

# QUARTERLY REPORT | OCTOBER – DECEMBER 2025

# Quarterly Report for the three-month period ending December 31, 2025

## Portfolio

Total Portfolio Size	\$269.1 million
Number of Mortgages	572
Average Mortgage Size	\$470,598
Average Portfolio LTV	56.0%
Average Interest Rate	8.35%

Dividends	2026 Target	2025 Actual	2025 Actual	2025 Actual
Annual <sup>(1)</sup> (net of mgmt. fee)	8.0%	8.90%	9.68%	8.13%
Declared Monthly <sup>(2)</sup> (Annualized)	7.5%			
Target Top-Up	0.5%			

## 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 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:  
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Marylyn Needham (marylyn@threepointcapital.ca)

As December 31, 2025 also marks the fiscal year-end for Three Point, we are very pleased to report that Three Point's total dividend yield for 2025 was 8.90%, slightly under its target of 9% for the year but equally impressive given the broad and diverse economic challenges during the year. The target dividend yield for 2026 has been set at a conservative 8%. Once the Doane Grant Thornton audit is complete, a special top-up dividend will be declared for shareholders of record as at December 31, 2025 and will be paid by March 15, 2026.

During the fourth quarter of 2025, the Bank of Canada made two policy rate announcements. At its first meeting, the Bank reduced its policy rate by 0.25%, the second cut in as many months, before holding rates steady at its final announcement of the year. With two additional rate decisions scheduled for the first quarter of 2026, we are cautiously optimistic that the Bank has entered a period of stability.

As interest rates have declined, including the rates at which we originate loans, management believes it is prudent to adjust the amount of the monthly dividend that we distribute, to better reflect the current rate environment. Accordingly, effective January 2026, the Board has approved an adjustment to the monthly dividend distribution to an annualized rate of 7.5% (down from 8.5%)<sup>(2)</sup>

In contrast to the real estate uncertainty that led us to allow the portfolio to contract in 2024, market conditions in 2025 presented a greater number of strong lending opportunities. While this resulted in meaningful portfolio growth in 2025, our approach to underwriting remained unchanged. We did not expand our risk appetite to drive volume; growth was a by-product of disciplined lending in a more receptive market environment. Throughout 2025, we maintained the same disciplined approach to new lending that has long guided our portfolio management. While market conditions improved with lower rates and mortgage activity rebounded, portfolio growth was the result of increased opportunities that met our established underwriting criteria, not a relaxation of risk standards. Discipline remains central to our strategy, with growth pursued only where returns appropriately reflect risk.

In the fourth quarter of 2025 we funded a total of \$58.5 million in new mortgages (\$63 million in Q3 2025) and received \$34 million in mortgage payouts (\$43 million in Q3 2025), resulting in a net increase in portfolio size of \$24.5 million, ending the quarter, and the fiscal year, with a total portfolio of \$269 million (\$198 million at 2024 year-end). We successfully maintained the conservative weighted average loan-to-value ratio at 56%, the average mortgage size remained stable at \$470,598 (\$475,406 in Q3) and we did our best to hold the portfolio interest rate elevated, in a declining rate environment, at 8.35% (8.72% in Q3 2025).

As at year-end, the portfolio included a limited number of defaulted mortgages across British Columbia (5), Alberta (2) and Ontario (2). These include files in foreclosure, under demand, or in the power-of-sale process. Default management activity was active but constructive during the quarter, with continued engagement on matters such as liens, judgments, and payment disruptions. While some loan losses were incurred, all within our loan loss allowances, borrowers have generally demonstrated a willingness to work toward solutions despite slower real estate conditions. This cooperative approach supported the resolution of 4 default files during the quarter. Delinquency remains low compared to the prior year and is typically remedied quickly. Management continues to closely monitor the portfolio and actively manage risk exposure. We remain confident that our loan loss reserves are sufficient to cover any potential shortfalls.



## Recent Mortgage Transactions

**\$165,500**

Kelowna, BC

**35% LOAN TO VALUE**

First mortgage on new owner occupied home

**\$340,000**

Edmonton, AB

**47% LOAN TO VALUE**

First mortgage refinance of higher rate mortgage

**\$535,000**

Brantford, ON

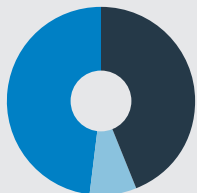
**70% LOAN TO VALUE**

First mortgage to consolidate debt/title

## Portfolio Composition

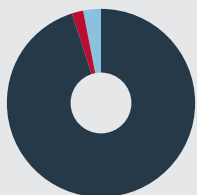
As of December 31, 2025

	Number of Mortgages	Dollar Amount	Percentage of Portfolio	Weighted Avg. Interest Rate
<b>Rank</b>				
First	470	248,890,161	92%	8.19%
Second	102	20,292,030	8%	10.30%
<b>TOTAL</b>	<b>572</b>	<b>269,182,191</b>	<b>100%</b>	<b>8.35%</b>
<b>Type</b>				
Residential Homes	533	255,113,645	95%	8.27%
Residential Lots	17	5,799,478	2%	9.77%
Residential Construction	22	8,269,068	3%	9.85%
<b>TOTAL</b>	<b>572</b>	<b>269,182,191</b>	<b>100.0%</b>	<b>8.35%</b>
<b>Location</b>				
BC	246	118,016,613	44%	8.55%
AB	56	20,743,199	8%	8.69%
SK	4	327,419	0%	9.07%
MB	4	428,735	0%	9.81%
ON	262	129,666,225	48%	8.10%
<b>TOTAL</b>	<b>572</b>	<b>269,182,191</b>	<b>100%</b>	<b>8.35%</b>



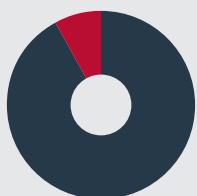
### LOCATION

- British Columbia 44%
- Alberta 8%
- Saskatchewan 0%
- Manitoba 0%
- Ontario 48%



### TYPE

- Residential Homes 95%
- Residential Lots 2%
- Residential Construction 3%



### RANK

- First Mortgage 92%
- Second Mortgage 8%

### 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  
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www.threepointwealth.ca

**INVEST. LEND. GROW.**

**Call:** 1.800.979.2911

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