

Quarterly Report

[July 2018 – September 2018]

Three Point Capital Corp. (ThreePoint) is pleased to provide its Quarterly Report for the three month period ending September 30th, 2018.

ThreePoint experienced its strongest quarter to date in new mortgage originations and our outlook continues to remain positive. New mortgage originations for the quarter were up and totaled \$15.2 million. A healthy turn-over within the portfolio was again on display with \$12.4 million received in mortgage repayments during the quarter.

In previous quarterly reports we have shared with you the growth of the Canadian non-bank mortgage industry and the value that lenders such as ThreePoint are providing. The overall quality of our borrower continues to improve. While higher quality borrowers decrease our “credit risk” and strengthen the risk profile of our mortgage portfolio, they bring with them their own set of challenges that we diligently manage, the most significant of which is “pre-payment risk.”

Pre-payment risk occurs when we extend mortgage financing to a borrower on a one-year term and the mortgage is repaid in full prior to maturity. As we encounter more high-quality borrowers, we encounter more short-term mortgages and increased pre-payment. Pre-payment and turn-over within the portfolio generate more fees for our shareholders, so this can be desirable, but pre-payment risk can arise if we struggle to find suitable mortgages to replace the pre-paid mortgages. This is where our disciplined portfolio growth will benefit us. As our mortgage portfolio grows so does our brand awareness in the marketplace. With increased brand awareness comes increased mortgage applications and a greater pool of mortgage opportunities to pull from. The goal of this mortgage fund is not size, it is quality. In today’s market, with significant mortgage pre-payment and turn-over, size can assist with quality.

93% of ThreePoint’s portfolio is secured by mortgages in the 1st position and 95% of the portfolio is secured against residential homes. The overall weighted average loan-to-value of the portfolio has reduced to 57% loan-to-value, down from 58% in the previous quarter. These factors, combined with the valuable diversification of loans from BC to Ontario, gives ThreePoint a strong position as we continue through 2018 and into 2019.

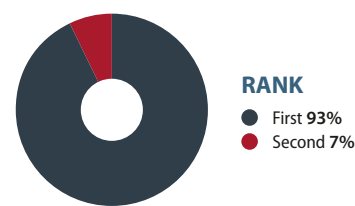
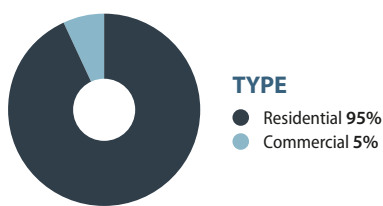
To discuss details of this report further, or any questions or concerns, please contact either Ryan Lee at ryan@threepointcapital.ca or Marylyn Needham at marylyn@threepointcapital.ca or call toll free at 1-800-979-2911.

Portfolio	
Total Portfolio Size	\$66 million
Number of Mortgages	263
Average Mortgage Size	\$252,728
Average Portfolio LTV	57%
Average Interest Rate	8.40%

Dividends	
Target Annual Dividend (2018) (net of management fee)	7.0%
Monthly Dividend Declared	6.0%
Target Annual Top-Up Dividend (2018)	1.0%
2017 Year End Performance	7.08%

Redemption Dates	
Notice Date	Redemption Date
Nov 15, 2018	Dec 1, 2018
Feb 15, 2019	Mar 1, 2019
May 15, 2019	June 1, 2019
Aug 15, 2019	Sept 1, 2019

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.



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Email: investing@threepointcapital.ca
Visit: threepointcapital.ca

Recent Mortgage Transactions

\$580,000

Kelowna, BC

66% Loan to Value

First mortgage
of pre-sale townhouse

\$235,000

Surrey, BC

55% Loan to Value

First mortgage
refinance of rental condo unit

\$70,000

Winnipeg, MB

27% Loan to Value

First mortgage refinancing to
clear lien on inherited property

Portfolio Composition (AS OF SEPTEMBER 30, 2018)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
Rank				
First	211	61,482,358	93%	8.21%
Second	52	4,984,983	7%	10.80%
Type				
Residential	256	63,118,661	95%	8.21%
Commercial	7	3,348,679	5%	8.81%
Location				
BC	199	55,143,628	83%	8.37%
AB	15	3,112,308	5%	8.33%
SK	36	5,862,056	9%	8.80%
MB	13	2,349,348	3%	8.71%
TOTAL	263	66,467,340	100%	8.40%

Ontario (Coming Soon)

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

Visit: 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.