

Quarterly Report

[October 2021 – December 2021]

Three Point Capital Corp. (Three Point) is pleased to provide its Quarterly Report for the three-month period ending December 31, 2021.

December 31st, 2021 also marks the fiscal year-end for Three Point. We are pleased to report that Three Point's dividend yield for 2021 was 6.04%, slightly exceeding its target of 6%. Given the company has only distributed the equivalent of 5% via the monthly distributions, the year-end top-up dividend will be approximately 1% for each shareholder, depending on whether you take monthly cash dividends or re-invested your dividends monthly. Once the Grant Thornton audit is complete, a special top-up dividend will be declared for shareholders of record as at December 31, 2021 and will be paid by March 15th, 2022. We can also confirm, provided Director approval, in 2022 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, 2022 to reflect the actual performance of the Company for the year.

As discussed in Three Point's 2022 Vision Report, we are currently almost 2 years into a season of the lowest Bank of Canada interest rates we have seen. Not since the financial crisis of 2009 has the Bank of Canada lending rate matched its current rate of 0.25%, yet this is where it has been since March 2020. Given this environment of ultra low interest rates, we have seen mortgages in our portfolio with higher interest rates from previous years pay-out and be replaced with new mortgages at today's lower rates. As you know, our dividend yield is a lagging indicator. The mortgages we invest in during the previous months, generate the dividend yield in the following months. We feel we are on the cusp of rising interest rates, an environment that should positively impact our dividend yield in future years. As we look to establish targets and expectations for 2022, we will continue to manage this mortgage portfolio with discipline and care and have set our overall target dividend for 2022 as a range of 5.5% to 6%.

In the fourth quarter of 2021 we funded a total of \$41.2 million in new mortgages (\$32.1 million in Q3 2021) and received only \$22 million in mortgage payouts for the quarter (\$25.1 million in Q3 2021), resulting in net portfolio growth of \$18.7 million, ending the quarter with total portfolio of \$136.7 million (up from \$118 million in Q3 2021). We managed to accomplish this while also maintaining both the portfolio's conservative weighted average loan-to-value at 55.2% (55.5% in Q3 2021) and the concentration of first position mortgages at 95% of the portfolio (95% in Q3 2021).

We continue to be pleased with the low level of default in the portfolio. In Q3, we reported that we had two foreclosures in process. One file has since been resolved with no loss and the other file also resolved with a loss of approximately \$56,000. Presently, we have only one file in foreclosure where there is no expectation of loss.

Portfolio	
Total Portfolio Size	\$136.7 million
Number of Mortgages	361
Average Mortgage Size	\$378,931
Average Portfolio LTV	55.2%
Average Interest Rate	6.94%

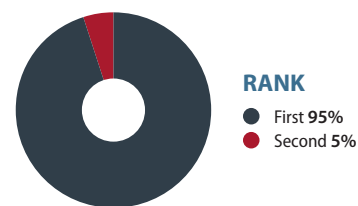
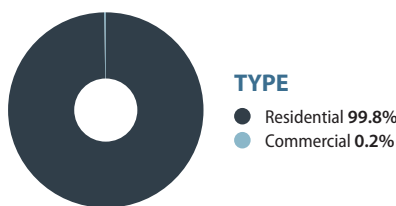
Dividends	2022 TARGET	2021 ACTUAL	2020 ACTUAL	2019 ACTUAL
Annual* (net of mgmt. fee)	5.5 - 6%	6.04%	6.28%	7.03%
Declared Monthly (Annualized)	5%			
Target Top-Up	0.5 - 1%			

Liquidity*

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



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Recent Mortgage Transactions

\$925,000

Kelowna, BC

65% Loan to Value

First mortgage refinance to fund the build of carriage house

\$424,925

Nanaimo, BC

50% Loan to Value

First mortgage to purchase home

\$128,500

York, ON

60% Loan to Value

Second mortgage equity take-out to build new property

Portfolio Composition (AS OF DECEMBER 31, 2021)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
Rank				
First	301	130,276,836	95%	6.80%
Second	60	6,517,213	5%	9.58%
Type				
Residential	360	136,518,512	99.8%	6.93%
Commercial	1	275,537	0.2%	11.00%
Location				
BC	235	90,573,658	66%	7.05%
AB	17	4,182,983	3%	6.84%
SK	7	946,938	1%	8.78%
MB	7	1,110,105	1%	7.77%
ON	95	39,980,365	29%	6.62%
TOTAL	361	136,794,049	100%	6.94%

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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