

Quarterly Report

[July 2023 – September 2023]

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

We are very pleased to report that as at September 30th, 2023, the year-to-date dividend yield for the company has increased to 7.64%, up from 7.12% at Q2 2023 and has already exceeded our annual target of 7% for the year. Given we have distributed an annualized 5.5% in each of the first 6 months of the year followed by 6.5% since, we do expect the company will be in a strong position to declare and pay an addition top-up dividend at year-end.

The health of the Canadian real estate markets that we lend in continue to occupy a great deal of our attention. In a recent survey and forecast by Royal LePage, the results indicated that home prices should remain relatively stable throughout the balance of the year, while still downgrading their end-of-year forecast amid slower real estate activity and higher interest rates. They found the aggregate price of a home in Canada rose 3.6% in the third quarter of 2023 as compared to a year prior but is still down 0.8% from last quarter with Toronto and Vancouver down 2.8% and 1.8% respectively from last quarter. The lack in housing supply continues to be the biggest driver in real estate stability despite higher interest rates. The Canada Mortgage and Housing Corp. (CMHC) is estimating Canada will need an additional 3.5 million new homes by 2030 to restore affordability, which is vastly under the number expected based on the current volume being supplied.

In the third quarter of 2023 we funded a total of \$52 million in new mortgages (\$40 million in Q2 2023) and received \$38 million in mortgage payouts (\$42 million in Q2 2023), resulting in a net increase in portfolio size of \$14 million, ending the quarter with a total portfolio of \$186 million (\$172 million in Q2 2023). This was achieved while maintaining the weighted average loan-to-value ratio at 54.5% (53.8% in Q2 2023), the average mortgage size remained stable at \$412,950 (\$404,108 in Q2) and we were able to increase the portfolio's average interest rate to 10.01% (9.53% in Q2 2023).

There continues to be a relatively low level of default within the portfolio, yet as economic pressures continue to mount, we have seen a modest increase in the number of borrowers requesting a temporary work-out arrangement as they learn to deal with these increased financial pressures. In most cases, we find it prudent and practical to work in cooperation with borrowers when there are solutions for them on the horizon (such as a refinance in process or properties listed for sale for reasonable asking prices). At the end of the current quarter, we have one file in Saskatchewan in foreclosure where we have added a loss allowance, as well as 2 other foreclosure files in Ontario. In one case, the borrowers are working with a broker to refinance and in the other, the property is listed for sale. We are not anticipating any losses on these two files at this time.

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	\$186.2 million
Number of Mortgages	451
Average Mortgage Size	\$412,950
Average Portfolio LTV	54.5%
Average Interest Rate	10.01%

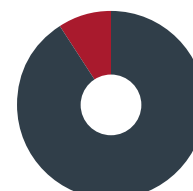
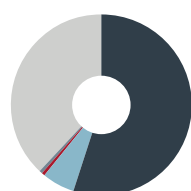
Dividends	2023 TARGET	2022 ACTUAL	2021 ACTUAL	2020 ACTUAL
Annual ⁽¹⁾ (net of mgmt. fee)	7%	5.9%	6.04%	6.28%
Declared Monthly ⁽²⁾ (Annualized)	6.5%			
Target Top-Up	1.5%			

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.*

- (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.



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Recent Mortgage Transactions

\$650,000

Toronto, ON

65% Loan to Value

First mortgage purchase
of a pre-sale condo

\$275,000

Kamloops, BC

47% Loan to Value

First mortgage purchase
of home from parent's estate

\$326,175

Edmonton, AB

75% Loan to Value

First mortgage purchase
of owner occupied home

Portfolio Composition (As of September 30, 2023)

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Average Interest Rate
Rank				
First	342	169,856,728	91%	9.84%
Second	109	16,383,829	9%	11.80%
Type				
Residential	451	186,240,557	100.0%	10.01%
Location				
British Columbia	249	103,268,063	55.41%	10.04%
Alberta	37	10,973,291	5.88%	10.07%
Saskatchewan	6	821,176	0.44%	10.00%
Manitoba	7	899,002	0.48%	10.80%
Ontario	152	70,279,025	37.79%	9.94%
TOTAL	451	186,240,557	100%	10.01%

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