

# Quarterly Report

[April 2023 – June 2023]

Three Point Capital Corp. (Three Point) is pleased to provide its Quarterly Report for the three-month period ending June 30, 2023.

We are very pleased to report that as at June 30th, 2023, the year-to-date dividend yield for the company has increased to 7.09%, already exceeding our annual target of 7% for the year. With this strong performance we have recommended, and the board has approved, an increase to the monthly dividend distribution from 5.5% to 6.5% effective immediately. We do expect the current environment of elevated interest rates and healthy turn-over of mortgage files within the portfolio to continue to positively impact the dividend yield over the balance of the year and fully anticipate the company will be in a position to declare and pay an additional top-up dividend at year-end.

With the Bank of Canada again increasing their policy interest rate on both June 7th and July 12th, new mortgage activity, while busier than Q1 of this year, remained slower than typical for the company as we continued to exercise our disciplined approach to lending. When coupled with a significant volume of mortgage payouts during that same period, we were quite content to allow our portfolio to again reduce in size during the quarter. In the second quarter of 2023 we funded a total of \$40 million in new mortgages (\$21 million in Q1 2023) and received \$42 million in mortgage payouts (\$28 million in

Q1 2023), resulting in a net decrease in portfolio size of \$2 million, ending the quarter with a total portfolio of \$172 million (\$174 million in Q1 2023). This was achieved while maintaining the weighted average loan-to-value ratio at 53.8% (52.9% in Q1 2023), the average mortgage size remained stable at \$404,108 (\$402,429 in Q1) and we were able to increase the portfolio's average interest rate to 9.53% (8.41% in Q1 2023).

We continue to be pleased with the low level of default in the portfolio, especially considering how steep and quick interest rates have increased. However, as expected, default and delinquency are at modestly elevated levels compared to past years. At the end of Q1, we had 4 files in the process of foreclosure; all have since resolved with a cumulative loss of only \$3237 in unrecoverable legal expenses on one file. At the end of Q2, we have 3 files in the process of foreclosure, 2 in Saskatchewan and 1 in Ontario. Since month end, one of the Saskatchewan files has resolved to our satisfaction. The Ontario file is out of term as they did not accept the offered renewal so we have instructed our Ontario lawyer to demand the loan. Beyond unrecoverable legal expenses, we do not expect any material losses on these files.

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

Portfolio	
Total Portfolio Size	\$172.5 million
Number of Mortgages	427
Average Mortgage Size	\$404,108
Average Portfolio LTV	53.8%
Average Interest Rate	9.53%

Dividends	2023 TARGET	2022 ACTUAL	2021 ACTUAL	2020 ACTUAL
Annual <sup>(1)</sup> (net of mgmt. fee)	7%	5.9%	6.04%	6.28%
Declared Monthly <sup>(2)</sup> (Annualized)	5.5%			
Target Top-Up	1.5%			

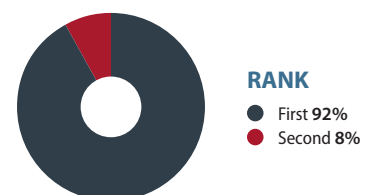
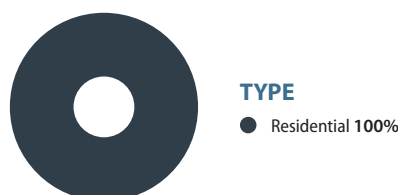
**Liquidity\***

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.*

(1) 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.

(2) 5.5% January to June. Increased to 6.5% in July.



## INVEST. LEND. GROW.

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



## Recent Mortgage Transactions

**\$339,500**

Toronto, ON

**70% Loan to Value**

First mortgage purchase  
of a pre-sale condo

**\$110,000**

Kelowna, BC

**55% Loan to Value**

Second mortgage re-finance  
for debt consolidation

**\$451,750**

Edmonton, AB

**65% Loan to Value**

First mortgage equity take-out  
to provide investment funds

## Portfolio Composition (As of June 30, 2023)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
<b>Rank</b>				
First	329	159,122,312	92%	9.38%
Second	98	13,431,661	8%	11.37%
<b>Type</b>				
Residential	427	172,553,973	100%	9.53%
<b>Location</b>				
British Columbia	242	99,117,860	57.40%	9.56%
Alberta	27	8,095,949	4.70%	9.44%
Saskatchewan	6	834,251	0.50%	9.57%
Manitoba	7	904,848	0.50%	9.56%
Ontario	145	63,601,064	36.90%	9.49%
<b>TOTAL</b>	<b>427</b>	<b>172,553,973</b>	<b>100%</b>	<b>9.53%</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  
www.threepointwealth.ca