Winter 2014 MIC Update

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MIC Fast Facts

SHAREHOLDER BASE

56.45%	Investors choose monthly dividend
43.55%	Investors choose to re-invest dividends
64.19%	Investing with registered funds (RRSP)
35.81%	Investing with open funds

LOAN TO VALUES (LTV)

65%	Target LTV for fund
51.60%	Current LTV for fund
51.07%	Average LTV residential
64.97%	Average LTV commercial

MORTGAGE POSITIONS*

73.85%	1st mortgages
26.15%	2nd mortgages
0%	3rd mortgages

MORTGAGE PROPERTIES

95.21%	Residential mortgages
4.79%	Commercial mortgages
50.98%	BC mortgages
34.18%	Alberta mortgages
1.59%	Saskatchewan mortgages
13.25%	Ontario mortgages
59	Number of Mortgages

MORTGAGE FORECLOSURES

2	Number of Mortgages in Foreclosure

As of January 1, 2014. Loan to Value (LTV) percentages are based on independent 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 target for 1st vs 2nd mortgages is 50:50. Balanced distribution geographically is also a key target. Due to the nature of mortgages maturing on a month by month basis, these balances vary throughout the year.

Alta Pacific Announces Credit Facility with HSBC Bank Canada

Canadians want investments that are safe and performing; they also want to know that those responsible for protecting their money are knowledgeable and reliable. When the founders of Alta Pacific Mortgage Investment Corp started this firm six years ago, they shared these sentiments, and their commitment to achieving these goals for shareholders remains as strong as ever today.

We are also proud to announce that, in addition to achieving a steady performance over the last six years, Alta Pacific has closed a multi-million dollar credit facility with HSBC Bank Canada. This credit facility gives Alta Pacific the ability to manage its cash flows at or near full capacity. So what does this mean? For mortgage businesses, funds must always be available to fulfill mortgage commitments to borrowers; thus Alta Pacific must have money in the bank. However, optimizing financial returns requires that funds be out in mortgages. A tension exists between these two needs, which is why operating at full capacity without a credit facility is generally unsustainable.

To secure the credit line, Alta Pacific had to ensure that its mortgage portfolio met the lending criteria for major financial institutions. Alta Pacific's existing underwriting policies are well suited for meeting the requirements, and, supported by five years of audited financial performance, Alta Pacific was approved. This credit facility is a promising sign to the fund and to shareholders, but it does not change the course of Alta Pacific's business operation. The focus of the fund continues to be first and second mortgages, primarily on highly saleable residential homes in Canadian urban centers. Alta Pacific firmly believes that these lending parameters result in a strong portfolio of mortgages that provide a steady revenue stream for the fund.

As we look ahead to the second half of its 2013/14 fiscal year (year-end is June 30), Alta Pacific and its operating partners remain confident in the performance of the fund's asset base and, ultimately, its yield to investors. Confidence in Western Canadian real estate is steady, and economic indicators point to stable real-estate values in the Western provinces. General predictions such as these are not carved in stone, but on the whole the outlook for the housing market spells stability and steady growth for Alta Pacific. As ever, Alta Pacific does not waver from its business model and is prepared to succeed in the near, medium, and long term. The firm remains committed to the loan-to-value (LTV) target of 65% for its portfolio, and has kept its mortgage mix below this target since its first loans were advanced in 2007.

We value the loyalty of Alta Pacific shareholders, and we wish them and their families a healthy, happy and prosperous 2014.

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