

# Quarterly Report

[October 2017 – December 2017]

Three Point Capital Corp. (ThreePoint) is pleased to provide its Quarterly Report for the three month period ending December 31st, 2017.

December 31st, 2017 also marks the year-end for ThreePoint. In 2017, the Company exceeded its targeted annual rate of return for the year. ThreePoint delivered an audited annualized rate of return to its shareholders of 7.08% in 2017, exceeding its annual target of 6.5%. With a portfolio comprised of lower risk 1st position mortgages secured predominantly against residential homes in marketable Canadian urban centers and with an overall portfolio weighted average loan-to-value of only 56%, ThreePoint is pleased to report that the Company has increased its monthly declared dividend to shareholders to 6% annualized. ThreePoint will also pay a top-up dividend to shareholders of record at December 31st year-end to match the actual performance of the fund.

ThreePoint Capital continues to lend with discipline in BC, Alberta, Saskatchewan and Manitoba where the liquidity and stability of real estate is high. New mortgage originations for the quarter totaled \$12.5 million and the health of the portfolio was again evident with \$10,442,591 received in mortgage repayments. Canada also saw new mortgage rules come into effect in 2018. These new rules have substantially affected one's ability to qualify for traditional bank financing. ThreePoint firmly believes that this tightening in traditional lending policy has moved higher qualified borrowers towards non-traditional lenders such as ThreePoint. With this migration, ThreePoint expects a stronger level of borrower security supporting the health and profitability of the portfolio. We also remain mindful that we may experience lower turn-over in the portfolio given that borrowers' options to re-finance elsewhere may have been limited. Fortunately our 12-24 month mortgage terms provide a valuable hedge against rising rates and permit ThreePoint to increase rates along with the prevailing market rate increases.

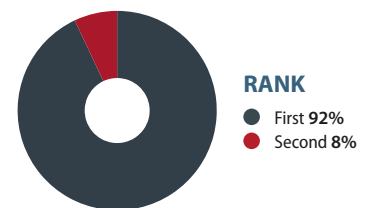
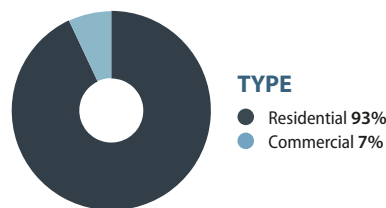
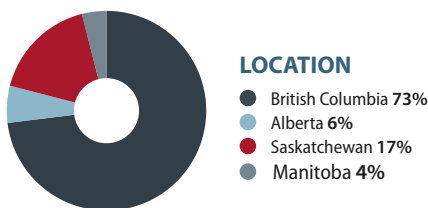
ThreePoint Capital shareholders are reminded that each of you have been given the opportunity to make one ThreePoint share purchase using a TFSA, RRSP or RRIF, where the Company will pay the trustee transaction fee on your behalf. Please contact Danica at [danica@threepointcapital.ca](mailto:danica@threepointcapital.ca) should you wish to take advantage of this offer. To discuss details of this report further, or any questions or concerns, please contact either Ryan Lee at [ryan@threepointcapital.ca](mailto:ryan@threepointcapital.ca) or Marylyn Needham at [marylyn@threepointcapital.ca](mailto:marylyn@threepointcapital.ca) or 1-800-979-2911.

Portfolio	
Total Portfolio Size	\$57 million
Number of Mortgages	249
Average Mortgage Size	\$229,419
Average Portfolio LTV	56%
Average Interest Rate	8.35%

Dividends	
2017 Year End Performance	7.08%
Target Annual Dividend (net of management fee)	7.0%
Monthly Dividend Declared	6.0%
Target Annual Top-Up Dividend	1.0%

Redemption Dates	
Notice Date	Redemption Date
Feb 15, 2018	Mar 1, 2018
May 15, 2018	June 1, 2018
Aug 15, 2018	Sept 1, 2018
Nov 15, 2018	Dec 1, 2018

We remind you that our monthly dividend is based on a conservative rate of 6% annualized, which you can receive as cash each month or choose to re-invest for more shares of ThreePoint by utilizing our monthly dividend reinvestment program (DRIP). At year-end a top-up dividend will be paid to each shareholder of record to match the actual performance of the fund.



## INVEST. LEND. GROW.

Call: 1.800.979.2911  
Email: [investing@threepointcapital.ca](mailto:investing@threepointcapital.ca)  
Visit: [threepointcapital.ca](http://threepointcapital.ca)

**threepoint**  
CAPITAL

## Recent Mortgage Transactions

**\$247,500**

Winnipeg, MB

**75% Loan to Value**

Residential first mortgage financing

**\$46,000**

Calgary, AB

**70% Loan to Value**

Residential second mortgage financing

**\$550,000**

Kelowna, BC

**45% Loan to Value**

Residential first construction mortgage financing

## Portfolio Composition (AS OF DECEMBER 31, 2017)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
<b>Rank</b>				
First	197	52,722,768	92%	8.15
Second	52	4,402,610	8%	10.65
<b>Type</b>				
Residential	239	53,275,474	93%	8.33
Commercial	10	3,849,904	7%	8.51
<b>Location</b>				
BC	163	41,347,148	73%	8.20
AB	19	3,466,810	6%	8.84
SK	54	9,785,411	17%	8.73
MB	13	2,526,008	4%	8.66
<b>TOTAL</b>	<b>249</b>	<b>57,125,378</b>	<b>100%</b>	<b>8.35%</b>

### Now Accepting New Investors

ThreePoint Capital is now accepting investors from across Canada. Our careful and disciplined approach to mortgage investing provides our shareholders with a stable monthly dividend secured predominantly by residential loans in Western Canada. We value your decision to invest with us and will equally value your referrals.

Learn more about ThreePoint Capital investment opportunities:

Call: 1.800.979.2911

Email: [investing@threepointcapital.ca](mailto:investing@threepointcapital.ca)

Visit: [threepointcapital.ca](http://threepointcapital.ca)

\* Before considering investment, please request a copy of Three Point Capital Corp's offering memorandum. This document is for information purposes only and is not an offer to sell or a solicitation of an offer to purchase securities. Any offering will be made by way of offering memorandum, a copy of which is available upon request or by download on our website.