threepoint CAPITAL

2023 Annual Review President's Message & 2024 Vision Report.

It is with a great sense of pride and responsibility that we share with you the successes of 2023 and the vision for Three Point Capital in 2024. With interest rates appearing to have peaked in 2023, coupled with a significant housing shortage in Canada that continues to keep home values elevated, Three Point Capital was able to deliver its strongest annual return on investment since inception. Three Point increased the company's monthly distribution from 5.5% to 6.5% in July and then again to 7.25% in January 2024. The company incurred losses of only $3,237 on one property during the year, welcomed $12 million in new share capital from both existing and new investors and funded $156 million in new mortgages. Default and delinquency remained minimal and the company significantly exceeded its dividend target for the year by delivering 8.13%. The target yield for 2024 is 8.5%.

2023 in Review

In the first quarter of 2023 new mortgage opportunities that met our disciplined approach to lending were down significantly; this was coupled with an increase in mortgage payouts during that same period which resulted in a reduction in portfolio size during the quarter. In the first quarter of 2023 we funded a total of $21 million in new mortgages and received $28 million in mortgage payouts, resulting in a net decrease in portfolio size of $7 million.

In the second quarter of 2023 we saw the Bank of Canada again increase their policy interest rate on June 7th (and then again in early Q3 on July 12th). New mortgage activity, while busier than Q1, remained slower than typical for the company as we continued to exercise our disciplined approach to lending. Coupled with a significant volume of mortgage payouts during that same period, we were quite content to allow our portfolio to reduce in size during the quarter. In the second quarter of 2023 we funded a total of $40 million in new mortgages and received $42 million in mortgage payouts, resulting in a net decrease in portfolio size of $2 million

The health of the Canadian real estate market continued to occupy a great deal of our attention in the third quarter as we analyzed the impact of the rising interest rates. The lack of housing supply continued to be the biggest driver in real estate stability in 2023 despite higher interest rates. The Canada Mortgage and Housing Corp. (CMHC) estimated that Canada will need an additional 3.5 million new homes by 2030 to restore affordability, which is vastly less than 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 and received only $38 million in mortgage payouts, resulting in a net increase in portfolio size of $14 million.

There were two Bank of Canada interest rate announcements in Q4 of 2023 and on both occasions, including the most recent announcement on January 24th, 2024 the Bank of Canada held its policy interest rate steady for the fourth consecutive time. They also indicted that monetary policy discussions have shifted from whether to raise borrowing costs further, to how long the bank should wait before lowering them. It is widely believed that further

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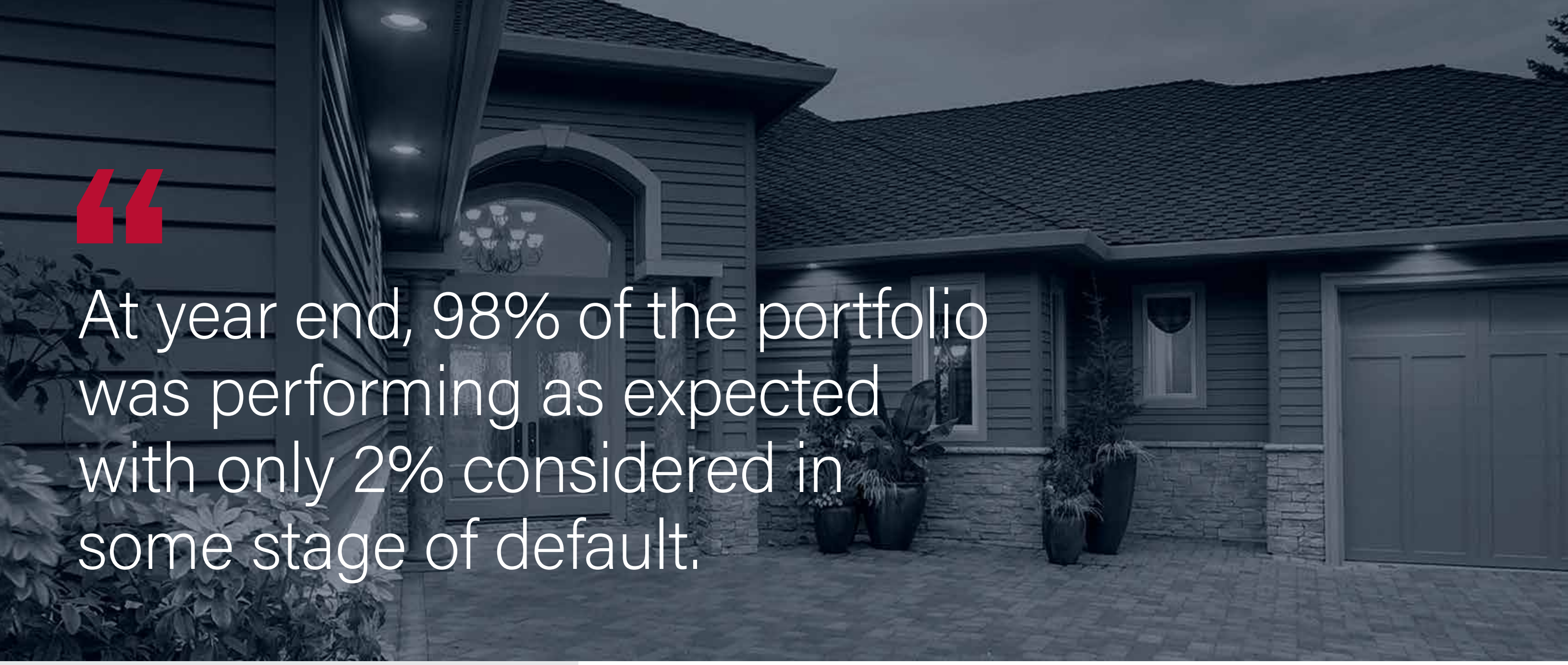
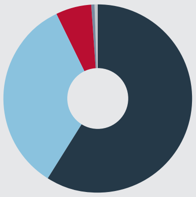
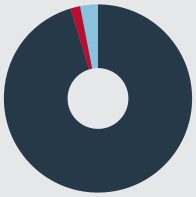


> At year end, 98% of the portfolio was performing as expected with only 2% considered in some stage of default.



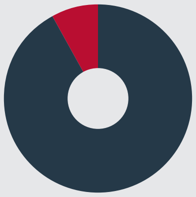
LOCATION

- British Columbia **59%**
- Ontario **34%**
- Alberta **6%**
- Manitoba **.5%**
- Saskatchewan **.5%**



TYPE

- Residential Homes **95.4%**
- Residential Lots **1.6%**
- Residential Construction **3.0%**



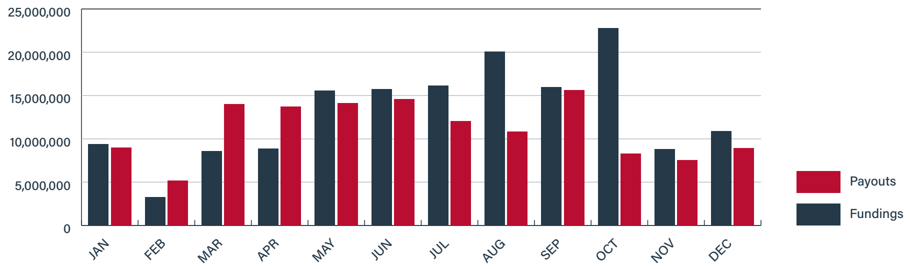
RANK

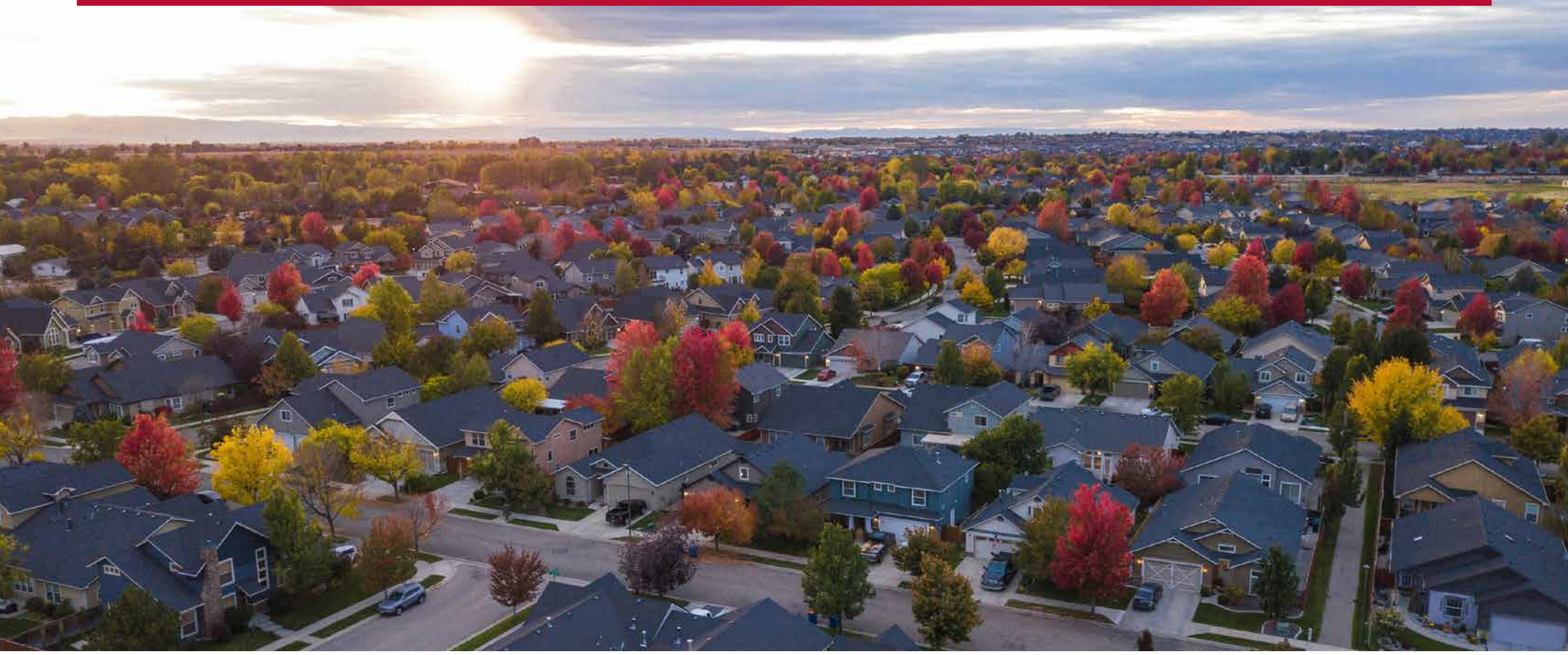
- First Mortgage **92%**
- Second Mortgage **8%**

recovery in the real estate market will occur once the Bank of Canada begins lowering its key lending rate. In the fourth quarter of 2023 we funded a total of $42 million in new mortgages and received only $25 million in mortgage payouts, resulting in a net increase in portfolio size of $17 million, ending the quarter, and the fiscal year, with a total portfolio of $203 million. This was achieved while maintaining the weighted average loan-to-value ratio at 54.5%, the average mortgage size remained stable at $428,388 and we were able to increase the portfolio's average interest rate to 10.11%.

Despite mounting economic pressures continuing to impact Canadian borrowers, there remained at year-end a relatively low level of default within the portfolio. At year end, 98% of the portfolio was performing as expected with only 2% considered in some stage of default. Even with this stability in the portfolio, we have taken steps to preserve this position into 2024 as we expect elevated interest rates to remain and borrower challenges to continue to put pressure on the economy. We have shortened our timeline for uncooperative borrowers as it relates to missed payments and we have increased our allowance for doubtful accounts to over $1 million as a precaution against future loan losses, should they occur. At year-end, we still had one file in Saskatchewan in foreclosure where we have added a loss allowance. Additionally, there was one active foreclosure file in Ontario with 2 more files moving to foreclosure in January 2024, one in Alberta and one in Ontario.

FUNDINGS VS PAYOUTS





2024 Vision Looking Forward

As 2024 unfolds, our current outlook on alternative mortgage lending has us focusing on the below.

Outlook on MIC Mortgage Lending

Heightened Attention to Specific Lending Criteria: Precision in our underwriting and mortgage investment decisions will be key in 2024 to maintain the strength and conservative nature of the Three Point portfolio. As shifts in demographics continue to impact where people live and work, lending locations have become more nuanced. As various cities contend with new Airbnb restrictions, most notably impacting investment properties and condos, property type and use analysis will be paramount. Elevated interest rates, while supportive of a strong dividend yield on investment, can exacerbate a borrower's financial stress and ability to meet their mortgage obligation. Should interest rate shock as mortgages renew put further downward pressure on home values, loan-to-value ratios will need to remain conservative. Three Point's heightened attention to very specific criteria and detailed underwriting guidelines will continue to support every investment decision made throughout 2024.

Continued Demand for Alternative Mortgage Lending & Portfolio Growth: Alternative mortgage lending has been gaining momentum for years and this trend is expected to continue in 2024. Traditionally, this sector gained prominence due to its ability to provide short term mortgage solutions to borrowers that couldn't qualify at conventional banks, however, in addition to that segment, the sector has evolved along with consumer needs and their increasing demand for flexible bridge-mortgage financing solutions. Three Point continues to offer a vital source of funding for those that value flexibility, speed and innovation in meeting their mortgage financing needs. Canadian banks have been required to keep the stress test in place, creating a historic opportunity for non-bank lenders like Three Point to capture a larger portion of the market. We expect to see modest growth in the Three Point portfolio over the duration of the year with a balanced approach in both British Columbia and Ontario, with upwards of 10% - 15% of the portfolio comfortably invested in Alberta.

Evolving Regulatory Landscape: Canadian regulators, specifically those in British Columbia and Ontario, have been very attentive to developments in the alternative mortgage market in an effort to combat fraud and money laundering, as well as ensuring the suitability of mortgage products for the consumer. 2024 will see the adoption of "know your product" for mortgage brokers and suitability assessments for borrowers when deciding between mortgage options. Mortgage brokers will be required to demonstrate that they have a strong understanding of the mortgage product they are recommending and the lender involved. Not only will the borrower need to qualify and be approved for the mortgage, but the broker will also be required to ensure the mortgage is suitable for the borrower as compared to other products available. Given mortgage brokers can not be expected to have a robust knowledge of all alternative lenders, we expect it will be the efforts that we have invested in the development of broker relationships over the past number of years that sets Three Point apart within the broker community.

Portfolio	
Total Portfolio Size	$203.4 million
Number of Mortgages	475
Average Mortgage Size	$428,388
Average Portfolio LTV	54.5%
Average Interest Rate	10.11%

Dividends	2024 Target	2023 Actual	2022 Actual	2021 Actual
Annual(1) (net of mgmt. fee)	8.50%	8.13%	5.90%	6.04%
Declared Monthly(2) (Annualized)	7.25%			
Target Top-Up	1-1.25%			

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 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) Distributed monthly as 7.25% / 366 x n (where n = number of days in corresponding month).

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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www.threepointwealth.ca

threepoint CAPITAL WEALTH MANAGEMENT INC.

Outlook on MIC Investing

Market Timing Considered Favourable & Increased Appeal in MIC Investing: While the risk associated with MIC investing is considered higher than that of traditional fixed income investments, we expect 2024 will be considered a favourable time to explore MIC investing. With interest rates expected to remain elevated and real estate markets largely stable due to a Canada-wide housing shortage, strong investment performance from MICs should favourably impact the ability to attract investment capital. Three Point Capital has maintained its disciplined lending within the portfolio while also benefiting from the rising interest rates and anticipates strong demand for new investment throughout 2024. We look forward to welcoming investment from new and existing shareholders.

Expanded Ways to Invest in Three Point Capital: We are currently exploring the opportunity to have Three Point Capital MIC listed on the FundServ platform, potentially making Three Point Capital shares available to Financial Advisors that wish to include the MIC in the overall financial plan for their clients. FundServ availability provides Financial Advisors the ability to purchase Three Point shares for their clients without having to see those funds move "off-book." Having Three Point approved on the FundServ platform would permit those invested funds to stay "on-book" and under the management of the Financial Advisor and incorporated within the fee agreement they have with their clients. After our due diligence, should the opportunity prove to be beneficial, we expect there will soon be two ways to invest in Three Point Capital. For our existing shareholders in BC and AB, as we have done for years, you can continue to work with our related party Exempt Market Dealer (EMD), Three Point Capital Wealth Management Inc. With the addition of FundServ approval, investors across Canada will have the opportunity to include Three Point Capital within a more fulsome financial plan with their Financial Advisor.

Outlook on Three Point Capital Dividend Yield: 2023 was an excellent year and our outlook for 2024 is favourable. Our dividend target for 2023 was set at 7% at the beginning of the year and by year-end, we were pleased to announce that we exceeded that target and delivered a return of 8.13%. The target for 2024 as been set at 8.5% with a current monthly distribution set at 7.25% annually, paid monthly. At the time of writing, the year-to-date yield for the company is already equivalent to 8.55%. Sharing these figures and expectations with you is important, primarily for two reasons. First, we are pleased to be able to deliver a strong return for our shareholders. We are disciplined in our efforts and careful in our investment decisions and the performance of this company has demonstrated that. Second, and just as important to communicate, while we do expect our dividend yield to remain elevated due to higher interest rates over the medium-term, we need to remain mindful that they will not stay here long-term. As interest rates eventually begin to lower, over time, we should expect the yield to follow. Granted, this eventual reduction in dividend yield that will follow interest rate reductions will likely take years to show in our return, it still warrants our attention as we set expectations for the next 3, 5 and 10 years.

Summary

As we make our way through 2024, we will continue to see the portfolio experience the consistent, stable growth with high quality mortgages that have shaped this company over the years. We expect the dividend yield to remain strong and the real estate market to remain stable. We will be revisiting the monthly distribution on a quarterly basis and do anticipate that the company will be in a position to recommend an increase to the distribution as early as Q2. We look forward to continuing with our one-on-one shareholder meetings throughout the year and we very much value the time you make for us. We are excited for the opportunities that 2024 is sure to bring and we appreciate being able to do it alongside you.