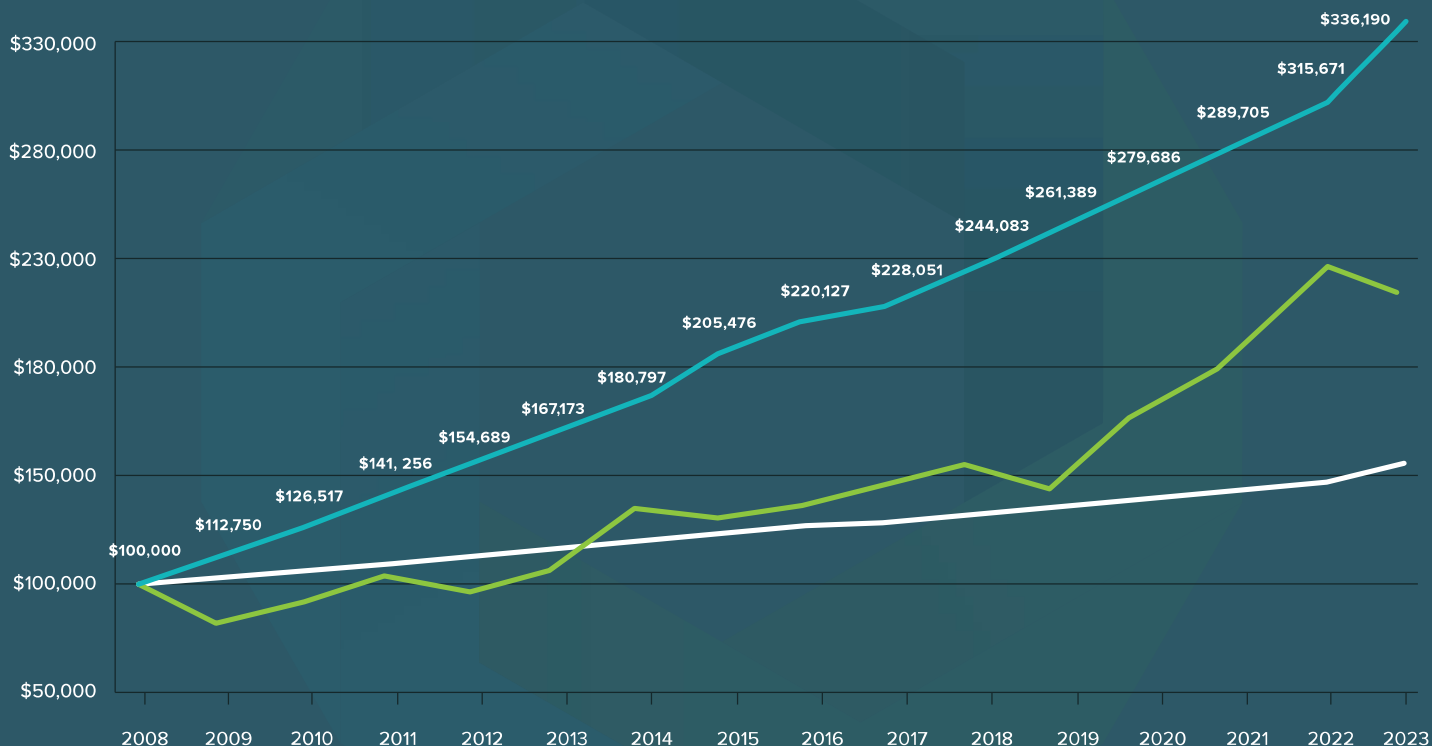
## Monthly Distributions

AP Capital MIC's monthly distributions (in cash or shares/DRIP) are managed by transfer agent SGGG Fund Services. Online access to shareholder account services are available. Registered account holders (i.e. RRSP, TFSA), please access your trustee accounts for balances. All distributions and returns are "after deduction of Management Fees".

|  |                   |
|--|-------------------|
| <b>Mortgages Under Administration</b>            | <b>\$215.14MM</b> |
| <b>Mortgages in Portfolio</b>                    | <b>344</b>        |
| <b>Portfolio Loan to Value (LTV)</b>             | <b>59%</b>        |
| <b>Mortgage funds in BC</b>                      | <b>92%</b>        |
| <b>Mortgage funds in AB</b>                      | <b>8%</b>         |
| <b>Mortgage funds in 1<sup>st</sup> position</b> | <b>81%</b>        |
| <b>Mortgage funds in 2<sup>nd</sup> position</b> | <b>19%</b>        |
| <b>Residential Mortgages</b>                     | <b>94%</b>        |
| Single Detached Home                             | <b>56%</b>        |
| Condo  | <b>5%</b>         |
| Townhouse  | <b>3%</b>         |
| Other  | <b>31%</b>        |
| <b>Owner Occupied</b>                            | <b>36%</b>        |
| <b>Average credit score of borrowers</b>         | <b>706</b>        |
| <b>% of portfolio in foreclosure</b>             | <b>4.8%</b>       |
| <b>Average LTV on foreclosures</b>               | <b>54%</b>        |
| <b>Consecutive months of distributions</b>       | <b>166 mo</b>     |
| <b>Current monthly distribution</b>              | <b>8.05% p.a.</b> |
| <b>Shareholder Accounts</b>                      | <b>1,400</b>      |
| Shareholders monthly cash distributions          | <b>56%</b>        |
| Shareholders share re-investment (DRIP)          | <b>44%</b>        |
| Open/cash shareholders                           | <b>70%</b>        |
| Registered (RRSP, TFSA, etc) shareholders        | <b>30%</b>        |



● AP Capital MIC ● S&P/TSX Composite Total Return ● 3% Compounding



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

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| 12.75%        | 12.21%        | 11.65%        | 9.51%         | 8.07%         |
| JUNE 2009     | JUNE 2010     | JUNE 2011     | JUNE 2012     | JUNE 2013     |
| 8.15%         | 13.65%        | 7.13%         | 3.6% (6mos.)  | 7.03%         |
| JUNE 2014     | JUNE 2015     | JUNE 2016     | DECEMBER 2016 | DECEMBER 2017 |
| 7.09%         | 7%            | 6.80%         | 5.68%         | 6.34%         |
| DECEMBER 2018 | DECEMBER 2019 | DECEMBER 2020 | DECEMBER 2021 | DECEMBER 2022 |

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