



QUARTERLY REPORT | OCTOBER - DECEMBER 2024

# Quarterly Report for the three-month period ending December 31, 2024.

## Portfolio

Total Portfolio Size	\$198.9 million
Number of Mortgages	441
Average Mortgage Size	\$451,100
Average Portfolio LTV	54.5%
Average Interest Rate	10.33%

Dividends	2025 Target	2024 Actual	2023 Actual	2022 Actual
Annual <sup>(1)</sup> (net of mgmt. fee)	9.0%	9.65%	8.13%	5.90%
Declared Monthly <sup>(2)</sup> (Annualized)	8.5%			
Target Top-Up	0.5 - 1.0%			

## 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 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 yield / 365 x n  
(where n = number of days in corresponding month)  
(where yeild = current monthly distribution rate)

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

As December 31, 2024 also marks the fiscal year-end for Three Point, we are very pleased to report that Three Point's total dividend yield for 2024 was 9.65%, significantly exceeding its target of 9% for the year. The target dividend yield for 2025 has been set at 9%.

Once the Doane Grant Thornton audit is complete, a special top-up dividend will be declared for shareholders of record as at December 31, 2024 and will be paid by March 15<sup>th</sup>, 2025.

There were two Bank of Canada interest rate announcements in Q4 of 2024 and on both occasions, the Bank of Canada cut its policy interest rate by 0.5%, marking the fifth consecutive rate cut in 2024. As policy rates continue to drop, with another announcement scheduled for January 29<sup>th</sup>, so too do the rates at which we lend and at some point, as we consider the rate at which we pay the monthly dividend, we may need to adjust that to a lower amount, but at present, we are comfortable with a monthly distribution equal to an annualized 8.5%<sup>(2)</sup>.

Throughout 2024 we remained disciplined in our new lending and while mortgage activity across Canada continued to slow, we did not expand our risk appetite to attract additional business. While steady and secure portfolio growth is a priority for Three Point, we were content to have our portfolio reduce in size during a year of real estate uncertainty. In the fourth quarter of 2024 we funded a total of \$34 million in new mortgages (\$34 million in Q3 2024) and received \$42 million in mortgage payouts (\$44 million in Q3 2024), resulting in a net decrease in portfolio size of \$8 million, ending the quarter, and the fiscal year, with a total portfolio of

\$198.9 million (\$203.5 million at 2023 year-end). We successfully maintained the conservative weighted average loan-to-value ratio at 54.5%, the average mortgage size remained stable at \$451,100 (\$438,133 in Q3) and we were able to hold the portfolio's average interest rate steady at 10.33% (10.40% in Q3 2024).

With respect to default and delinquency, we have seen an increase in the number of files that require our attention. While a slower real estate market has certainly added time to the resolution process, we feel confident that the over \$1M in reserves set aside in our allowance for doubtful accounts is adequate. The policy of Three Point is that when a file is 35 days in arrears, if there is no agreed upon satisfactory workout plan, the mortgage is demanded and the legal process begins. The 5 foreclosure files reported on in Q3 are progressing through the system. One file is in a forbearance agreement and 4 are in redemption periods. This part of the process allows the borrowers time to resolve before next steps in the legal process occur. If the files are not resolved by the expiry of these time periods, Three Point will apply for conduct of sale which is the right to sell the properties with court approval and be repaid out of sale proceeds. In Q4, two new files were demanded. Borrowers have indicated they are working on refinancing but if they are not successful, their process too will continue through the standard legal channels.



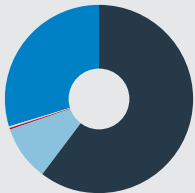
## Recent Mortgage Transactions

<p><b>\$450,000</b> Victoria, BC</p> <p>45% LOAN TO VALUE</p> <p>First mortgage to purchase an owner occupied home</p>	<p><b>\$550,250</b> Calgary, AB</p> <p>70% LOAN TO VALUE</p> <p>First mortgage to purchase an owner occupied home</p>	<p><b>\$260,000</b> Ottawa, ON</p> <p>69% LOAN TO VALUE</p> <p>Second mortgage refinance to complete purchase of new home</p>
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## Portfolio Composition

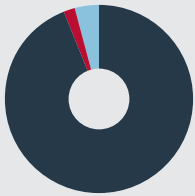
As of December 31, 2024

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Avg. Interest Rate
<b>Rank</b>				
First	344	180,540,812	91%	10.13%
Second	97	18,394,129	9%	12.37%
<b>TOTAL</b>	<b>441</b>	<b>198,934,941</b>	<b>100%</b>	<b>10.33%</b>
<b>Type</b>				
Residential	424	189,716,337	95.4%	10.32%
Vacant Land	8	3,371,797	1.7%	10.49%
Construction	9	5,846,806	2.9%	10.74%
<b>TOTAL</b>	<b>441</b>	<b>198,934,941</b>	<b>100%</b>	<b>10.33%</b>
<b>Location</b>				
BC	249	119,909,362	60.3%	10.25%
AB	51	19,041,793	9.5%	10.51%
SK	4	354,042	0.2%	9.99%
MB	6	711,499	0.4%	10.67%
ON	131	58,918,244	29.6%	10.44%
<b>TOTAL</b>	<b>441</b>	<b>198,934,941</b>	<b>100.0%</b>	<b>10.33%</b>



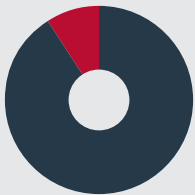
### LOCATION

- British Columbia 60.3%
- Alberta 9.5%
- Saskatchewan .2%
- Manitoba .4%
- Ontario 29.6%



### TYPE

- Residential Homes 94%
- Residential Lots 2%
- Residential Construction 4%



### RANK

- First Mortgage 91%
- Second Mortgage 9%

### 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

**INVEST. LEND. GROW.**

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

