

# Quarterly Report

[April 2021 – June 2021]

Three Point Capital Corp. (ThreePoint) is pleased to provide its Quarterly Report for the three-month period ending June 30<sup>th</sup>, 2021.

We are pleased to report that as at June 30<sup>th</sup>, 2021, the three-month dividend yield for the company is 6.34%, currently exceeding its annual target of 6%.

Historically low interest rates continued in the second quarter of 2021 and at the time of writing this Q2 Report, the Bank of Canada has just announced that it is holding firm with its current policy rate at 0.25% and reiterated that it does not expect to raise interest rates before the second half of 2022 at the earliest.

In the second quarter of 2021 we funded a total of \$33.3 million in new mortgages (\$24.7 million in Q1 2021) and received a record setting \$27.6 million in mortgage payouts for the quarter (\$19.8 million in Q1 2021), resulting in net portfolio growth of \$5.7 million for the quarter, ending the quarter with a total portfolio of \$110.9 million (up from \$105.2 million in Q1 2021). We managed to accomplish this while also maintaining both the portfolio's conservative weighted average loan-to-value at 54.8% (55.1% in Q1 2021) and the concentration of first position mortgages at 94% of the portfolio (95% in Q1 2021). 32% of the portfolio is invested in Ontario, and our BC portfolio concentration has increased from 59% to 64%.

Default in the portfolio continues to be low. There are presently only 4 files in foreclosure and other than unrecoverable legal expenses, we do not anticipate any losses on these. There are also only 4 other files in the portfolio that we consider "files of concern" given there is some level of default, but they do not warrant foreclosure action at this time. One of these properties has sold and will pay out in July. We continue to be very pleased with the overall security of the ThreePoint portfolio.

These factors, combined with the valuable diversification of loans from BC to Ontario, continue to provide ThreePoint a strong position as we continue into the Summer of 2021.

To discuss details of this report further, or any questions or concerns, please contact either Ryan Lee (ryan@threepointcapital.ca) or Marylyn Needham (marylyn@threepointcapital.ca).

Portfolio	
Total Portfolio Size	\$111 million
Number of Mortgages	332
Average Mortgage Size	\$334,134
Average Portfolio LTV	54.8%
Average Interest Rate	7.43%

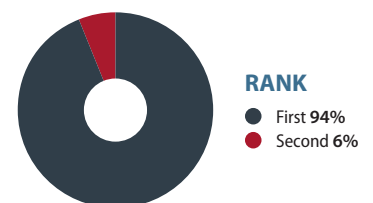
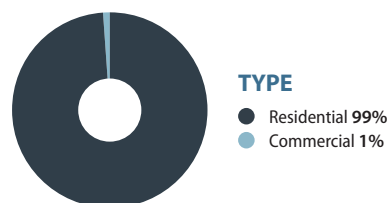
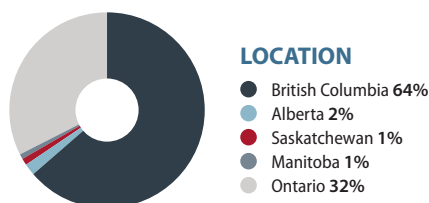
Dividends	2021 TARGET	2020 ACTUAL	2019 ACTUAL	2018 ACTUAL
Annual (net of mgmt. fee)	6%*	6.28%*	7.03%*	7.17%*
Declared Monthly (Annualized)	5%			
Target Top-Up	1%			

**Liquidity\***

Share redemptions are permitted monthly on the 1<sup>st</sup> of each month. Please provide notice of redemption request by the 15<sup>th</sup> of the preceding month.

*\* See Sec. 5.1 of the offering memorandum for full redemption policy.*

\*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.



**INVEST. LEND. GROW.**

Call: 1.800.979.2911  
 Email: investing@threepointcapital.ca  
 Visit: threepointcapital.ca



## Recent Mortgage Transactions

**\$485,250**

Hamilton, ON

**75% Loan to Value**

First mortgage on purchase of new home

**\$380,000**

Ottawa, ON

**32% Loan to Value**

First mortgage refinance to transfer title from spouse

**\$422,000**

Kamloops, BC

**47% Loan to Value**

First mortgage over two attached properties (duplex)

## Portfolio Composition (AS OF JUNE 30, 2021)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
<b>Rank</b>				
First	276	104,594,154	94%	7.29%
Second	56	6,338,457	6%	9.80%
<b>Type</b>				
Residential	328	109,467,566	99%	7.41%
Commercial	4	1,465,045	1%	8.85%
<b>Location</b>				
BC	212	70,297,846	64%	7.59%
AB	11	2,374,285	2%	7.36%
SK	9	1,252,227	1%	8.91%
MB	9	1,259,500	1%	8.35%
ON	91	35,748,753	32%	7.03%
<b>TOTAL</b>	<b>332</b>	<b>110,932,611</b>	<b>100%</b>	<b>7.43%</b>

### 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  
[wealthsupport@threepointcapital.ca](mailto:wealthsupport@threepointcapital.ca)  
[www.threepointwealth.ca](http://www.threepointwealth.ca)