

QUARTERLY REPORT | JULY – SEPTEMBER 2025

Quarterly Report for the three-month period ending September 30, 2025

Portfolio

Total Portfolio Size	\$244.3 million
Number of Mortgages	514
Average Mortgage Size	\$475,406
Average Portfolio LTV	56.4%
Average Interest Rate	8.72%

Dividends	2025 Target	2024 Actual	2023 Actual	2022 Actual
Annual ⁽¹⁾ (net of mgmt. fee)	9.0%	9.68%	8.13%	5.90%
Declared Monthly ⁽²⁾ (Annualized)	8.5%			
Target Top-Up	0.5 - 1.0%			

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

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)

We are pleased to report that as at September 30, 2025, the year-to-date dividend yield for the company is 9.00%.

In the third quarter of 2025, uncertainty around tariffs persisted, economic growth remained subdued, and the Canadian real estate market showed little momentum. In response, the Bank of Canada once again lowered interest rates. The Bank of Canada held interest steady at all three announcements in Q2 and cut rates at their first announcement in Q3 on September 13. With two more rate announcements still in 2025, we expect to see at least one additional rate cut this year. With interest rates continuing to decline, we do remain confident in nearing, if not achieving, our target annual return of 9% by year-end and maintaining the current monthly distribution of 8.5%⁽²⁾. However, as new, lower-rate mortgages gradually represent a larger portion of the portfolio, we anticipate a modest adjustment to the monthly distribution in Q1 of next year, likely in February, 2026.

As we've noted before, while the repayment of higher-rate mortgages can place some downward pressure on overall returns, reinvesting those funds into new mortgages supported by current appraisals enhances the portfolio's strength. This process ensures that the underlying real estate is valued at today's market levels—providing a more accurate, up-to-date reflection of security and portfolio quality.

In the third quarter of 2025 we funded a total of \$63 million in new mortgages (\$66 million in Q2 2025) and received \$43 million in mortgage payouts (\$38 million in Q2 2025), resulting in a net increase to the size of the portfolio of \$20 million, ending the quarter with a total portfolio of \$244.3 million (\$223.6 million in Q2 2025). This was achieved while maintaining the weighted average loan-to-value ratio at 56.4% (55.6% in Q2), the average mortgage size remained stable at \$475,406 (\$463,018 in Q2). As each new mortgage gets added to the portfolio at today's lower interest rates, coupled with previous higher rate mortgages paying out, the portfolio's average interest rate will continue to decrease. As at end of Q3, the weighted average interest rate of the portfolio is 8.72%, down from 9.24% in Q2. This metric is perhaps the clearest indicator of future return on investment. While total returns are also influenced by factors such as borrower fees, the positive effect of leverage, and portfolio turnover, the reality is that even the strongest and most secure mortgage portfolios remain fundamentally tied to prevailing market interest rates.

While a slower real estate market naturally leads to a more measured pace of resolutions on files in default, we were very pleased with the progress made in Q3. At quarter end, we had only four files in Ontario in the power of sale process (down from six in Q2) and three files in British Columbia in foreclosure (also down from six). We successfully resolved eight files during the quarter, either through sale or refinance. Borrowers have generally been able to secure alternative financing or complete property sales, and in many cases, anticipated losses are limited to typical unrecoverable legal expenses. We remain confident that our loan loss reserves are sufficient to cover any potential shortfalls.



Recent Mortgage Transactions

\$270,000

Kelowna, BC

62% LOAN TO VALUE

Second mortgage to consolidate debt

\$250,000

Edmonton, AB

45% LOAN TO VALUE

First mortgage purchase of owner occupied home

\$950,000

Huntsville, ON

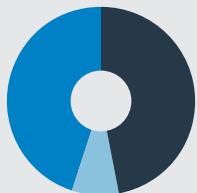
43% LOAN TO VALUE

First mortgage refinance of higher rate mortgage

Portfolio Composition

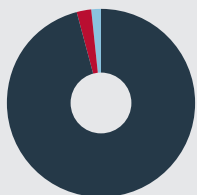
As of September 30, 2025

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Avg. Interest Rate
Rank				
First	420	226,934,542	93%	8.57%
Second	94	17,423,925	7%	10.70%
TOTAL	514	244,358,467	100%	8.72%
Type				
Residential Homes	485	234,014,101	96.0%	8.67%
Residential Lots	18	6,402,828	2.5%	9.91%
Residential Construction	11	3,941,538	1.5%	9.99%
TOTAL	514	244,358,467	100%	8.72%
Location				
BC	239	114,892,396	47%	8.91%
AB	50	20,412,788	8%	8.99%
SK	4	366,129	0%	9.07%
MB	4	428,523	0%	9.80%
ON	217	108,288,631	45%	8.46%
TOTAL	514	244,388,467	100%	8.72%



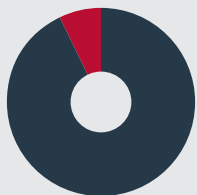
LOCATION

- British Columbia 47%
- Alberta 8%
- Saskatchewan 0%
- Manitoba 0%
- Ontario 45%



TYPE

- Residential Homes 96%
- Residential Lots 2.5%
- Residential Construction 1.5%



RANK

- First Mortgage 93%
- Second Mortgage 7%

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.

threepoint
CAPITAL WEALTH
MANAGEMENT INC.

Learn more about ThreePoint investment opportunities:

1.800.979.2911
wealthsupport@threepointcapital.ca
www.threepointwealth.ca

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