

Quarterly Report

[October 2020 – December 2020]

Three Point Capital Corp. (ThreePoint) is pleased to provide its Quarterly Report for the three-month period ending December 31st, 2020.

December 31st, 2020 also marks the fiscal year-end for ThreePoint. We began 2020 with an annual dividend target of 6.5%. In the Spring of 2020, with the uncertainty surrounding COVID-19, we revised that annual target from 6.5% to a range of 5.5% - 6%. The company distributed dividends each month throughout the year, opening the year with monthly distributions set at 6% annually. With the arrival of COVID-19, the monthly dividend was cautiously adjusted down to 4% in March alongside an increase to the portfolio's contingency cash reserves. As the year progressed, as we monitored the impact of COVID-19 and the continued stability of ThreePoint's mortgage portfolio, we were able to increase the monthly distribution from 4% to 4.5%, then to 5% annually, where it remains now.

We are pleased to report that ThreePoint's weighted average dividend yield for 2020 was 6.28%, slightly exceeding its adjusted target of 5.5% - 6% and just shy of the target we set prior to the arrival of the pandemic. Given the company has only distributed the equivalent of 4.71% via the monthly distributions, the year-end top-up dividend will average 1.5% for each shareholder. A special top-up dividend has been declared for shareholders of record as at December 31, 2020 and will be paid by March 15th, 2021. We can also confirm that in 2021 the company intends to maintain its monthly dividend distribution to shareholders at 5% per annum and fully anticipates paying another top-up dividend to shareholders as at December 31st, 2021 to reflect the actual performance of the Company for the year.

As discussed in ThreePoint's 2021 Vision Report, we will continue to manage this mortgage portfolio with discipline and care and have set our overall target dividend for 2021 at 6%.

New mortgage originations for the quarter totaled \$24.9 million with the final 3 weeks of December being the busiest in the history of the company. A healthy turn-over within the portfolio was again on display with \$15.3 million received in mortgage repayments during the quarter. For 2020, total fundings for the year were \$77.6 million with \$51.8 million in payouts. The portfolio ended the year at \$101 million, up from \$77 million at 2019 year-end.

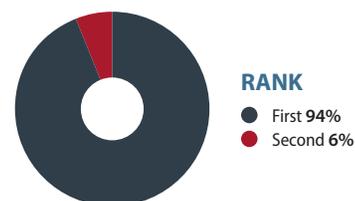
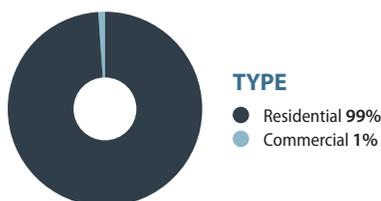
94% of ThreePoint's portfolio is secured by mortgages in the 1st position and 99% of the portfolio remains secured against residential homes. The overall weighted average loan-to-value of the portfolio remains conservative at only 55.8% LTV. These factors, combined with the valuable diversification of loans from BC to Ontario, continue to provide ThreePoint a strong position as we enter 2021.

Portfolio	
Total Portfolio Size	\$101 million
Number of Mortgages	323
Average Mortgage Size	\$311,842
Average Portfolio LTV	55.8%
Average Interest Rate	7.88%

Dividends	2021 TARGET	2020 ACTUAL	2019 ACTUAL	2018 ACTUAL
Annual (net of mgmt. fee)	6%*	6.28%*	7.03%*	7.17%*
Declared Monthly (Annualized)	5%			
Target Top-Up	1%			

Redemption Dates	
Notice Date	Redemption Date
Feb 15, 2021	Mar 1, 2021
May 15, 2021	June 1, 2021
Aug 15, 2021	Sept 1, 2021
Nov 15, 2021	Dec 1, 2021

*Net dividend yield for past years is the audited return net of all expenses and fees incurred by ThreePoint. The actual rate of return earned by each investor may depend on the timing of the investor's transactions and how they elect to receive the monthly dividend distribution. Past performance is not indicative of future performance. Please read the ThreePoint offering memorandum for important information, including a description of the risks, before investing.



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Recent Mortgage Transactions

\$535,00

Kelowna, BC

52% Loan to Value

1st/2nd inter alia mortgage for home for daughter.

\$127,500

Belleville, ON

69% Loan to Value

First mortgage for purchase of home from estate sale.

\$55,000

Whitby, ON

46% Loan to Value

Second mortgage for debt consolidation.

Portfolio Composition (AS OF DECEMBER 31, 2020)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
Rank				
First	262	94,273,522	94%	7.73%
Second	61	6,451,372	6%	10.19%
Type				
Residential	319	99,231,427	99%	7.87%
Commercial	4	1,493,467	1%	8.87%
Location				
BC	191	57,807,597	57%	8.07%
AB	14	3,854,392	4%	7.47%
SK	14	2,446,642	2%	8.78%
MB	10	1,908,312	2%	8.01%
ON	94	34,707,951	35%	7.55%
TOTAL	323	100,724,894	100%	7.88%

How to Invest

Three Point Capital Wealth Management (TPCWM), is a company related to ThreePoint, and launched in order to help investors learn about and invest in ThreePoint.

Registered as an exempt market dealer in BC and Alberta, TPCWM works with investors to determine if a new or additional investment in ThreePoint may be right for them.

Take a look at our website for more information on TPCWM and how to invest in ThreePoint. As always, we encourage you to read the ThreePoint offering memorandum for valuable information before considering an investment.



Learn more about ThreePoint investment opportunities:

1.800.979.2911
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