

NOV 2010 - JAN 2011 M.I.C. UPDATE

ALTA PACIFIC MORTGAGES & INVESTMENTS

www.altapacificmortgages.com

Vancouver • Fraser Valley • Edmonton

MIC Fast Facts

- 245 investors (100% Canadian)
- \$6.9 million capital under management
- 39% investors choose Alta Pacific's 8% p.a. monthly cash dividend
- 61% investors choose to re-invest dividends
- 70% investing with registered funds (RRSP); 30% with open funds
- Corporate year end is June 30
- Target LTV for overall fund – 65%
- Current LTV for fund – 66.4%
- Average LTV residential – 69.0%
- Average LTV commercial – 59.8%
- 1st mortgages – 39.8%
- 2nd mortgages – 60.2%
- 3rd mortgages – 0%
- Residential mortgages – 67.4%*
- Commercial mortgages – 32.6%*
- BC mortgages – 41.8%
- Alberta mortgages – 43.4%
- Saskatchewan mortgages – 14.8%
- Mortgages in foreclosure – 1
- Foreclosure as a percentage of assets under management - 1.6%
- On track for 8-11% annual target return to investors in 10/11 - Yes

As of Jan 15, 2011. Loan to Value (LTV) percentages are based on independent third party appraisals performed in a reasonable time period prior to funding. Alta Pacific MIC does not currently hold mortgages with greater than 12 month terms. Appraisals are less than one year old and therefore the fund manager remains confident in the LTV stated

* Alta Pacific's residential / commercial mortgage balance is targeted at 50% residential / 50% commercial. Due to the nature of mortgages maturing on a month by month basis, this balance varies throughout the year.



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Statements on investment performance from Alta Pacific MIC

We are often asked, “do I receive monthly statements for my investment in Alta Pacific?” Today, unfortunately not, but we are working towards addressing this. If you are an investor with shareholdings in other investment products such as mutual funds, you may be used to receiving regular statements on the value of your investment. This is possible because mutual funds are publicly traded and in turn invest primarily in publicly traded securities; allowing the fund manager to calculate your account balance as often as they choose. Your investment in Alta Pacific is somewhat different. We invest shareholder funds directly in mortgages secured by Canadian real estate rather than in public securities. We then manage mortgages in the same way that a bank does; collecting monthly mortgage payments as well as carrying out all other administrative duties. As an investor, think about your investment with us like an investment in real estate. Take your family home as an example; there are four ways we can determine its value:

1. The Property Assessment Notice you receive annually. This value is usually not “today’s value,” but it gives many a good indication based on basic home specifications.
2. A professional independent appraisal (it is not very common to conduct an appraisal just to establish your home’s value)
3. Watch for a neighbourhood home to sell or go online to look at what they are listed for
4. Finally, and maybe the only true way to know your home’s value, is to sell it and see what someone will pay

Knowing the value of your investment in Alta Pacific is perhaps most like the first example (Property Assessment Notice delivered annually); except it is not an assessment performed by City Hall. Rather, it is an audit performed by external Chartered Accountants that look deep into our financial activities throughout the year. This all occurs in the weeks following our year end on June 30. The audit establishes exactly what the fund’s yield is; which results in each investor receiving the same return (note: we exceeded our 8-11% target annual rate of return *to the investor* in both 2009 and 2010). While we monitor our performance daily, it is only the annual audit that determines the exact return on investment for each shareholder. Think of all this like selling your home once a year so you can realize its value and your return on investment – minus the packing and moving.

We invite you to speak directly with us – or your financial advisor – about your investment in Alta Pacific Mortgage Investment Corp. If you have ready access to the web, we invite you to visit our website; or follow us on Facebook for regular updates from the company’s acting personnel.

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