

ANNUAL REPORT

2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the twelve months ended December 31, 2020



Centurion Apartment Real Estate Investment Trust (“REIT” or the “Trust”) is an income-producing, diversified real estate investment trust investing in multi-residential apartments, student housing, and mortgage investments in Canada and the United States.



2020 HIGHLIGHTS

- Consolidated Assets increased by 22.3% to \$3.3 billion from \$2.7 billion at December 31, 2019.
- Net Operating Income (“NOI”) increased by 30.7% to \$80.8 million in 2020 from \$61.8 million in 2019.
- Same Property Net Operating Income Margin decreased slightly from 68.2% to 67.9%.
- Net Operating Income margin decreased to 65.5% in 2020 from 68.3% in 2019, due to the onboarding of a large number of newly acquired properties that are in the process of being stabilized.
- Class A compounded return 7.93%.
- Class F compounded return 8.57% .

OBJECTIVES

- To provide investors with cash distributions, payable monthly; tax deferred, where reasonably possible, with the opportunity for long-term growth and a focus on preservation of capital
- To maintain and grow a diversified investment portfolio of income-producing multi-unit residential apartments and student housing properties in Canada and the U.S.
- To maximize unit value through the active management of the portfolio
- To leverage the strategic relationships within Centurion Asset Management Inc.'s network to increase investment opportunities and manage risk

FINANCIAL HIGHLIGHTS



(expressed in thousands of Canadian dollars, except per unit amounts)

	Notes	2020	2019
OPERATING PERFORMANCE			
Overall Portfolio Occupancy		92.0%	97.1%
Stabilized Property Occupancy		94.5%	97.5%
Property Operating Revenues		\$133,256	\$90,492
NOI		\$85,043	\$61,790
NOI Margin		63.8%	68.3%
Net Income and Comprehensive Income	1	\$113,725	\$289,107
Net Income and Comprehensive Income per Unit	2	\$1.15	\$3.67
Funds From Operations per Unit	2	\$0.71	\$0.92
Normalized Funds From Operations per Unit	2	\$0.91	\$1.19
Weighted Average Number of Units (Adjusted)		98,939,686	78,694,683
Distributions per Class "A" Unit		\$0.82	\$0.82
Distributions per Class "F" Unit		\$0.93	\$0.93
Total Return - Class A		7.93%	21.79%
Total Return - Class F		8.57%	22.59%
OTHER			
Number of Rental Units Acquired and Created		3,067	1,993
Number of Rental Units (undiluted)	1	11,786	8,742
New Mortgage Investments Made, net of syndication		\$137,121	\$204,725
Repayments of Mortgage Investments, net of syndication		\$255,503	\$102,148
RENT TO MARKET GAP			
Gap to Market (Annualized)	3	\$11,356	\$14,510
Rent to Market Gap %	3	6.11%	11.68%
LIQUIDITY AND LEVERAGE			
Total Debt to Gross Book Value		35.96%	27.73%
Net Debt to Adjusted Gross Book Value	4	29.10%	12.66%
Weighted Average Mortgage Liability Interest Rate		2.67%	2.97%
Weighted Average Mortgage Liability Term (years)		6.67 years	6.93 years
Weighted Average Mortgage Investment Interest Rate		9.64%	9.34%
Weighted Average Mortgage Investment Term (years)		0.61	0.61
Gross Interest Expense Coverage Ratio (times)	5	4.51	5.23
Available Liquidity - Acquisition and Operating Facility		\$289,581	\$229,055
OTHER			
Number of properties purchased		12	12
Closing Price of Trust Units		\$19.340	\$18.720
Total Assets		\$3,305,057	\$2,702,655
Market Capitalization		\$2,019,612	\$1,714,194

NOTES

- On February 27, 2020 the Trust disposed of 3443 Bathurst Street, Toronto, ON which consisted of 23 rental units for \$14,500. As at the year-ended December 31, 2019, the Trust recognized the property as "Held for Sale" and recorded it at fair value less estimated cost to sell in accordance with IFRS 5. The trust determined the fair value of the property to be equal to its contract sale price of \$14,500 at year-end and as a result recognized a fair value gain of \$1,939 during Q4 2019. During Q1 2020 the Trust realized a \$317 loss on disposal as a result of higher than expected selling and closing costs resulting in an overall fair value gain on disposal.
- Refer to page 20 for definitions and page 57 for calculations.
- Refer to the Operating Results section on page 50 for an additional discussion on the Gap to Market figure.
- Calculated by taking (Mortgage Liabilities less Mortgage Assets) and divided by (Total Unrestricted Assets less Mortgage Investments).
- Calculated by taking NOI plus Interest Income divided by Finance Costs.

PORTFOLIO DIVERSIFICATION



INCLUDES PROPERTIES AND MORTGAGE INVESTMENTS

PORTFOLIO DIVERSIFICATION



28 CITIES | 82 PROPERTIES | 11,786 UNITS*

APARTMENTS

CITIES	RENTAL UNITS	CITIES	RENTAL UNITS
ALBERTA		NOVA SCOTIA	
Edmonton	8 1378	Dartmouth	1 114
BRITISH COLUMBIA		SASKATCHEWAN	
Langford	8 382	Regina	5 571
Surrey	1 146		
Victoria	2 229	MANITOBA	
Kelowna	1 175	Winnipeg	3 800
ONTARIO		GEORGIA, U.S.A.	
Acton	1 33	Athens	1 204
Barrie	2 43		
Brighton	2 59	TEXAS, U.S.A.	
Cambridge	5 679	Waller	1 224
Gravenhurst	1 39	Baytown	1 228
Guelph	1 66		
Huntsville	1 25	QUEBEC	
Kitchener	6 668	Quebec City	1 684
Mississauga	3 269	Montreal	1 138
Oshawa	2 71		
Toronto	11 1,138	TOTAL RENTAL UNITS	8,399
Whitby	1 36		

STUDENT HOUSING

CITIES	PROPERTIES RENTAL UNITS	CITIES	PROPERTIES RENTAL UNITS
ALBERTA		QUEBEC	
The Hub Calgary	1 486	La MARQ Montreal	1 440
ONTARIO			
The MARQ London	4 955	TOTAL RENTAL UNITS	3,387
The MARQ Waterloo	6 1,506		

*Owned properties only

EXECUTIVE MANAGEMENT AND BOARD OF TRUSTEES



Greg Romundt

President and CEO
Trustee



Ross Amos

Chairman
Audit Committee Member



Robert Orr

Chief Financial Officer and
Chief Compliance Officer



Andrew Jones

Independent Trustee



Lucian Ionescu

Executive Vice President,
Residential Operations



Laetitia Pacaud

Independent Trustee
Audit Committee Member



Stephen Stewart

Executive Vice President,
Mortgage Investments and
Joint Ventures



Paula Gasparro

Independent Trustee

LETTER FROM THE PRESIDENT



2020 was a successful and active year for the Centurion Apartment Real Estate Investment Trust (the “Trust”). Despite the global pandemic that had a significant impact on the global economy, the Trust proved to be resilient. Consolidated assets increased 22.3% to \$3.3 billion. Net Income and Comprehensive Income decreased 60.7% from \$289.1 million to \$113.7 million. This decrease was primarily the result of smaller fair value gains on investment properties than in 2019. Class A and Class F returns were 7.93% and 8.57% respectively.

Net Operating Income margin decrease to 65.5% from 68.3% due to the onboarding of a large number of newly acquired properties that are in the process of being stabilized. Same Property Net Operating Income Margin decreased slightly from 68.21% to 67.87%. The minor decrease in Same Property Net Operating Income Margin was mainly the result of a short term increase in vacancy in the student property portfolio, however, we expect vacancy rates at the student properties to return to normal during 2021 as students begin to return to the campus during the Covid-19 recovery.

Despite the impact of COVID-19 on the market our acquisition pipeline was very strong during the year. We were very active with acquisitions in 2020 resulting in 11 property acquisition and the completion of 1 development project. This increased our total units from 8,742 units to 11,786 units an increase of 34.8%.

The additions to our property portfolio during 2020 were as follows:

No	Property	City	Total Rental Units/Beds (Undiluted)	Total Rental Units/Beds (diluted)
1	10130 117 Street NW	Edmonton	234 Units	234 Units
2	8610 & 8620 Jasper Avenue	Edmonton	292 Units	292 Units
3	10903 103 Avenue NW	Edmonton	306 Units	306 Units
4	5000 Green Jewel Blvd	Regina	176 Units	176 Units
5	2800 West Baker Road	Baytown (USA)	228 Units	228 Units
6	2849 Bryn Maur Road	Victoria	93 Units	93 Units
7	10054 79 Ave NW	Edmonton	100 Units	100 Units
8	2551 and 2569 Chemin des Quatre-Bourgeois and 931 and 941 Samuel-King Street	Quebec City	684 Units	684 Units
9	333-337 Drysdale Boulevard	Kelowna	175 Units	175 Units
10	2416 16 Avenue NW	Calgary	486 Units	486 Units
11	1155 Mackay Street	Montreal	138 Units	138 Units
12	18 James street	Waterloo	150 Units	150 Units
TOTAL			3,062 Units	3062 Units

These acquisitions significantly increased our national presence in Western Canada and Quebec. Due to the current period of low interest rates, our weighted average mortgage interest rate on mortgage debt liabilities decreased 30 basis points from 2.97% to 2.56% during the year. The funding of the new acquisitions in 2020 saw mortgage interest rates ranging from 1.68% to 3.26%. We believe that low interest rates will continue for some time as Canada continues to recover from the COVID-19 pandemic and central banks continue to provide liquidity to the market.

LETTER FROM THE PRESIDENT



Rent collection remained at or above benchmark during the year, Leasing activity remained stable as we were able to pivot quickly offering online viewing appointments to potential residents. In 2020, we conducted over 12,000 virtual viewings of our properties resulting in minimal disruption to our leasing activities. Vacancies continued to remain low at stabilized properties and we have seen an increase in unit turnover during the latter part of 2020 allowing us to reset the rents on these units to market rates.

With respect to our lending activity and mortgage strategy, we made the active decision during COVID-19 to focus on existing borrowers and investments and not expand when the market visibility was poor. The portfolio investments performed very well during the year. The portfolio continues to hold a diverse mix of first mortgages, second mortgages, equity investments, joint ventures, and participating debt. As at December 31, 2020, there were 86 investments with total commitments of \$823.9 million. During the year, we funded \$203.0 million of investments and received \$289.4 million in repayments. In our participating investment portfolio, the ongoing COVID-19 pandemic produced headwinds that have impacted project timelines and projected costs related to some of the underlying active construction projects, resulting in total fair value loss of \$4.0 million for the year compared to a fair value gain of \$0.8 million in the previous year. Investments considered to be in default represented only 4.90% of the portfolio. We believe that we will not incur any losses with respect to these investments that are currently in default as they will be resolved in workout. The mortgage strategy is back to normal operations now.

We raised a significant amount of capital in 2020. Proceeds from units issued, net of issuance costs, was \$338.2 million. Capital continues to come in from a variety of sources including, IIROC dealers, family offices, exempt market dealers.

Looking Forward to 2021

We entered 2021 exceptionally well capitalized, with low leverage an excellent cash position and a substantial amount of undrawn capital facilities which puts our organizational liquidity, at approximately \$300 million. We anticipate being in an excellent position to execute on opportunities as Canada begins to recover from the COVID-19 pandemic and rolls out its vaccination plan. During the pandemic we continued to build up our acquisition pipeline and are in the process of acquiring a significant number of quality assets. We expect that in the next few months that we will continue to see many great investment opportunities as developers seek to sell their recently built properties, or heavily leveraged players may be required to sell to raise liquidity.

Student Housing

Student Housing revenues fell by 7.41% in 2020 due to COVID-19. As many universities across Canada did not offer in-class learning and campuses were largely shut down, many students chose to stay at home, especially international students. Same store NOI at the student properties fell by 9.93% and the average rent/unit fell 0.75%. However, we do not see this as a continuing trend. The vaccine rollouts will result in a return to normalcy and we expect vacancy within our student housing portfolio to improve in Q2 and Q3 2021 as many universities, including McGill University and Wilfrid Laurier University, have already begun to announce their intention to commence in-class learning in fall of 2021 and more will likely announce similar intentions in the coming weeks.

COVID-19

The COVID-19 pandemic spread quickly in March of this year. As an organization, we were prepared and all of our Head Office staff began working from home starting the week of March 15, 2020. As an essential service, our properties remained open and we continued to service residents and lease apartments. We implemented additional measures at our properties to ensure the safety of staff and residents including taking extra measures to put distance between staff and residents, providing protective equipment, and increasing our cleaning services.



We strongly believe the fundamentals of our business strategy have not changed during the COVID-19 pandemic. In fact we believe that the pandemic has proven the resiliency of the multifamily apartment asset class in the midst of economic turmoil. Prolonged low interest rates and increased demand for larger more affordable apartments units in the suburbs and exurbs of large metropolitan areas positions The Trust's portfolio to continue to perform well in the post COVID-19 era. As we saw in the US, post the Global Financial Crisis, people turned towards rentals and away from ownership, vacancies declined and rents rocketed higher as the appetite for personal debt declined and the ability to qualify for mortgage financing drove more people towards rental housing. We have talked repeatedly about how affordability, restrictions on mortgage qualification, changing desires in the core demographics of millennials and retirees combined with strong immigration has increased demand for apartments in the last few years. We believe that these forces will lead to the largest building boom for apartments in the last two generations and this opportunity remains intact. We believe that these trends will be significant drivers of the Trust's opportunity set for many years.

Low Interest Rates

Interest rates have headed solidly lower, with 10-year government bond yields now hovering around one percent. Our long-term forecast has always been that rates would eventually get to near zero. The Bank of Canada has signaled to the market its intention to keep interest rates low for years to come as well as its willingness to allow inflation to run hot to facilitate the Covid-19 recovery. The impact of this will likely be higher market rents and an erosion in the real value of mortgage debt attached to investment properties due to inflation. Furthermore, low yields will be very supportive of capitalization rates in apartments which, over time could move even lower as a result. We believe that interest rates will continue to remain volatile but range bound and constrained from rising over the next few years due to Bank of Canada intervention.

REIT REOT Merger

On January 1, 2021 the Trust completed the merger with Centurion Real Estate Opportunities Trust (REOT). The merger will allow the continuing Trust to take better advantage of the current and mutually complementary nature of the business of each trust. The continuing Trust will be able to capitalize on certain efficiencies and economies of scale achieved by combining the assets of the Centurion Real Estate Opportunities Trust and the Centurion Apartment Real Estate Investment Trust, thereby lowering the overall costs of the continuing Trust. The primary business drivers in the decision to proceed with the merger are as follows:

1. **Economies of Scale:** The Continuing Trust will have a greater and more diversified level of assets, which may result in economies of scale for operating expenses as part of a larger combined trust.
2. **Consolidated Development Pipeline:** The Continuing Trust will benefit from a consolidated development investment pipeline that we believe presents meaningful value creation opportunities.
3. **Increased Leverage Opportunities:** Unitholders will benefit from the Continuing Trust's ability to obtain more leverage at a better rate on the mortgage portfolio. We expect that the higher availability of cheaper leverage will give the Continuing Trust increased flexibility to complete transactions efficiently, compete more effectively in lower risk, and lower yield mortgage segments that the Trust currently cannot access efficiently, and reduce drag on returns without materially changing the risk profile.
4. **Better Liquidity Management:** Unitholders will benefit from the Continuing Trust's ability to use its larger operating facilities to better manage gaps between maturing mortgages and new investment opportunities, thereby decreasing cash drag on returns.

LETTER FROM THE PRESIDENT



5. **Decreased Tax Leakage:** Development properties that are ultimately sold by the Trust are often subject to land transfer taxes, which reduces development profitability, sometimes materially. The Continuing Trust will be able to reduce the drag of land transfer taxes, increase development profitability, and expand the pipeline of viable opportunities. Additionally, if the Continuing Trust retains, rather than sells the property from the Trust to REIT, as is currently the case, income and capital gains tax drag will decrease as there will not be a trigger of gains on sale.
6. **Proven Track Record:** The REIT has a proven track record of stable returns.

We continue to believe the fundamentals of our business strategy have not changed. Our attention has turned to new acquisitions and we expect that we will have many investment opportunities in 2021.

A handwritten signature in black ink, appearing to read 'Greg Romundt', with a stylized, cursive script.

GREG ROMUNDT
President, CEO, and Trustee

2020: MANAGEMENT'S DISCUSSION AND ANALYSIS



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Forward-Looking Statements

CAUTION REGARDING FORWARD-LOOKING STATEMENTS



The Management's Discussion and Analysis ("MD&A") of Centurion Apartment Real Estate Investment Trust ("Centurion", "Centurion REIT", "Centurion Apartment REIT", the "Trust" or the "REIT") contains "forward-looking statements" within the meaning of applicable securities legislation. This document should be read in conjunction with the material contained in the Trust's audited consolidated financial statements for the year ended December 31, 2020, along with Centurion REIT's other documents available on the Trust's website. Forward-looking statements appear in this MD&A under the heading "Outlook" and generally include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations, including but not limited to financial performance, equity or debt offerings, new markets for growth, financial position, comparable multi-residential REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be", "taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Centurion REIT to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the market for Centurion REIT's trust Units, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by Centurion REIT, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding Centurion REIT's trust Units, lack of availability of growth opportunities, diversification, potential unitholders' liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the unit price of Centurion REIT's trust Units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in Appendix E "Risks and Uncertainties" and in other sections of the MD&A.

In addition, certain material assumptions are applied by the Trust in making forward-looking statements including, without limitation, factors and assumptions regarding:

- Overall national economic activity
- Regional economic factors, such as employment rates
- Inflationary/deflationary factors
- Long, medium, and short-term interest rates
- Legislated requirements
- Availability of financing
- Vacancy rates

Although the forward-looking information contained herein is based upon what Management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Centurion REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, however, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Centurion REIT does not intend to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Certain statements included herein may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.



CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

The REIT is a private real estate investment trust focused on apartment buildings, student housing, and mortgage investments in Canada. It is organized as an unincorporated open-ended investment trust created by a declaration of trust made as of August 31, 2009, and as amended and restated, (the “Declaration of Trust”) and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See “Declaration of Trust” and “Description of Units”.

The objectives of the REIT are: (i) to provide Unitholders with stable cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income-producing multi-unit residential properties located in Canada; and (ii) to maximize REIT Unit value through the ongoing management of the REIT's assets and through the future acquisition of additional multi-unit residential properties.

DECLARATION OF TRUST

The policies of the Trust are outlined in the updated Declaration of Trust (the “DOT”) dated September 19, 2017, or as it is amended and restated from time to time. The DOT can be found at:

<https://www.centurion.ca/investment-solutions/centurion-apartment-reit>

The investment guidelines and operating policies set out in the DOT.



The Declaration of Trust provides for certain guidelines on investments which may be made by Centurion Apartment REIT. Notwithstanding anything contained herein to the contrary, the assets of Centurion Apartment REIT may be invested only in accordance with the following investment guidelines:

- (a) Centurion Apartment REIT shall focus its activities primarily on the acquisition, holding, maintaining, improving, leasing or managing of multi-unit residential revenue producing properties and ancillary real estate ventures (“Focus Activities”) in Canada;
- (b) notwithstanding anything herein contained to the contrary, no investment shall be made that would result in:
 - (i) Trust Units of Centurion Apartment REIT being disqualified for any class of Deferred Income Plan; or
 - (ii) Centurion Apartment REIT ceasing to qualify as a “mutual fund trust” for purposes of the Tax Act;
- (c) no single asset (except as provided for in the Declaration of Trust) shall be acquired if the cost of such acquisition (net of the amount of debt secured by such asset) will exceed 15% of Gross Book Value, provided that where such asset is the securities of or an interest in an entity, the foregoing tests shall be applied individually to each asset of such entity;
- (d) investments may be made in a joint venture arrangement only if:
 - (i) the arrangement is in connection with a Focus Activity;
 - (ii) the arrangement is with others (“joint venturers”) either directly or through the ownership of securities of or an interest in an entity (“joint venture entity”);
 - (iii) the interest in the joint venture entity is an interest of not less than 10% and is not subject to any restriction on transfer other than a right of first refusal or right of first offer, if any, in favour of the joint venturers;
 - (iv) Centurion Apartment REIT or an entity controlled by it has a right of first offer or a right of first refusal to buy the interests of the joint venturers in the joint venture entity; and
 - (v) without limitation, any joint venture arrangement with a Related Party for the purposes of the related party provisions of the Declaration of Trust have been entered into in accordance with such provisions;
- (e) unless otherwise permitted in this section and except for temporary investments held in cash, deposits with a Canadian or U.S. chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or in money market instruments of, or guaranteed by, a Schedule I Canadian chartered bank maturing prior to one year from the date of issue, Centurion Apartment REIT, directly or indirectly, may not hold securities other than (i) currency, commodity or interest rate futures contracts for hedging purposes to the extent that such hedging activity complies with the Canadian Securities Administrator’s National Instrument 81-102 or any successor instrument or rule; (ii) securities of a joint venture entity, or any entity formed and operated solely for the purpose of carrying on ancillary activities to any real estate owned, directly or indirectly, by Centurion Apartment REIT, or an entity wholly-owned, directly or indirectly, by Centurion Apartment REIT formed and operated solely for the purpose of holding a particular real property or real properties; and (iii) securities of another issuer provided either (A) such securities derive their value, directly or indirectly, principally from real property, or (B) the principal business of the issuer of the securities is the owning or operating directly or indirectly, of real property, and provided in either case the entity whose securities are being acquired are engaged in a Focus Activity;



- (f) no investment will be made, directly or indirectly, in operating businesses unless such investment is incidental to the transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from a Focus Activity; or which principally involves the ownership, maintenance, improvement, leasing, or management, directly or indirectly, of real property
 - (ii) which principally involves the ownership, maintenance, improvement, leasing, or management, directly or indirectly, of real property
- (g) notwithstanding any other provisions of this section, the securities of a reporting issuer in Canada may be acquired provided that:
 - (i) the activities of the issuer are focused on Focus Activities; and
 - (ii) in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding equity securities of the securities issuer, the investment or acquisition is of strategic interest to Centurion Apartment REIT as determined by the Trustees in their discretion;
- (h) no investments will be made in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
 - (i) investments may be made in a mortgage, mortgage bonds, notes (except as provided for in the Declaration of Trust) or debentures (“Debt Instruments”) (including participating or convertible) only if:
 - (ii) the real property which is security thereof is real property
 - (iii) the security, therefore, includes a mortgage registered on title to the real property which is security thereof;
 - (iv) the amount of the investment (not including any mortgage insurance fees incurred in connection therewith) does not exceed 85% of the market value of the real property which is the security thereof; and
- (i) notwithstanding subsection (i), Centurion Apartment REIT may also invest in mortgages where:
 - (i) the mortgage is a “vendor take-back” mortgage granted to Centurion Apartment REIT in connection with the sale by it of existing real property and as a means of financing the purchaser’s acquisition of such property from Centurion Apartment REIT;
 - (ii) the mortgage is interest bearing;
 - (iii) the mortgage is registered on title to the real property which is security thereof;
 - (iv) the mortgage has a maturity not exceeding five years;
 - (v) the amount of the mortgage loan is not in excess of 85% of the selling price of the property securing the mortgage; and the aggregate value of these mortgages (including mortgages and mortgage bonds in which Centurion Apartment REIT is permitted to invest by virtue of this section), after giving effect to the proposed investment, will not exceed 15% of Gross Book Value of Centurion Apartment REIT calculated at the time of such investment;



- (j) notwithstanding subsection (i) and (j), Centurion Apartment REIT may invest in mortgages of related entities that do not deal at arm's length to Centurion Apartment REIT provided that:
 - (i) the purpose of the mortgage is to finance the redevelopment of a property that when complete, would be within the Investment Restrictions of Centurion Apartment REIT;
 - (ii) Centurion Apartment REIT has a right of first refusal to purchase the property at less than or equal to its fair market value as determined by an independent third-party appraiser;
 - (iii) the mortgage bears interest at a commercial rate of interest;
 - (iv) the amount of the mortgage loan is not in excess of 90% of the selling price of the property securing the mortgage;
 - (v) the mortgage has a maturity not exceeding five years;
 - (vi) the mortgage is approved by the Trustees; and
 - (vii) the aggregate value of these mortgages, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value of Centurion Apartment REIT calculated at the time of such investment;
- (k) no investment shall be made in raw land (except for the acquisition of properties adjacent to Existing Properties of Centurion Apartment REIT for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 5% of Gross Book Value); and notwithstanding any other provisions hereof, investments may be made which do not comply with the provisions of this section provided (i) the aggregate cost thereof (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred in connection with the acquisition and secured by a mortgage on such property) does not exceed 15% of the Adjusted Unitholders' Equity of Centurion Apartment REIT and (ii) the making of such investment would not contravene subsection (b).

For the purpose of the foregoing guidelines, the assets, liabilities, and transactions of a corporation, trust or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement or a limited partnership. Except as specifically set forth to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by the Trust.

For greater certainty, the investment guidelines are intended to set out generally the parameters under which subsidiaries in which the Trust is permitted to invest will be empowered under their constituting documents to re-invest. References to the Trust shall be read as applying to such subsidiary where the actual activity that is the subject of the policy is carried out by such subsidiary. Further, any determinations in respect of the investment restrictions that are determinations reserved to the Trustees, where the actual activity is carried on by a subsidiary, will be made by the trustees or directors of the relevant subsidiary. Nothing in the investment guidelines empowers or entitles the Trust or the Trustees to carry on business or to otherwise undertake any activity that would violate the mutual fund trust status of the Trust.



The operations and affairs of Centurion Apartment REIT shall be conducted in accordance with the following operating policies:

- a. Centurion Apartment REIT may engage in construction or development of real property in order to maintain its real properties in good repair or to enhance the income-producing potential of properties that are capital property of Centurion Apartment REIT;
- b. title to each real property shall be held by and registered in the name of the Trustees or, to the extent permitted by applicable law in the name of Centurion Apartment REIT or in the name of a corporation or other entity owned, directly or indirectly, by Centurion Apartment REIT or jointly-owned, directly or indirectly, by Centurion Apartment REIT, with joint venturers or a corporation which is a nominee of Centurion Apartment REIT which holds as its only property registered title to such real property pursuant to a nominee agreement with Centurion Apartment REIT;
- c. no indebtedness shall be incurred or assumed if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness as a percentage of Gross Book Value would be more than 75% for indebtedness, including amounts drawn under an acquisition facility;
- d. except for any indebtedness existing at Closing, no new indebtedness (otherwise than by the assumption of existing indebtedness) will be incurred or renewed or refinanced or secured by a mortgage on any of the real property of the Trust unless, at the date of the proposed incurring of the indebtedness, the aggregate of (i) the amount of all indebtedness secured by such real property, and (ii) the amount of additional indebtedness proposed to be incurred, does not exceed 75% of the market value of such real property, on or after that date which is 12 months from the acquisition date thereof, in either case not including mortgage insurance fees incurred in connection with the incurrence or assumption of such indebtedness, which amount shall be added to the amount of the permitted indebtedness;
- e. except for guarantees existing on the date of this Trust Indenture, the Trust shall not, directly, or indirectly, guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness, liabilities or other obligations of (i) any subsidiary of the Trust or other entity wholly-owned by the Trust, or (ii) other entity jointly owned by the Trust with joint venturers and operated solely for the purpose of holding a particular property or properties where such indebtedness, liabilities or other obligation, if granted, incurred or assumed by the Trust directly, would not cause the Trust to otherwise contravene the restrictions set out in Section 4.1 of the Declaration of Trust and, where such indebtedness, liabilities or other obligation is granted, incurred or assumed by a joint venture entity, subject to a joint venturer being required to give up its interest in a property owned by the joint venture entity as a result of another joint venturer's failure to honor its proportionate share of the obligations relating to such property, and, except with the prior approval of the Trustees and subject always to (b) under Section 4.1, the liability of the Trust is limited strictly to the proportion of the indebtedness, liabilities or other obligation equal to the Trust's proportionate ownership interest in the joint venture entity, or (iii) with the prior approval of the Trustees and subject always to (b) under Section 4.1, the indebtedness, liabilities or other obligations of joint venturers in circumstances where any such guarantee may also be given in respect of the associated joint venture entity. In addition, the Trust will not directly or indirectly guarantee any indebtedness, liabilities or other obligations of any Person if doing so would contravene (b) under Section 4.1;
- f. except for the Contributed Assets acquired pursuant to the Rollover Agreement, an engineering survey or physical review by an experienced third-party consultant will be obtained for each real property intended to be acquired with respect to the physical condition thereof;



- g. at all times insurance coverage will be obtained and maintained in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts and with such insurers, in each case as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- h. except for the Contributed Assets acquired pursuant to the Rollover Agreement, a Phase I environmental audit shall be conducted for each real property to be acquired and, if the Phase I environmental audit report recommends that further environmental audits be conducted, such further environmental audits shall be conducted, in each case by an independent and experienced environmental consultant;
- i. at least 8.5% of gross consolidated annual rental revenues generated from properties where the associated mortgage financing is insured by the Canadian Mortgage and Housing Corporation (“insured properties”) as determined pursuant to IFRS shall be expended annually on sustaining capital expenditures, repairs, and maintenance, all determined on a portfolio basis for all insured properties. For this purpose, capital expenditures and repairs and maintenance include all onsite labour costs and other expenses and items associated with such capital expenditures, repairs, and maintenance; and
- j. the Trust may engage asset managers under terms and conditions acceptable to the Trustees. As at the date hereof, the Trust has engaged Centurion Asset Management Inc. (“CAMI”) by the terms of the Trust Asset Management Agreement. This agreement shall remain in full force and effect until terminated by the Trustees or CAMI in accordance with its terms.

For the purposes of the foregoing investment guidelines and operating policies, the assets, indebtedness, liabilities, and transactions of a corporation, partnership or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate, consolidated basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement. In addition, the term “indebtedness” means (without duplication):

- i. any obligation of the Trust for borrowed money;
- ii. any obligation of the Trust incurred in connection with the acquisition of property, assets, or business other than the amount of future income tax liability arising out of indirect acquisitions;
- iii. any obligation of the Trust issued or assumed as the deferred purchase price of property;
- iv. any capital lease obligation of the Trust; and
- v. any obligation of the type referred to in clauses i through iv of another person, the payment of which the Trust has guaranteed or for which the Trust is responsible for or liable; provided that (A) for the purposes of (i) through (iv), an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with generally accepted accounting principles; (B) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business.

ACCOUNTING POLICIES



The REIT's significant accounting policies are described in Note 3 of the audited consolidated financial statements (see “Appendix F”) for the year ended December 31, 2020. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

In applying these policies, in certain cases it is necessary to use estimates, which Management determines using information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness and any change to these estimates is applied prospectively in compliance with IFRS. Significant estimates are made with respect to the fair values of investment properties and the fair values of financial instruments.



Le Art, Quebec



18 James, Ontario



The HUB, Calgary



Centurion Apartment REIT prepares its audited consolidated financial statements in accordance with IFRS. In this MD&A, as a complement to the financial results provided in accordance with IFRS, Centurion Apartment REIT also discloses and discusses certain financial measures not recognized by IFRS including Net Operating Income (“NOI”), Normalized Net Operating Income (“NNOI”) and Funds From Operations (“FFO”).

These metrics (or, in each case, substantially similar terms) are measures used by Canadian real estate investment trusts as indicators of financial performance, however they do not have standardized meanings prescribed by and these measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly-termed measures reported by other such issuers.

Net Operating Income (“NOI”) is a key measure of operating performance used in the real estate industry and includes all rental revenues generated at the property level, less related direct costs such as utilities, realty taxes, insurance and on-site maintenance wages and salaries. As one of the factors that may be considered relevant by readers, Management believes that NOI is a useful supplemental measure that may assist prospective investors in assessing the Trust.

NNOI is a key measure of potential operating performance used in the real estate industry and differs from NOI mainly in that certain long-term stabilizing assumptions are made in the calculation of NNOI. Such assumptions may reflect a stabilized (normalized) view of key inputs in the calculation of NNOI such as forward-looking rents, vacancy ratios, property taxes, wages, repairs and maintenance and other costs. NNOI is often used by property appraisers in valuing a property. NNOIs have been used, among other things for evaluating potential property acquisitions, to determine fair values of the investment properties held by the Trust, and to estimate the capacity to make and the level of distributions. Management believes that given the rapid rate of growth of the portfolio and that new acquisitions often require stabilization and repositioning periods and that many in the real estate industry use NNOI when purchasing or selling a property, that NNOI is a useful tool in evaluating the portfolio.

FFO is a financial measure used by some REITs to define their operating performance to provide an idea of the REIT's cash performance, which is a better indicator of a REIT's performance than earnings which includes large non-cash items. As a rapidly growing REIT with a number of properties that are currently unstabilized or in a period of repositioning, Management does not look at FFO to be a very useful indicator of stabilized cash flow or earnings but calculates and presents FFO as an input into the calculation of the measures such as NFFO.

NFFO is a financial measure that adjusts Funds From Operations for non-recurring items. Some of these items Management considers to be capital in nature but for accounting purposes are expensed under IFRS (e.g. portfolio stabilization costs). Adjustments may include things such as portfolio stabilization costs (e.g. extra vacancy costs, rental promotions costs and non-normalized collections and evictions costs) that are not expected to be ongoing once stabilization is achieved, adjustments for the difference between underwritten Internal Rates of Return on participating mortgage type investments and minimum coupon rates on those investments to show the impact of timing differences on earnings related to these investments, leakage costs on excess capital (for undeployed capital) that has dragged on current period earnings but that is nonrecurring and new recurring measures such as internalization of the asset and property management teams and their influence on earnings capacity. Management looks at NFFO as a better measure of the REIT's current cash generating capacity than FFO as it takes a stabilized view of the portfolio and adjusts for items that are not expected to influence earnings capacity over the medium to long-term. It excludes identified opportunities and costs that Management has identified and believes may be realized over time.

Readers are cautioned that these metrics and calculations are not alternatives to measures under IFRS and should not, on their own, be construed as indicators of the Trust's performance, cash flows, measures of liquidity or as measures of actual returns on Units of the Trust. These non-IFRS measures, as presented, should only be used in conjunction with the consolidated financial statements of the Trust. In addition, these measures may be calculated differently by other similar organizations and may not be comparable.

NON-IFRS MEASURES



The Trust currently has six classes of units, the Class “A” Units, Class “F” Units, Class “I” Units, Class “M” Units, Class “R” units, and Exchangeable “B” and “C” LP Units. Under IFRS, the REIT has no instrument qualifying for equity classification on its audited consolidated financial statements and as such, all units are classified as financial liabilities. The classification of all units as financial liabilities with the presentation as net assets attributable to Unitholders does not alter the underlying economic interest of the Unitholders in the net assets and net operating results attributable to Unitholders.

NON-IFRS MEASURES RECONCILIATION



Management has elected to reclassify certain portfolio investments that are presented as either participating loan interests and/or equity accounted investments in accordance with IFRS to a management reporting method that classifies and presents these investments based on their underlying nature and expected returns. This method provides Management with a platform to evaluate investments with similar characteristics and actively manage risk.

Management believe that certain operational investment properties which are classified as equity accounted investments in accordance with IFRS, include characteristics that are consistent with our directly held investment properties. The table below outlines the adjustments for property operating revenue and net operating income for investment properties held within equity accounted investments that impact Management's evaluation of net operating margin.

Reconciliation of IFRS to Management Reporting - Portfolio Performance			
		December 31, 2020	December 31, 2019
Property operating revenue, per IFRS	\$	123,372	\$ 90,492
Property operating revenue associated with equity accounted investments classified as investment properties, per Management	\$	9,884	\$ —
Property operating revenue, per Management	\$	133,256	\$ 90,492
Net operating income, per IFRS	\$	80,752	\$ 61,790
Net operating income associated with equity accounted investments classified as investment properties, per Management		4,291	—
Net Operating Income per Management	\$	85,043	\$ 61,790

NON-IFRS MEASURES RECONCILIATION



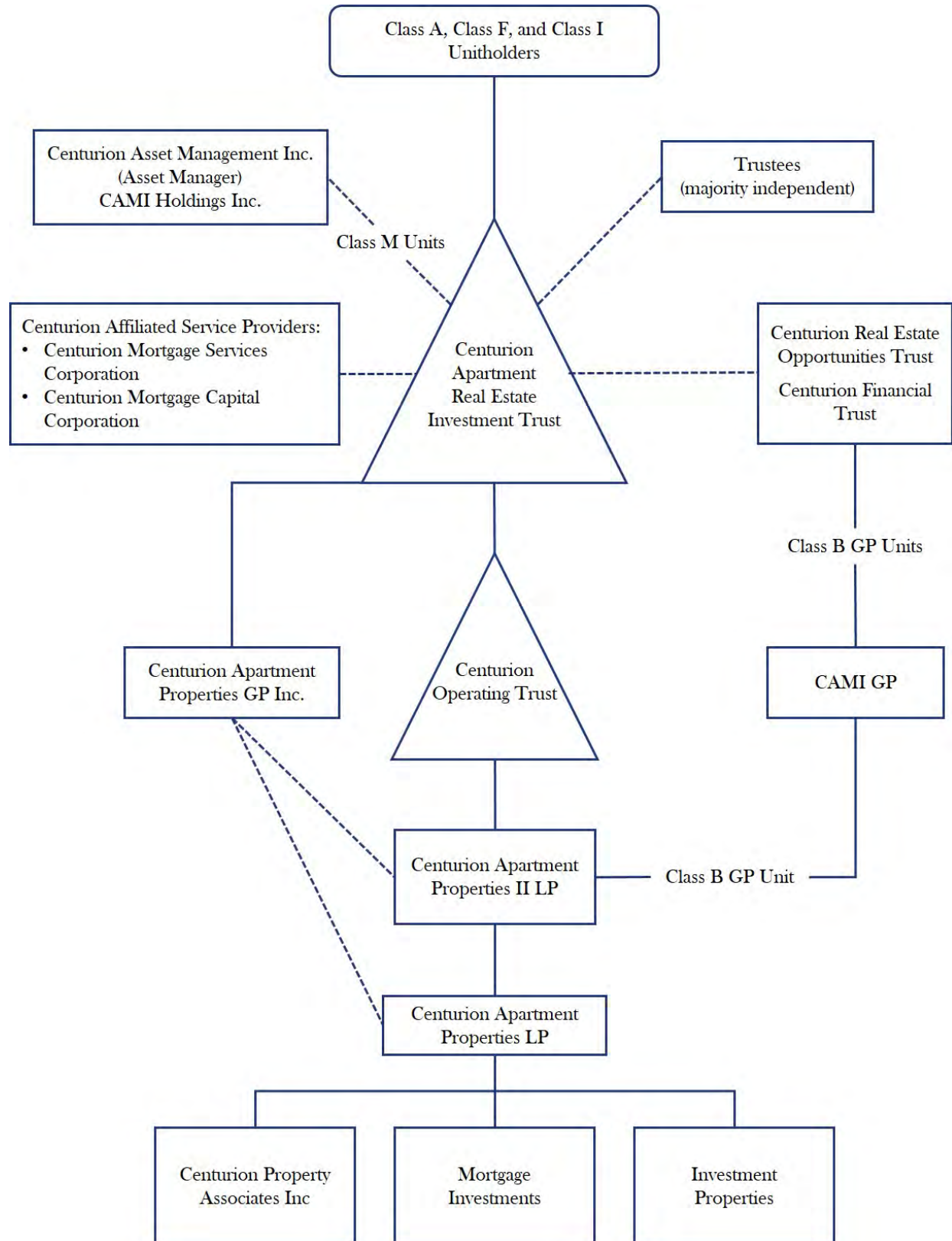
Management believes that certain investments that include characteristics of mortgage investments, which are classified as participating loan interests; and participating loan interests which are classified as equity accounted investments. The table below outlines the adjustments for mortgage investments, participating loan interests and equity accounted investments that impact Management's evaluation of portfolio risk and segmentation presented in Appendix B Summary Information About The Mortgage Investment Portfolio of REIT.

Reconciliation of IFRS to Management Reporting - Investment Properties and Mortgage Investments		
	December 31, 2020	December 31, 2019
Total Gross Mortgage Investments, per IFRS	\$315,737	\$454,725
Add: Allowance for ECL	1,416	1,643
Add: Participating Loan Interests classified as Mortgage Investments, per Management	60,966	80,650
Total Gross Mortgage Investments, per Management	\$378,119	\$537,018
Total Participating Loan Interests, per IFRS	\$112,968	\$127,550
Less: Participating Loan Interests classified as Mortgage Investments, per Management	(60,966)	(80,650)
Add: Equity Accounted Investments classified as Participating Loan Interests, per Management	107,817	90,818
Total Participating Loan Interests, per Management	\$159,819	\$137,718
Total Equity Accounted Investments, per IFRS	\$217,539	\$170,521
Less: Equity Accounted Investments classified as Participating Loan Interests, per Management	(107,817)	(90,818)
Less: Equity accounted Investments classified as Investment properties, per Management	(47,410)	—
Equity Accounted Investments, per Management	\$62,312	\$79,703
Total Investment Properties, per IFRS	\$2,445,550	\$1,808,604
Add: Equity accounted Investments classified as Investment properties, per Management	47,410	—
Investment Properties, per Management	\$2,492,960	\$1,808,604

CENTURION APARTMENT REIT ORGANIZATIONAL STRUCTURE



The organizational structure as at December 31, 2020:



COMMENTS ON THE APARTMENT MARKET



2020 proved to be a resilient year for the apartment industry despite the COVID-19 pandemic. As an essential business, the apartment real estate sector saw minimal business disruption. Investor appetite for apartment buildings grew as other areas of the real estate sector experienced significant declines in rental revenues and net operating income as a result of government lock-down measures. Capitalization rates declined or remained flat nationally as buyers were willing to pay a premium for cash flowing assets, that are hedged against inflation as the market entered an extended low interest rate environment.

In 2020, the Trust focused on the acquisition of new properties as many of our purchases came from our internal pipeline, and from relationships developed through our development pipeline. The acquisition of newer properties tends to result in an initially lower NOI as there are upfront costs associated with the lease-up and stabilization of these new properties. However, in the medium to long term, these newer properties will generate stronger NOI compared to older properties. Tenants are willing to pay a premium to live in newer buildings with modern design elements and newer buildings tend to have lower repairs and maintenance expenses as there is minimal deferred maintenance.

Vacancy rates throughout Canada rose slightly during the Covid-19 pandemic as a result of many individuals moving out of densely populated urban centres, foreign students returning home, and younger people moving back in with their parents. However, the increase in vacancy rates was primarily concentrated in the urban cores of major cities. As individuals opted to move into larger and more affordable units in the suburbs and exurbs of larger city centres, this led to stronger rental demand in the suburbs and exurbs where the majority of the Trust's portfolio is concentrated. As a result, the Trust was a net beneficiary of this trend. As the Trust stated before, the Trust continues to see many tailwinds in the apartment sector that will keep rental demand high, vacancies low, and drive the construction of apartments in the next decade. The Trust sees the following nine tailwinds, four of which have recently added as a result of the COVID-19 pandemic:

1) Strong Immigration - New immigrants rent until they determine where they want to live, establish jobs and income, which qualify them for the credit to buy a home. The Canadian government recently announced that it has committed to welcoming over 400,000 new immigrants per year for the next three years (roughly 1% of Canada's population per year). These new comers will require affordable housing driving up demand for rental units putting upward pressure on market rents and downward pressure on vacancy rates, further exacerbating the affordable house crisis Canada is currently experiencing. Once COVID-19 related risks decrease, immigration will continue to increase.

2) Housing Affordability, limiting the ability to buy or qualify for loans to buy property - 2020 saw record increases in home prices throughout Canada, making the cost of purchasing a new home out of reach for many Canadians. Also, due to the "stress test" and other macro prudential regulations, many more people cannot qualify to buy and thus, need to continue renting. This creates a tailwind for the apartment real estate sector as demand for affordable rental units will continue to be robust.

3) Millennial Preferences - As a generalization, millennials tend to be more willing to pursue experiences than assets (i.e., "rent" versus "own"). This core preferential differences to prior generations is a driver of rental demand. In the long term, COVID-19 likely will not change any of these desires.

4) Aging Society - Seniors are one of the core demographics of apartments. Many people sell their homes and rent once the kids leave school. The aging of our society is not changing so this demand driver remains intact.

COMMENTS ON THE APARTMENT MARKET



5) Construction Constraints on new housing - The development cycle for a concrete high rise building could be in excess of seven years as a result of approval, regulatory and construction delays in many Canadian cities. Long delays in these projects reduce the absolute and relative return on investment on these projects. Furthermore, NIMBYism causes many projects to be delayed significantly, be modified, or canceled altogether. Also, fees and taxes can be up to a third of the cost of the construction of a new building (development charges, GST/PST, and land transfer taxes). Many cities have grown reliant on these charges for their revenues making it difficult to give them up.

6) Desire to age in place and avoid seniors' homes - The demand for seniors housing has not been as strong as what was broadly forecasted a few years ago. While it is true that the forecasts about the society aging were in fact correct, the assumption that people would move into dedicated seniors' facilities has not happened as expected. Technology and a largely healthier population, has enabled more people than ever to stay in their homes. Given that a majority of COVID-19 deaths have been in seniors' facilities, the Trust believes there will be a greater desire for seniors to age in-place and remain in their home.

7) Deleveraging/Derisking and changing home ownership and investor intentions - The economic shock of COVID-19 and the lockdown that resulted will change the willingness and ability of homeowners to leverage up or to qualify to buy homes and condos for a long time. The Trust believes that there will be many Canadians who will re-evaluate their willingness to take on excess debt or have all their equity tied up in their homes, which will contribute to increased long-term demand for built rental apartments over time.

8) Elimination of Airbnb as a force in our major cities will result in lower, long-term construction of condominiums, which have fed the shadow rental supply - Numerous large cities such as Toronto have now banned Airbnb. Some of the Airbnb property owners will sell their units or rent them in competition to apartments. Over the past few years, many condos came off the long-term rental market and went to service the travel markets, however, this trend is now reversing. This will affect urban core and entertainment districts of the larger cities more than other parts of their cities, which would not see much Airbnb type demand. However, it is the excess profits provided by Airbnb type operations that has, in part, provided demand for condo construction in these markets. The vast majority of new condominium sales in urban markets almost entirely go to investors and not homeowners. Combine the reduced income potential from the loss of rich Airbnb profits with a reduced willingness to be heavily leveraged, and in the long term, there will be fewer pre-construction condominium sales which will ultimately mean, fewer condominiums built in these areas over time which will tighten rental supply and direct part of it back to purpose-built rentals.

9) Preference for multifamily apartment investments over other asset classes will increase - Apartments have always been the lowest risk category of real estate because it is a core needs business. At no time in history have we gotten a more stark demonstration of this than during 2020. With the exception of industrial warehouses (supporting e-commerce and logistics like Amazon) every other real estate class will see reduced profitability as a result of COVID-19. While very few businesses will come out of COVID-19 without any negative impacts, it is the Trust's view that apartments will have been one of the least impacted businesses and will attract increasing interest from conservative investors. This will be very supportive of prices and liquidity in the apartment market.

Apartments have shown themselves to be among the most resilient of investments in uncertain times, and their performance during COVID-19 has been exception. The Trust believes that there will be opportunities ahead for those with strong balance sheets, access to capital, exceptional operating platforms, and a willingness to execute.

OUTLOOK AND BUSINESS STRATEGY



The Trust is focused on a number of key areas for 2021 that can be broken down as follows:

- The health and well-being of our employees and residents continues to be a top priority as the government begins to roll out its vaccination program.
- The Trust will also continue to focus on the onboarding, lease-up and stabilization of newly acquired properties in order to maximize their cash flow potential.
- The Trust's acquisition pipeline for 2021 remains robust and we will continue to acquire quality assets to add to the portfolio throughout 2021.
- The Trust continues to pursue opportunistic growth as we grow and strengthen relationships with our development partners. The Trust anticipates that the buyers that we normally compete with, will be sidelined due to high leverage and the reduced ability to access capital for growth. This will present many opportunities for the Trust in the year ahead.
- The lending business is seeing new opportunities after a relatively quiet 2020.

The recent merger of Centurion Real Estate Opportunities Trust (REOT) with the REIT will allow the continuing Trust to take better advantage of the current and mutually complementary nature of the businesses of each Trust. The continuing Trust will be able to capitalize on certain efficiencies and economies of scale achieved by combining the assets and thereby lowering overall costs and minimizing tax leakage.

To date, the Trust purchased the following properties since the beginning of 2020:

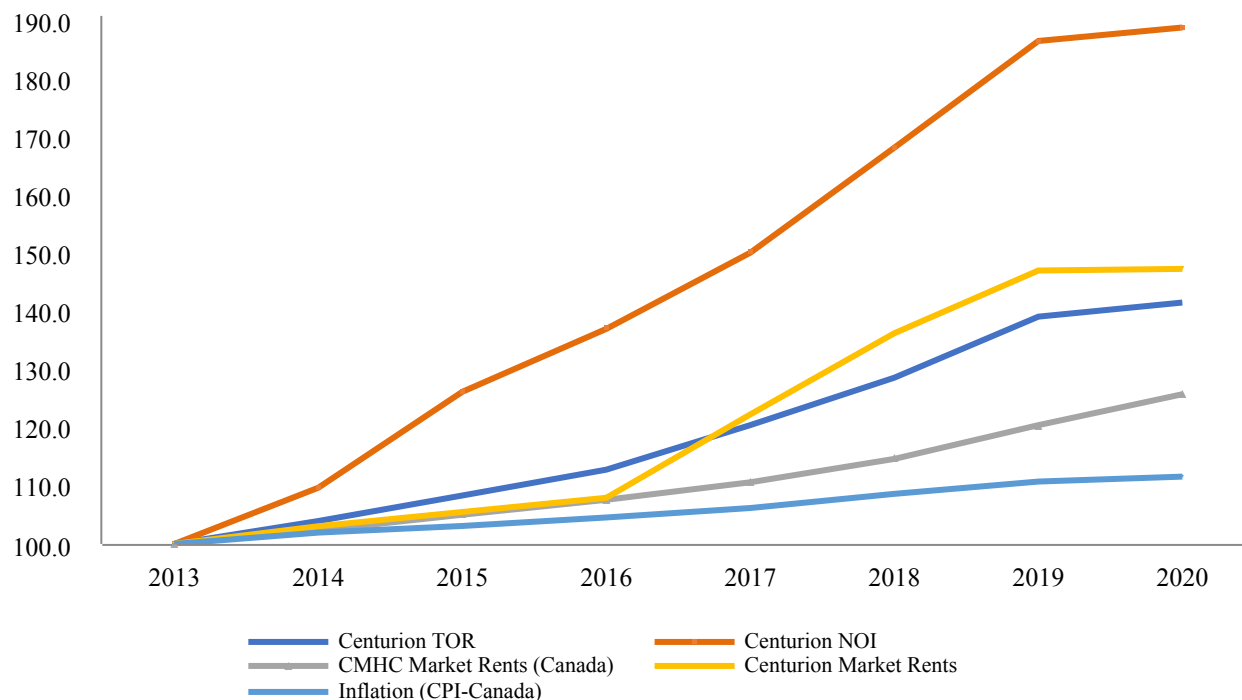
Property	City	Rental Units		Ownership Share	Closing Date
10130 117 Street NW	Edmonton	234	Units	100%	January 15, 2020
8610 & 8620 Jasper Avenue	Edmonton	292	Units	100%	January 15, 2020
10903 103 Avenue NW	Edmonton	306	Units	100%	January 15, 2020
5000 Green Jewel Blvd	Regina	176	Units	50%	January 17, 2020
2800 West Baker Road	Baytown (USA)	228	Units	85%	March 12, 2020
2849 Bryn Maur Road	Victoria	93	Units	100%	March 19, 2020
10054 79 Ave NW	Edmonton	100	Units	100%	June 4, 2020
2551 and 2569 Chemin des Quatre-Bourgeois and 931 and 941 Samuel-King Street	Quebec City	684	Units	100%	July 17, 2020
333-337 Drysdale Boulevard	Kelowna	175	Units	100%	September 1, 2020
2416 16 Avenue NW	Calgary	486	Units	70%	September 1, 2020*
1155 Mackay Street	Montreal	138	Units	100%	November 30, 2020
18 James street	Waterloo	150	Units	100%	December 15, 2020
5885 Cavendish Blvd	Montreal	114	Units	100%	January 27, 2021
1060 Goldstream Avenue	Langford	119	Units	100%	February 18, 2021

*Property completed development in Q3 2020 and the Trust took over management and operations of the property once completed

OUTLOOK AND BUSINESS STRATEGY

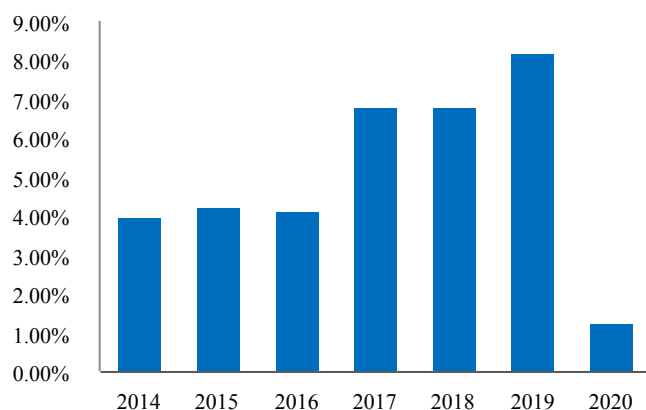


Centurion Performance vs. Inflation and Market Rents*



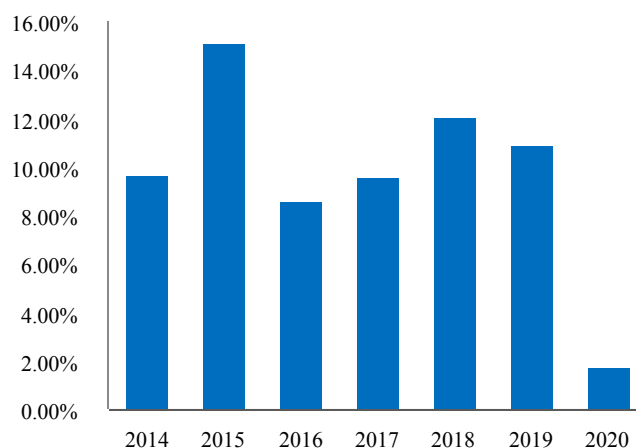
*The REIT has grown its Same Store NOI, Total Operating Revenues and Market rents significantly faster than market averages and inflation benchmarks.

Total Operating Revenues Growth Rate*



*Total Operating Revenue has grown on average by 5.09% per annum.

Same Store NOI Growth Rate*



*Same Store NOI has grown at an average of 9.50% per annum.

ACQUISITIONS AND DISPOSITIONS



2020 PROPERTY ACQUISITIONS:



Riverside Towers

Location: Edmonton, Alberta
Address: 8610 & 8620 Jasper Avenue
Type of Building: Apartments (elevator)
Number of Suites: 292 Suites
(41 bachelor, 127 one-bdrm, 80 two-bdrm and 44 three-bdrm)



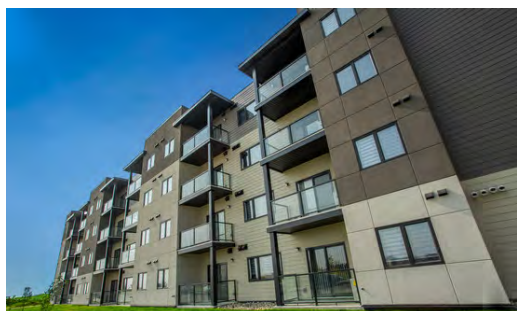
Grand Central Manor

Location: Edmonton, Alberta
Address: 10903 103 & 102 Avenue NW
Type of Building: Apartments (elevator)
Number of Suites: 306 Suites
(182 one-bdrm, 120 two-bdrm and 4 three-bdrm)



Oliver Place

Location: Edmonton, Alberta
Address: 10130 117 Street NW
Type of Building: Apartments (elevator)
Number of Suites: 234 Suites
(26 bachelor, 156 one-bdrm and 52 two-bdrm)



The Apex at Acre 21

Location: Regina, Saskatchewan
Address: 5000 Green Jewel Blvd
Type of Building: Apartments (elevator)
Number of Suites: 176 Suites
(88 one-bdrm and 88 two-bdrm)
*Centurion owns 50% of this property in joint venture with other investors



The Arc

Location: Langford, British Columbia
Address: 2849 Bryn Maur Road
Type of Building: Apartments (elevator)
Number of Suites: 93 Suites
(65 one-bdrm, 23 two-bdrm and 5 three-bdrm)

ACQUISITIONS AND DISPOSITIONS



Oxford at Country Club

Location: Baytown, Texas
Address: 2800 West Baker Road
Type of Building: Apartments (elevator)
Number of Suites: 228 Suites
(134 one-bdrm, 90 two-bdrm and 4 three-bdrm)
*Centurion owns 85% of this property in joint venture with other investors.



TRAX

Location: Edmonton, Alberta
Address: 10054 79 Ave NW
Type of Building: Apartments (elevator)
Number of Suites: 100 Suites
(42 bachelor, 32 one-bdrm and 26 two-bdrm)



Quartier QB

Location: Québec City, Quebec
Address: 2551 Chemin des Quatre-Bourgeois, 931 and 941 Samuel-King Street
Type of Building: Apartments (elevator)
Number of Suites: 684 Suites
(301 bachelor, 228 one-bdrm, 131 two-bdrm and 24 three-bdrm)



Trio

Location: Kelowna, British Columbia
Address: 333-337 Drysdale Boulevard
Type of Building: Apartments (elevator)
Number of Suites: 175 Suites
(15 bachelor, 38 one-bdrm and 122 two-bdrm)

ACQUISITIONS AND DISPOSITIONS



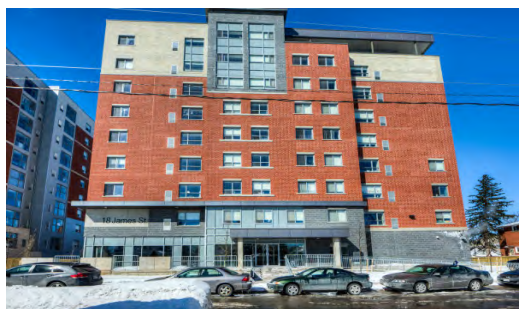
The Hub Calgary

Location: Calgary, Alberta
Address: 2416 16th Avenue NW
Type of Building: Student
Number of Suites: 348 Suites
(212 one-bdrm, 134 two-bdrm and 2 three-bdrm)



Le Art

Location: Montreal, Quebec
Address: 1437-1441 René-Lévesque Boulevard West
Type of Building: Apartments (elevator)
Number of Suites: 138 Suites
(5 bachelor, 99 one-bdrm, 29 two-bdrm and 5 three-bdrm)



18 James Street

Location: Waterloo, Ontario
Address: 18 James Street North
Type of Building: Student
Number of Suites: 30 suites (comprising 150 rental beds)

2020 PROPERTY DISPOSITIONS:



Deloraine Luxury Apartments

Location: Toronto, Ontario
Address: 3443 Bathurst Street
Type of Building: Luxury Apartments (elevator)
Number of Suites: 23 Suites
(4 one-bdrm, 13 two-bdrm, and 6 three-bdrm)

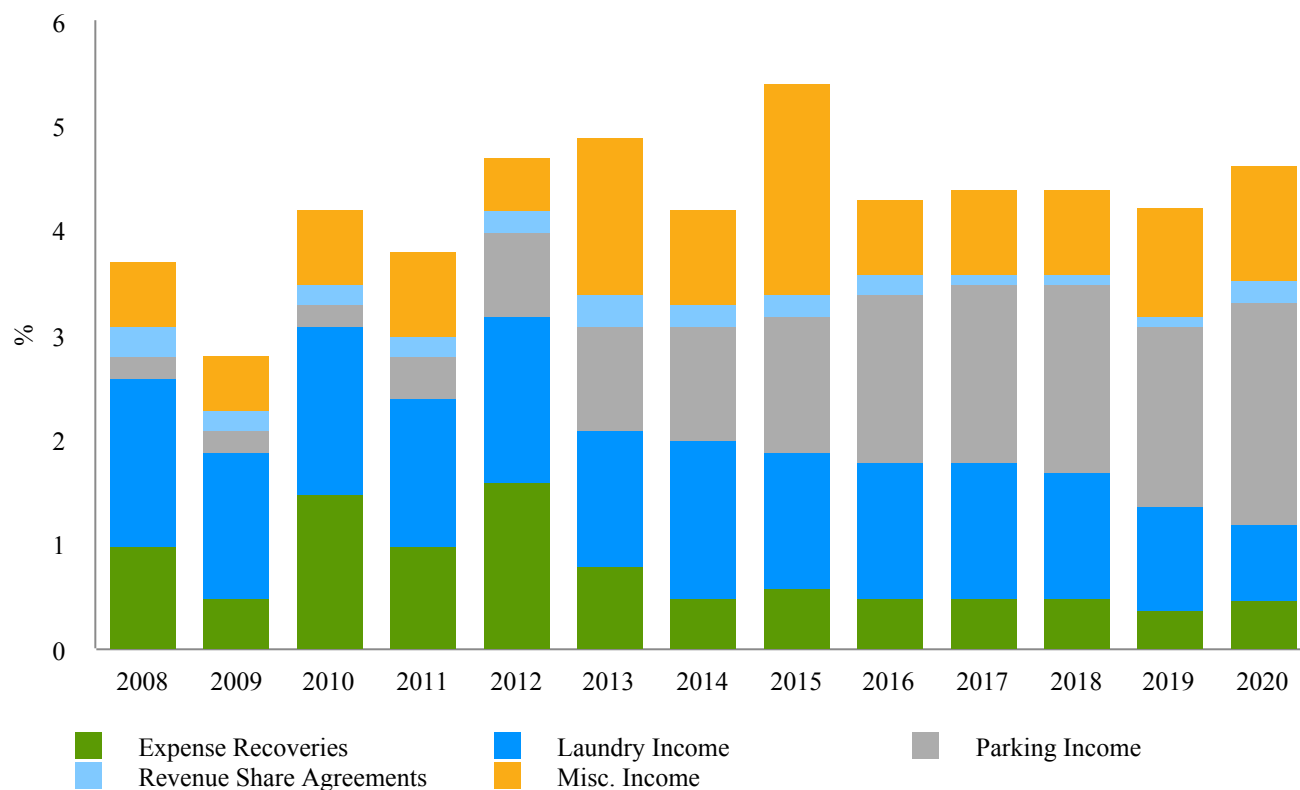
REVENUE OPPORTUNITIES



The Trust continually examines revenue opportunities and is currently focused on:

- Closing its gap between potential market rents and current in place rents; this includes product repositioning in localized markets where there is an opportunity to deploy capital in the apartment units and realize rental lift. Management estimates that its potential gap to market rents is approximately \$11.36 million as it has moved to capitalize on its significant capital investments in the portfolio, significant stabilization of the properties therein, and significant market demand. Given the severe shortage of housing in some of the markets in which the Trust operates, Management believes there may be outsized opportunities for growth as Management pushes for rent increases.
- Filing above guideline rent increases (AGIs) wherever possible for the extensive capital works that have recently completed or will soon be completing (see Appendix E - Government Regulation). In 2020, the Trust filed seven AGIs. In 2021, zero AGIs have been filed to date, however, we expect that an additional three will be filed in the year.
- Continuing to strategically invest capital in the portfolio to create value. The Trust has budgeted approximately \$43.9 million in capital improvements in 2021.
- Continuing to implement the segmentation and charging independently for previously included services to drive revenues (e.g. parking and storage).
- Management will continue to focus on stabilization of properties in the turnaround phase to reduce the short-term drag on NOI. The Trust continues to stabilize its portfolio of recent acquisitions which will result in positive contributions to NOI.

Other Income % of Total Operating Revenue





On-going Expense Management

Management continually reviews the REIT's operations for opportunities to reduce expenses. The following initiatives have been undertaken and are underway to increase income:

- The Trust's sub-metering initiatives continue to gain traction.
- The Trust will actively renegotiate its mortgage portfolio to take advantage of this current low-interest rate environment.
- The Trust has implemented energy and utility management systems that tie into its existing systems to improve energy management and benchmarking. The Trust believes that there are significant savings available over time that will create value.
- The Trust continues to look for opportunities to rationalize property labour expense and improve service levels by leveraging resource allocations where properties are in close proximity and introducing new processes and technology to improve efficiency.
- With the portfolio's increasing size, the Trust continues to leverage scale in its purchasing programs.

Between both revenue and expense opportunities, the Trust estimates and that there may be, upon full realization, approximately \$19.7 million potential to increase income over time. Readers are cautioned that these are Management estimates, and the degree to which they may be realized as well as the time horizon remains uncertain.

Further, certain capital expenditures may be required (e.g. on suite turns) to realize this potential. The following table outlines the impact of the opportunities mentioned above:

Revenue and Expense Summary Table	Potential Impact on Income ¹ (expressed in thousands of Canadian dollars)
Rental Gap to Market	\$11,356
Roll down of mortgage portfolio to market rate	7,393
Sub-metering Savings	515
Parking Income	466
Total Value Add	\$19,730

¹ This is based on Management's estimate of the Trust's opportunity set at the date of this report. There can be no assurance that these estimates will be realized. All of these estimates assume 100% realization as if they all happened immediately; ignoring how long it may take to realize them (e.g. some could take many years).



With the current low-interest rate environment, the Trust continues to focus on minimizing the amount of short-term debt maturities and extend the duration of mortgage liabilities.

Credit Facilities

The Trust has two credit facilities which can be used for operations, capital works, and acquisitions. These facilities provide the Trust with significantly more financing flexibility. Generally, liquidity originating from new equity issuance is directed towards these operating facilities to lessen the dilutive impact of carrying large cash balances. Management believes that it can mitigate some of this risk by diversifying across lenders, properties, renewal dates, by generally using first position mortgages, and keeping overall leverage on the specific properties and of the entire Trust within its target range. As at December 31, 2020, the Trust had \$148.1 million available in undrawn credit facilities.

Financing Costs

The Trust continually works on improving its financing costs to reduce the overall weighted-average cost of debt and believes that if rates remain low, that there is significant savings potential in the Trust's mortgage portfolio. Over the course of the year, the Trust's weighted-average financing cost was 2.56% which went down from 2.97% at the end of 2019 due to better interest rates in the marketplace.

2020 and 2019 mortgage and credit facilities interest expenses were \$26.4 million and \$20.1 million (excluding amortization of financing fees), respectively. Outstanding mortgages payable and credit facilities increased to \$1,183.1 million from \$737.7 million in 2020 and 2019, respectively. This was mainly due to a significant increase in the number of properties in the portfolio during 2020.

Mortgage Interest Earned vs. Mortgage Interest Paid

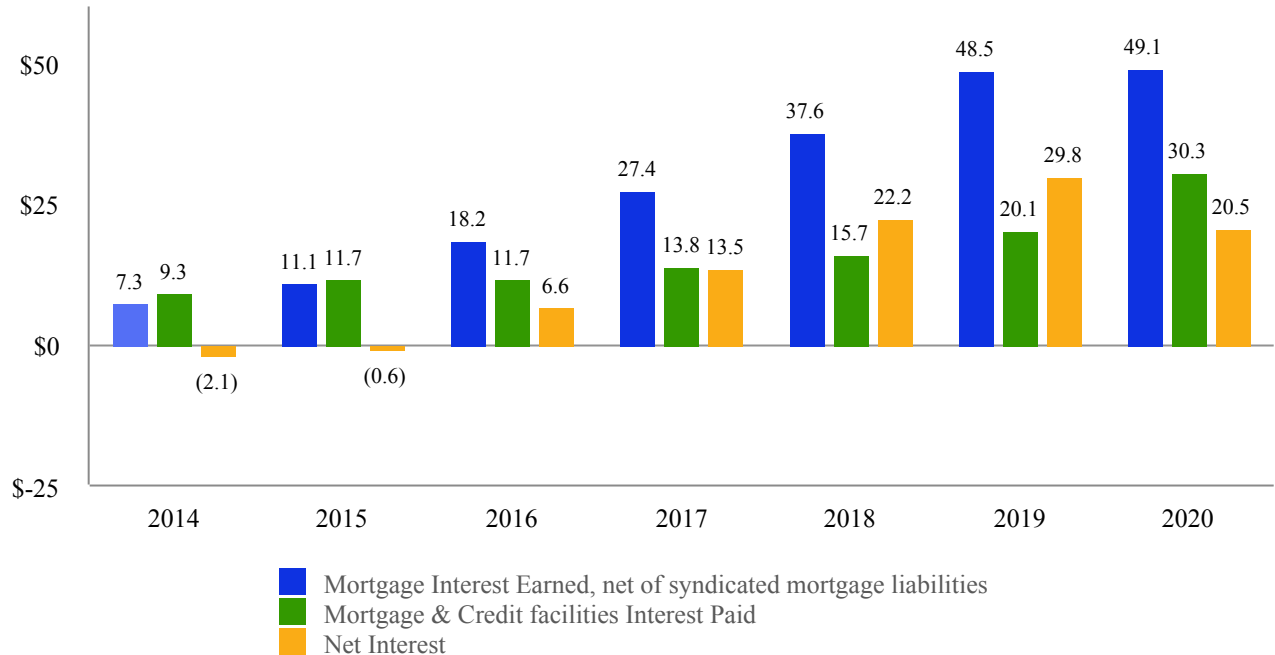
(expressed in thousands of Canadian dollars)

	2020	2019
Mortgage investment interest income	\$49,144.00	\$48,505.00
Mortgage payable & credit facilities interest expense	\$26,352.00	\$20,135.00
Net interest income (expense)	\$22,792.00	\$28,370.00

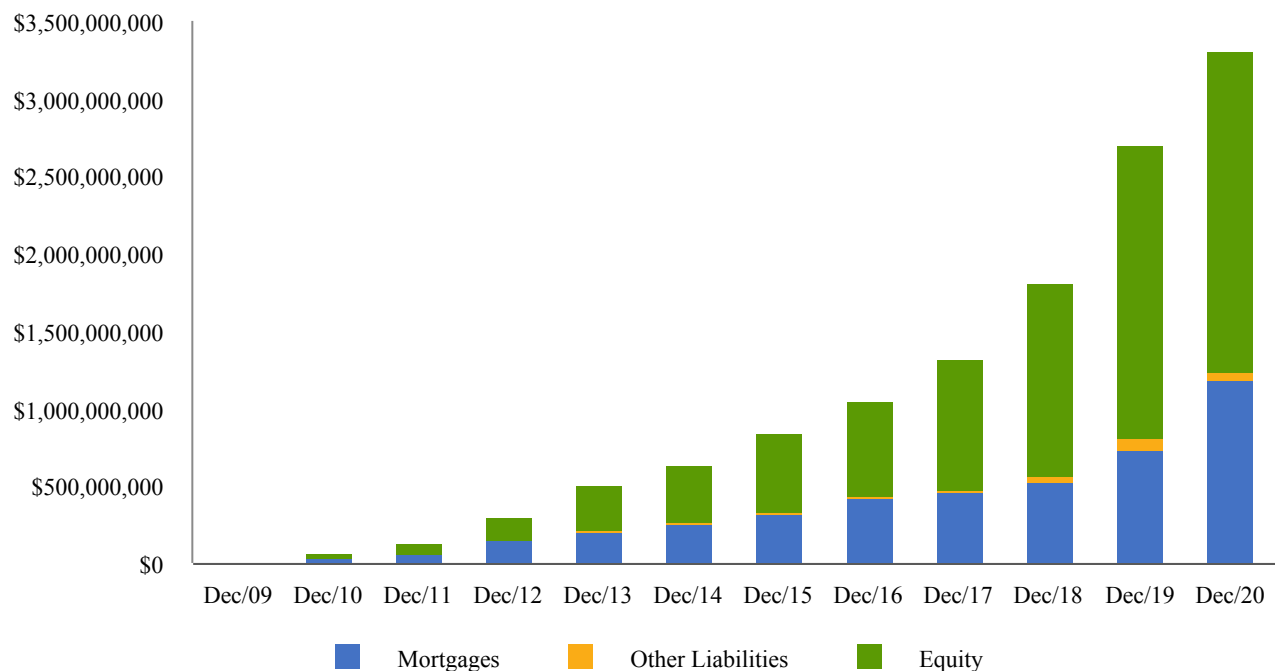
The Trust earned interest income, net of syndicated mortgage liabilities of \$49.1 million in 2020. This resulted in a 2020 Net Interest Income of \$22.8 million. The Trust expects that it will continue to be a net interest earner and not a net payer of interest. As such, Management believes that a further key benefit of its mortgage investment strategy will be a significant reduction in its overall exposure to interest rate risk.



Interest Trend Chart (In Millions of \$)

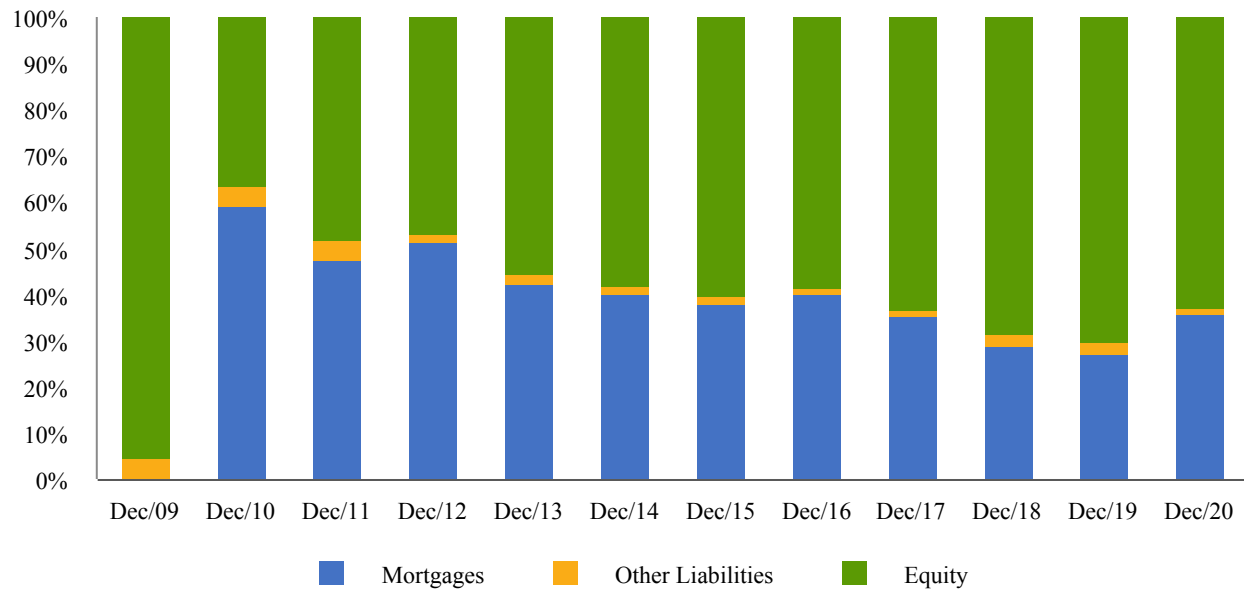


Assets Debt/Equity Mix





Debt/Equity Mix



FINANCIAL STATEMENT OVERVIEW



Under the accounting principles of consolidation, all entities that are controlled by the Trust must be consolidated with the results of the Trust. The Trust owns 63.40% of REOT as at December 31, 2020 and has been deemed to have control over the entity and as such all assets, liabilities, income, and expenses of REOT have been included in the consolidated financial statements of the Trust. The reconciliation of which balances are directly attributable to each entity is as follows:

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST				
STATEMENT OF FINANCIAL POSITION				
<i>(expressed in thousands of Canadian dollars)</i>				
	REIT	REOT	Elimination Entry	Consolidation
Assets				
Investment properties	\$ 2,403,399	\$ 42,151	\$ —	\$ 2,445,550
Equity accounted investments	115,065	102,474	—	217,539
Participating loan interests	37,400	75,568	—	112,968
Mortgage investments	42,078	273,659	—	315,737
Investment in REOT	423,148	—	(423,148)	—
Investment properties held for sale	—	—	—	—
Receivable and other assets	56,705	52,993	(46,527)	63,171
Cash	13,325	128,204	—	141,529
Restricted cash	8,563	—	—	8,563
Total Assets	\$ 3,099,683	\$ 675,049	\$ (469,675)	\$ 3,305,057
Liabilities				
Mortgages payable and credit facilities	\$ 1,166,461	\$ 16,647	\$ —	\$ 1,183,108
Syndicated mortgage investment liabilities	—	6,681	—	6,681
Deferred income tax liabilities	3,106	2,863	—	5,969
Accounts payable and other liabilities	75,526	1,619	(46,527)	30,618
Unit subscriptions held in trust	8,563	—	—	8,563
Total Liabilities excluding net assets attributable to Unitholders	\$ 1,253,656	\$ 27,810	\$ (46,527)	\$ 1,234,939
Net assets attributable to Unitholders	\$ 1,846,027	\$ 647,239	\$ (423,148)	\$ 2,070,118

FINANCIAL STATEMENT OVERVIEW



CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME

(expressed in thousands of Canadian dollars)

For the year ended	REIT	REOT	Elimination Entry	Consolidation
Revenue from investment properties	\$ 123,372	\$ —	\$ —	\$ 123,372
Property operating costs	(42,620)	—	—	(42,620)
Net rental income	\$ 80,752	\$ —	\$ —	\$ 80,752
Interest income, net of interest expense from syndicated mortgage liabilities	5,693	43,451	—	49,144
Recovery of (allowance for) expected credit losses	(36)	40	—	4
Income from operations	\$ 86,409	\$ 43,491	\$ —	\$ 129,900
Net fair value gains	36,294	(1,991)	—	34,303
Income from equity accounted investments	6,166	9,991	—	16,157
Finance costs	(28,646)	(171)	—	(28,817)
Other income and expenses	(6,914)	264	—	(6,650)
General and administrative expenses	(20,109)	(5,324)	—	(25,433)
Currency translation adjustment	(562)	(2,065)	—	(2,627)
Income before taxes	\$ 72,638	\$ 44,195	\$ —	\$ 116,833
Provision for Income Tax	(3,208)	100	—	(3,108)
Net Income and Comprehensive Income	\$ 69,430	\$ 44,295	\$ —	\$ 113,725

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES



Investment properties are recorded on the balance sheet at fair value, unadjusted for portfolio or platform premiums. Changes in fair value flow through the statements of income and comprehensive income. In 2020, the gross value of the properties appreciated by \$106.3 million.

A table that reconciles the increase in property values versus the Fair Value Adjustment in the financial statements is presented below. In Management's opinion, capital investments provide the opportunity for benefits which include future value growth that in many cases do not reflect in value immediately.

Fair Value of Investment Properties

(expressed in thousands of Canadian dollars)

	2020	2019
Balance, beginning of the year	\$ 1,808,604	\$ 1,126,421
Property acquisitions ¹	\$ 602,191	\$ 450,088
Increase in valuation	\$ 106,323	\$ 251,144
Reclassification to equity accounted investments	\$ (71,568)	
Currency Translation and Adjustment	\$ —	\$ (4,549)
Transfer to Investment properties held for sale	\$ —	\$ (14,500)
Total	2,445,550	1,808,604

¹ At purchase price

Reconciliation of Increase in Portfolio Valuation to Fair Value Adjustment ¹

(expressed in thousands of Canadian dollars)

	2020	2019
Change in property valuation	\$ 106,323	\$ 251,144
Less: Acquisitions cost	\$ (12,053)	\$ (13,288)
Less: Property improvements	\$ (55,696)	\$ (27,562)
Less: Other Changes	\$ —	\$ (5,708)
Less: Loss on disposal of investment properties	\$ (317)	\$ (166)
Fair Value Adjustment on Investment Properties	\$ 38,257	\$ 204,420

¹ This table reconciles the Gross Change in property valuation with the financial statements. Refer to Note 4 of the audited financial statements in Appendix "F"

Some examples of capital investment would include, but are not limited to, common area renovations that increase the appeal and marketability of the property, energy retrofits, building envelope improvements and improvements to apartment fixtures and finishes that produce a higher rental rate in the competitive market. Management continues to believe that the significant investments made between 2014 and 2018 in addition to the significant acquisitions in 2019 and 2020 will continue to contribute to growth in property values in 2021 and beyond. Management anticipates that it will be filing a number of additional above-guideline rent increase applications in 2021 as a result of many of these capital improvements and that ultimately this will contribute further to property values. (See "Revenue and Expense Summary Table" for a partial list of some of these initiatives and their potential impacts).

The portfolio weighted-average capitalization rate declined again in 2020 from 4.33% to 4.20% (see Note 4 of the consolidated audited financial statements in Appendix "F").

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES



Management believes that there still remains scope for property appreciation in 2021 and beyond. Further, as discussed previously, the Trust invested approximately \$55.7 million in capital improvements in 2020 and it is Management's opinion that not all of the benefits of these improvements are reflected in current values.

Sources of Change in Portfolio Valuation		
	2020	2019
Change in capitalization rates	28 %	38 %
Growth of NNOI	19 %	51 %
Acquisitions	53 %	11 %
Total	100 %	100%

MORTGAGES, DEBT, AND CAPITAL STRUCTURE



The Trust is limited in its Declaration of Trust to a leverage ratio of up to 75%. This is comparable to most of its multi-residential peers and would generally be considered very conservative in the multi-residential space. The mortgage liability associated with the property portfolio at year-end had a weighted-average interest rate of 2.56%. Leverage is at approximately 35.96% of total assets at the end of 2020, up 8.24% from 2019 (see the table “Ratio of Debt to Gross Book Value” below). The increase in the Trust's leverage was mainly due to a large number of investment property acquisitions during the year, financed with new mortgages at higher loan to values than the existing portfolio; as well as the refinancing of some existing investment properties increasing the Trust's leverage and liquidity position.

The Trust's leverage is well below the target ratio range.

The weighted-average term-to-maturity was 6.32 years as at December 31, 2020 and 6.93 years as at December 31, 2019. REIT capital (see table “REIT Capital Structure” below) was \$3.3 billion in 2020.

The Trust's debt strategy is to ladder its mortgage maturities across a diverse array of lenders and maturity dates. The Trust's debt schedule, contained in Note 11 of the consolidated financial statements (see Appendix “F”) is summarized below.

Ratio of Debt to GBV (expressed in thousands of Canadian dollars)			REIT Capital Structure as at December 31 (expressed in thousands of Canadian dollars)		
	2020	2019		2020	2019
Total unrestricted assets	\$ 3,289,813	\$ 2,660,518	Mortgages payable and Credit Facilities	\$ 1,183,108	\$ 737,678
Mortgages payable and Credit Facilities	\$ 1,183,108	\$ 737,678	Net assets attributable to unitholders	\$ 2,069,477	\$ 1,892,816
Ratio of Debt to GBV	35.96 %	27.73 %	Total	3,252,585	2,630,494

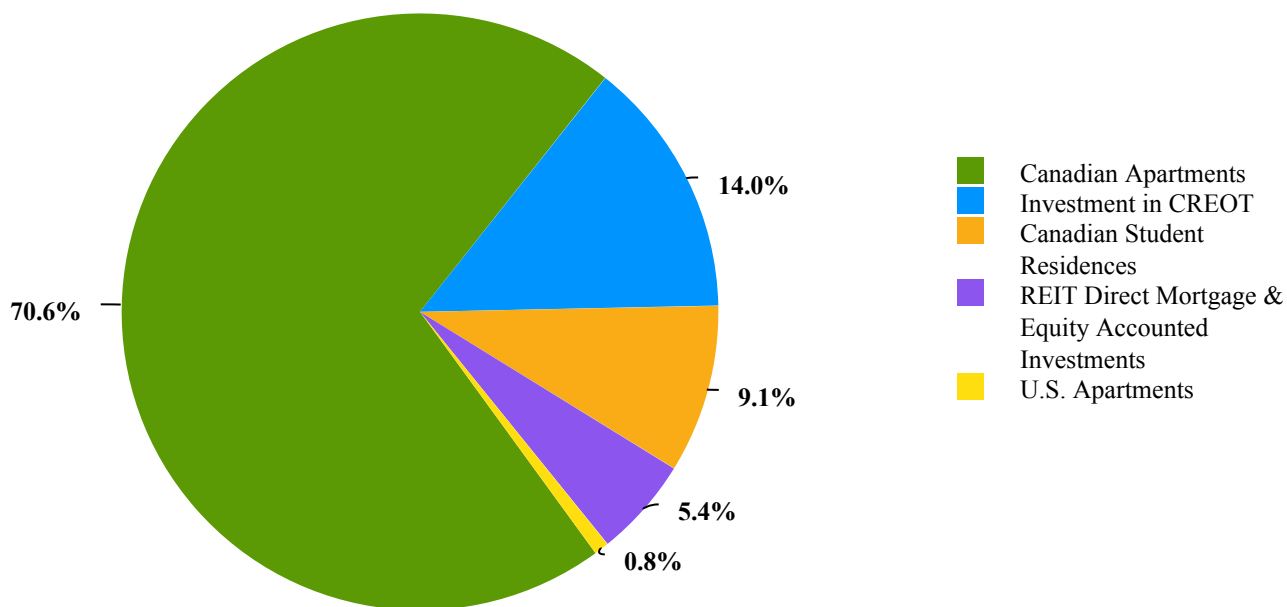
Mortgages payable at December 31, 2020 are due as follows:

(expressed in thousands of Canadian dollars)	Principal Repayments	Balance due at Maturity	Total
December 31, 2021	\$ 27,953	\$ 88,904	116,857
December 31, 2022	\$ 42,516	\$ 46,018	88,534
December 31, 2023	\$ 24,154	\$ 69,101	93,255
December 31, 2024	\$ 22,351	\$ 133,419	155,770
December 31, 2025	\$ 19,166	\$ 71,667	90,833
Thereafter	\$ 66,663	\$ 577,048	643,711
	202,803	986,157	1,188,960
Less: Unamortized portion of financing fees		\$	(5,852)
Total Mortgage Payable			1,183,108

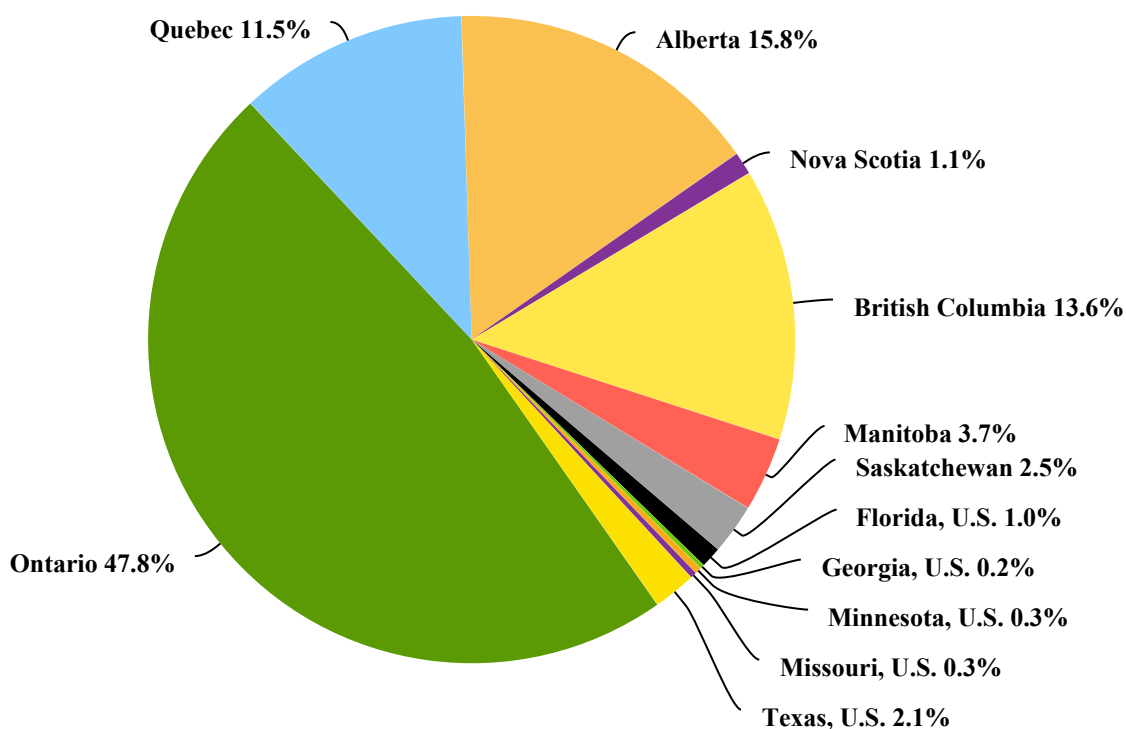
PORTFOLIO SUMMARY



Portfolio Summary (% of assets)



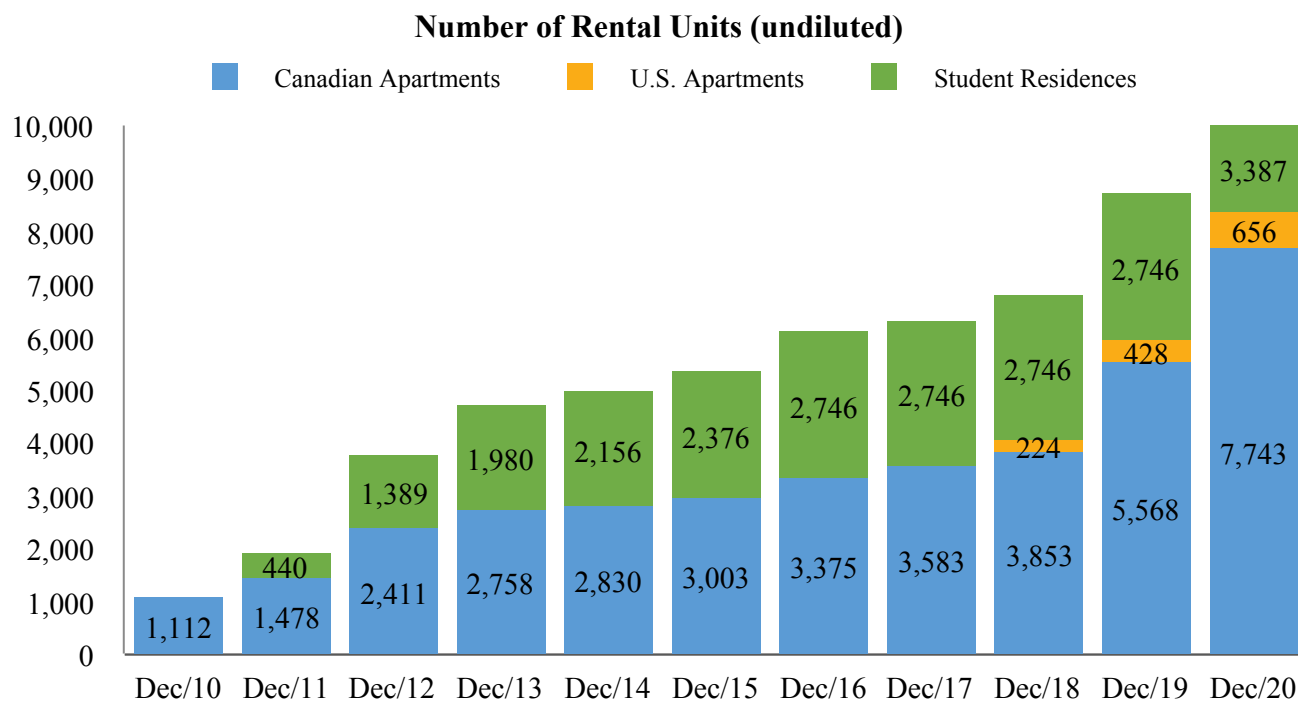
Geographic Exposure by \$ Value of Assets



PROPERTY METRICS



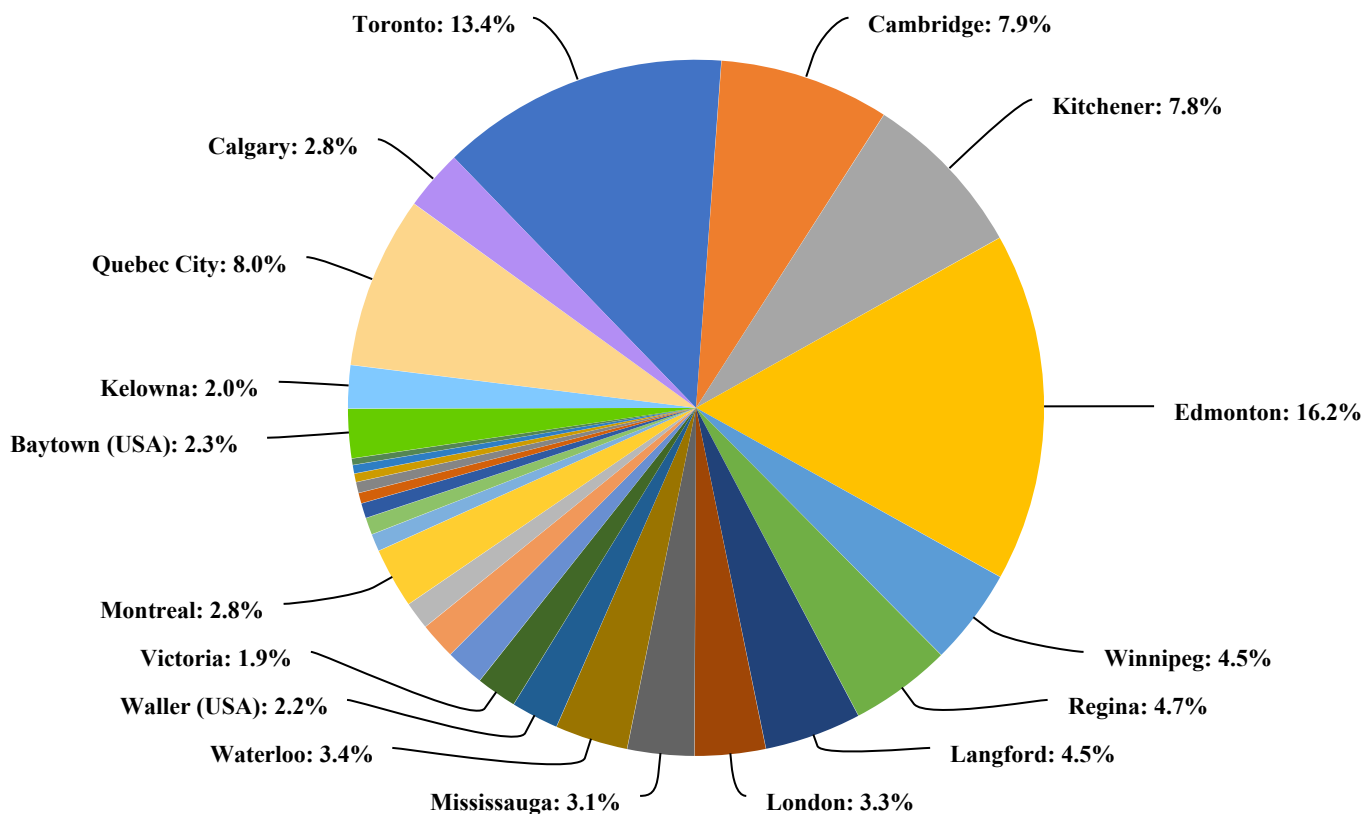
As at December 31, 2020, the Trust owned 82 properties. The charts below provide additional details of the property portfolio:



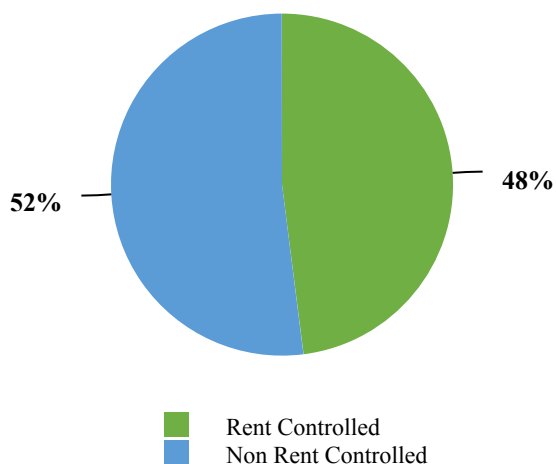
OTHER PROPERTY METRICS



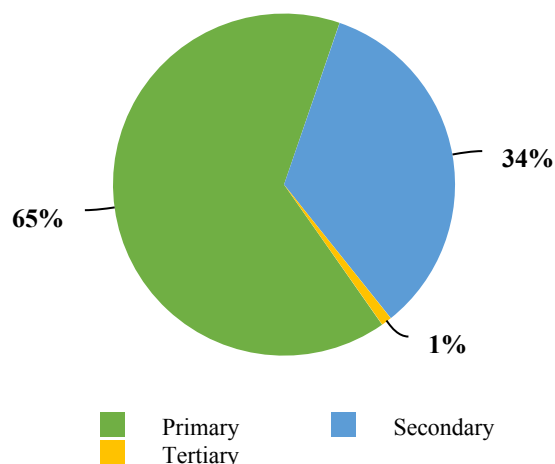
Percentage of Suites by City (diluted)



Property Summary by Rent Control Status
(by rent unit count - diluted)



Property Summary by Market Size Type
(by rent unit count - diluted)



PROPERTY STABILIZATION AND REPOSITIONING PROGRESS



The following charts breakdown the Trust's portfolio into three categories as at December 31, 2020:

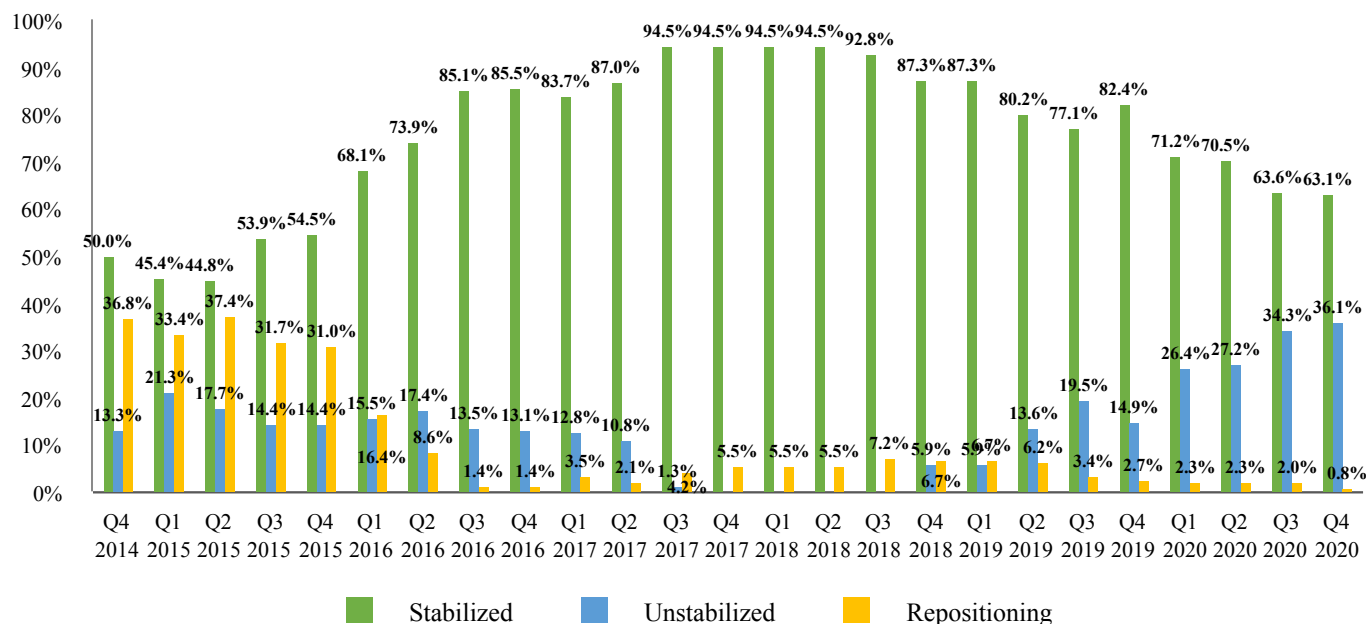
(1) Stabilized

(2) Unstabilized

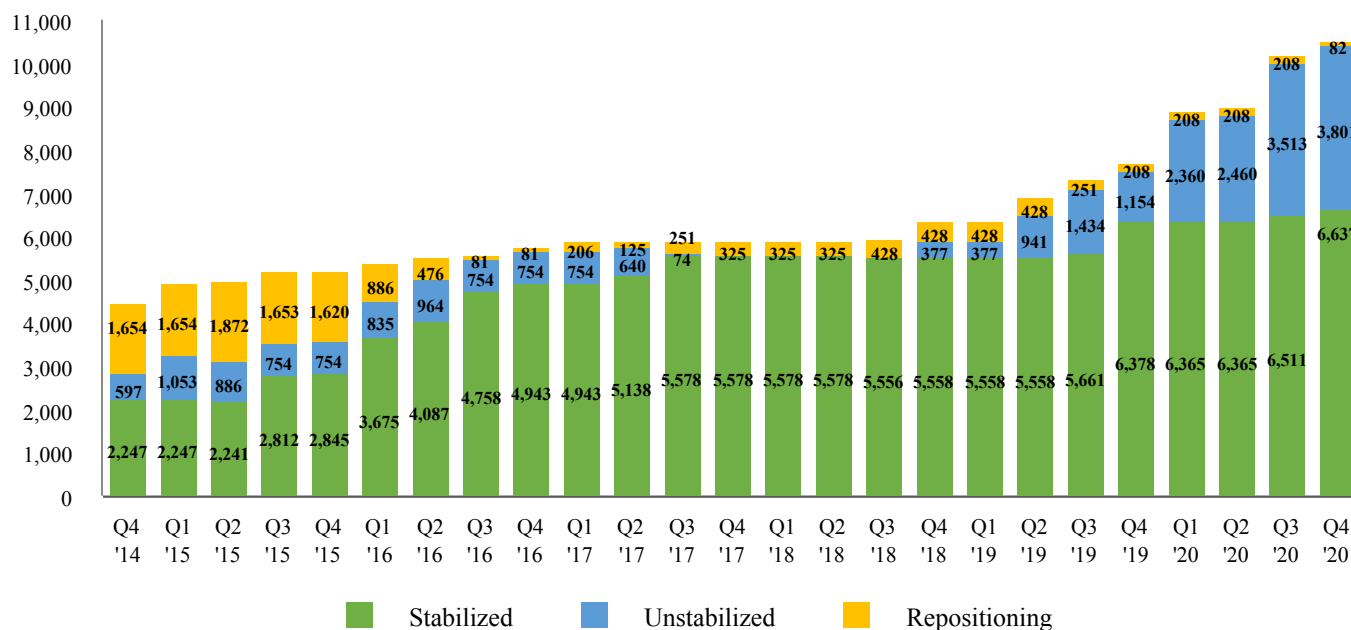
(3) Repositioning

There has been significant improvement in stabilizing the Trust's properties over the years.

Portfolio Stabilization by Percentage (weighted)



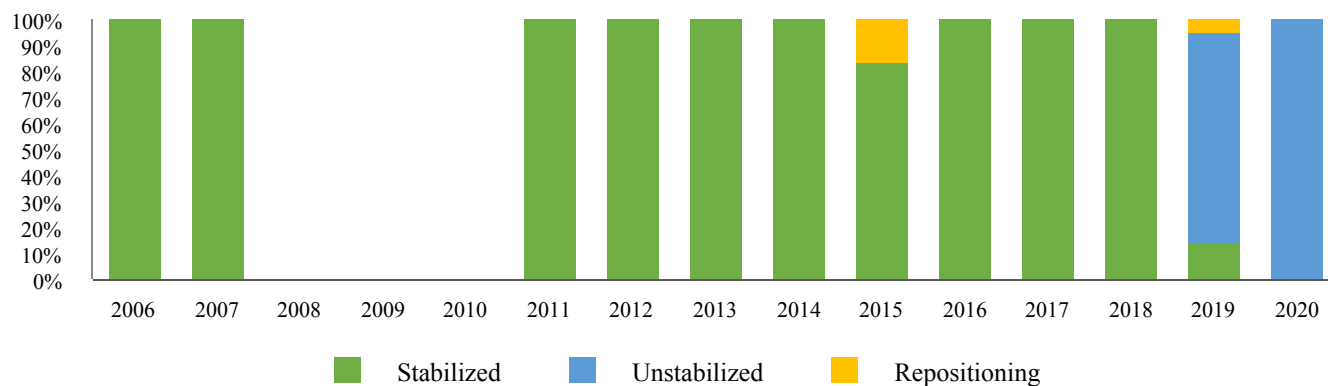
Portfolio Stabilization by Units (Diluted)



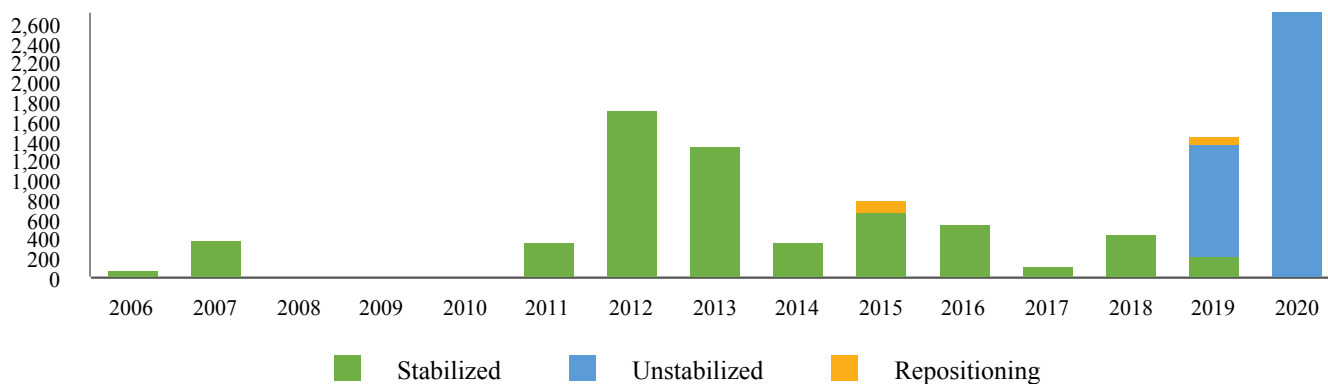
PROPERTY STABILIZATION AND REPOSITIONING PROGRESS



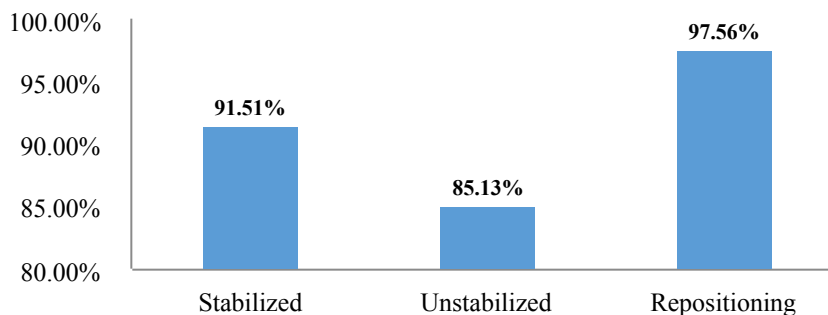
**Stabilization by Year of Acquisition
(percentage)**



**Stabilization by Year of Acquisition
(rental units)**



**Summary of Property Occupancy
by Stabilization Status**



PROPERTY STABILIZATION AND REPOSITIONING PROGRESS



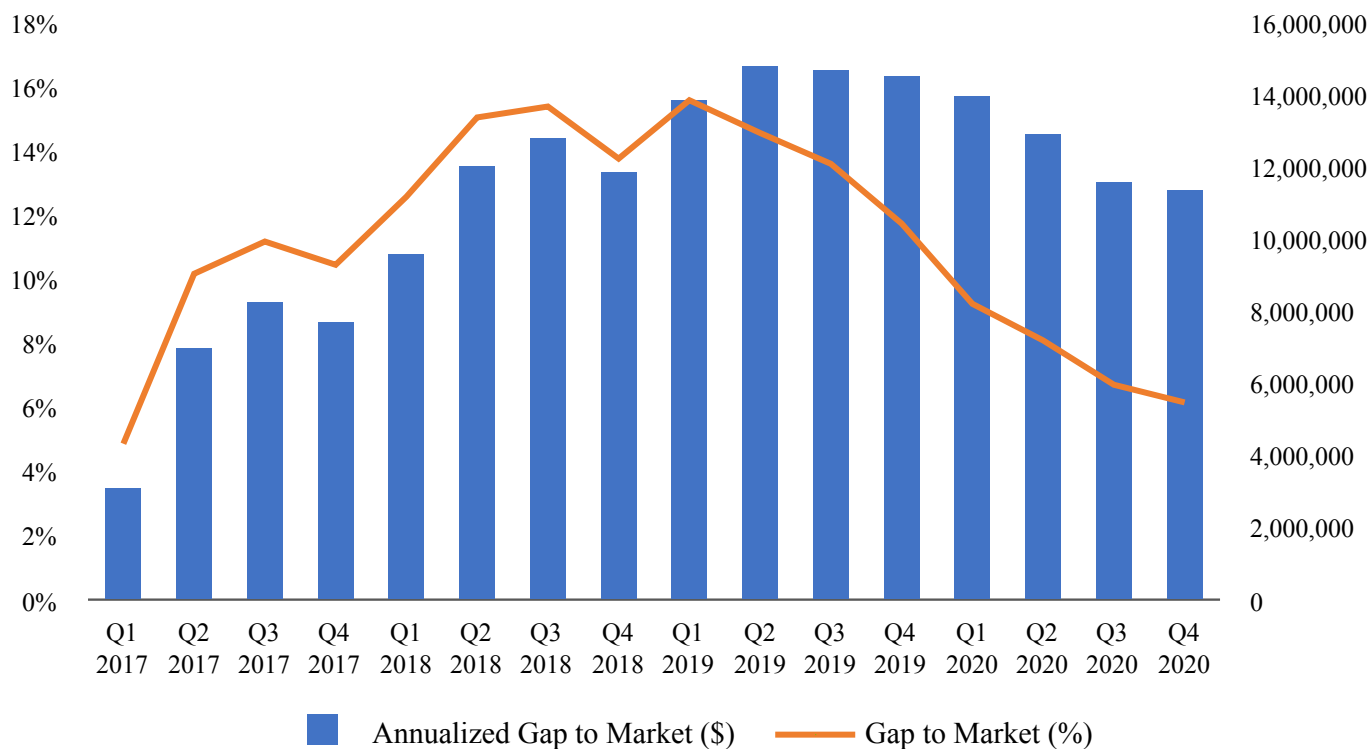
Q4 2019 vs Q4 2020 Renewal and Turnover Analysis

By Stabilization - Canadian Apartments			
Status	Market Rent Increase	Renewals	New Tenants (Including Unit Transfers)
Stabilized	0.16 %	2.76 %	12.52 %
Repositioning	— %	3.62 %	5.87 %
Unstabilized	1.46 %	0.42 %	0.95 %

By Stabilization - Student			
Status	Market Rent Increase	Renewals	New Tenants (Including Unit Transfers)
Stabilized	0.48 %	1.28 %	4.43 %
Repositioning	— %	— %	— %
Unstabilized	— %	— %	— %

By Stabilization - US Apartments			
Status	Market Rent Increase	Renewals	New Tenants (Including Unit Transfers)
Stabilized	(0.49)%	0.15 %	(0.44)%
Repositioning	— %	— %	— %
Unstabilized	7.71 %	3.88 %	16.36 %

Gap to Market



MORTGAGE INVESTMENT STRATEGY



Since the beginning of 2013, the Asset Manager had been building a financing business for Centurion Apartment REIT and in May of 2013 began its first capital deployments. As the financing business grew, the Asset Manager believed that the potential scale of these opportunities, particularly in the development of new apartments and student housing which the REIT could buy upon completion, would ultimately require a larger capital allocation than could be supported on the REIT's balance sheet alone. Further, the Asset Manager was seeing a regular flow of other real estate debt and equity investment opportunities that fell outside of the acquisition pipeline goals of the REIT by virtue of its' activities in the market that it had to forego. As such, the Asset Manager believed that there was sufficient scope to create a fund to focus on these and other similar opportunities. To maximize the number of opportunities upon which it could execute and potentially secure purchase options, the Board of Trustees of the REIT decided to set up a new fund, Centurion REOT, to which it contributed the majority of the REIT's debt and equity financing portfolio of \$58.93 million in return for Class R equity units in REOT in September 2014. The REIT and REOT are strategic partners in providing developers an end-to-end solution for debt and equity financing and ultimately a potential exit in a sale of the stabilized development to the REIT. In the opinion of the Asset Manager, this end-to-end solution has been seen by developers as an attractive option and has garnered considerable interest. The strategic partnership between the REIT and the REOT is intended primarily to have the following benefits:

For Developers and other clients:

- an end-to-end solution to finance, develop, manage, and sell their properties

For Centurion Apartment REIT:

- the continuing opportunity to participate in the income and growth on its pro-rata holdings in the portfolio it had built and contributed to REOT
- the opportunity to use its own operating facilities to fund higher yielding investments on a short-term basis via the Warehousing Agreement for short-term income the opportunity to build a larger pipeline of potential acquisitions than it could on its own.

For Centurion Real Estate Opportunities Trust:

- a significant starting portfolio with a track record that would allow REOT to get to scale faster than if it started from scratch
- the opportunity to invest for income and growth on new opportunities originating from relationships developed by the REIT
- via a Warehousing Agreement with the REIT, the ability to move quickly to commit to investment opportunities to build its portfolio.

As such, the REIT will invest in the strategic relationship with REOT by maintaining an investment in REOT and in providing a warehouse facility to REOT to assist REOT in growing its portfolio and thus ultimately, the number of options to purchase properties which the REIT may have interest in. This will permit the Trust to participate in more opportunities without necessarily increasing the amount of capital dedicated to the strategy and potentially increase the acquisition pipeline further. Management continues to believe that:

- 1) due to excess competition, it is prudent to maintain our acquisition discipline in not overpaying and wait for the right opportunities which may take time; and
- 2) banks continue to restrict lending to the development community, particularly condos and to the medium and smaller builders which will increase interest rates on mezzanine financing and increase the number of attractive mortgage investment opportunities; and
- 3) with the reduction in capitalization rates, new construction apartment buildings are becoming feasible to build; and

MORTGAGE INVESTMENT STRATEGY



- 4) with the Trust focusing on student housing, which is almost all new or recent construction, and where the opportunity is to expand is to find new attractive sites which need to be built; and
- 5) the Trust has the liquidity to invest.

Since REOT's launch it has continued to grow its net assets from an initial \$58.93 million to \$650 million. The portfolio is diversified with 86 funded investments of which 26% are designated as "participating" - meaning that REOT has equity type risk positions in these projects so there is the potential for upside beyond the return from the mortgage investment side of the projects. Also, 14% of these investments are designated as equity accounted investments.

During 2020 the REOT Board of Trustees approved the merger of REOT with The Trust. The merger took place on January 1, 2021. The merger will allow the continuing Trust to take better advantage of the current and mutually complementary nature of the business of each trust. The continuing Trust will be able to capitalize on certain efficiencies and economies of scale achieved by combining the assets of the Centurion Real Estate Opportunities Trust and the Centurion Apartment Real Estate Investment Trust, thereby lowering the overall costs of the continuing Trust.

As the REIT owns 63.40% of REOT as at December 31, 2020, consolidation principles apply. On a consolidated basis, the weighted effective interest rate is 9.58% and the weighted- average contractual term-to-maturity is 0.61 years. The weighted-average loan-to-value is 68.84%.

REOT utilizes a strategy that is focused on a very specific niche and builds on its relationship with the REIT as a potential end buyer of a completed apartment and student properties. REOT's ability to attract joint venture/ developers to its project development program by being able to offer an end-to-end solution to its partners (debt, equity, property management/lease up, and potential end buyer) continues to gain traction in the market. As such, REOT has a very robust pipeline of opportunities into 2020.

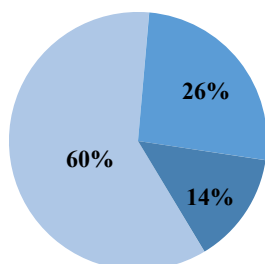
The REIT's strategy is to increase the number of opportunities to purchase newly built properties upon completion by bringing in additional third-party capital through investment in REOT. The REIT has purchased 10 properties under this strategy, 2 of which were in 2020. As at December 31, 2020, the REIT has purchase options on a number of apartment and student properties currently in various stages of development and construction with a potential market value of \$1.5 billion on an undiluted basis. The REIT may not exercise its options to purchase all of the properties on which it holds options, however these options provide a strong pipeline of potential acquisition opportunities for the REIT. Management considers this to be very important for the REIT's future growth. With lending at higher rates, comes higher risk. The Trust's underwriting and due diligence processes attempts to protect the Trust from unnecessary risk; however, defaults and other events can occur from time to time.

During 2018, REOT foreclosed on a multi-residential partially built property after the borrower defaulted in 2017. Through legal proceedings, REOT pursued multiple leads that had expressed interest in purchasing the property. REOT was unable to reach an agreement for the proposed sale so it completed the foreclosure in December 2018. REOT has partnered with a builder who will complete construction of the building. It is anticipated that the REIT will ultimately be the buyer of the property once completed given its size, quality and location. The following charts provide additional information relating to mortgage and equity accounted investment held by REIT and REOT. See page 49 for the summary of what is directly attributable to each entity. Appendix B provides detailed information of the mortgage investments as at December 31, 2020.

MORTGAGE INVESTMENT STRATEGY

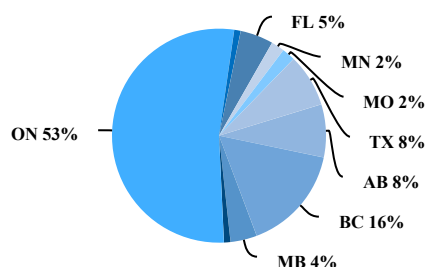


BY PARTICIPATION

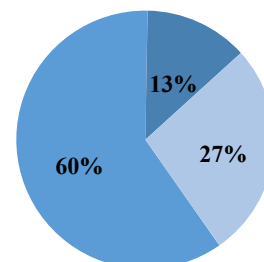


- Mortgage Investment
- Participating Loan Interests
- Equity Accounted Investments

BY PROVINCE/ STATE

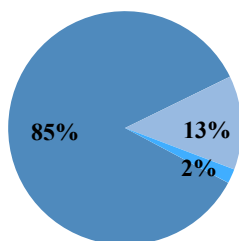


BY PURCHASE OPTIONS



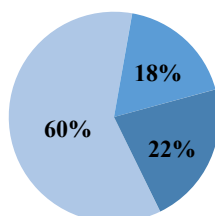
- With
- Without
- Equity Accounted Investments

BY LOAN TYPE



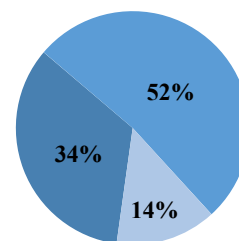
- Commercial
- Residential
- Term

BY DEVELOPMENT STAGE



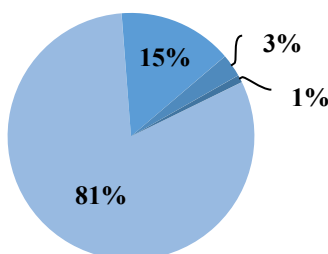
- Construction
- Pre Construction
- Term

BY RANK



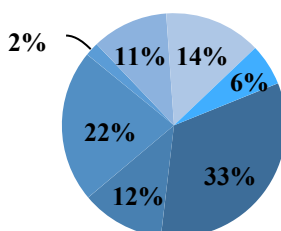
- 1st
- 2nd
- Equity Accounted Investment

BY MATURITY



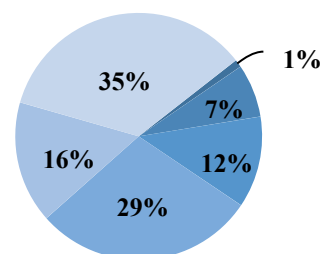
- 2021
- 2022
- 2023
- 2025

BY UNDERLYING SECURITY



- Multi Family Apartments
- Land
- Low Rise Residential
- Industrial
- High-Rise Condominium
- Commercial/Mixed Use
- Multi Student Housing

BY INVESTMENT SIZE



- \$1m or less
- > \$1m - \$3m
- > \$3m - \$5m
- > \$5m - \$10m
- > \$10m - \$15m
- > \$15m

Please refer to Appendix B for Summary Information on the Mortgage Investment Portfolio.

2020 OPERATING RESULTS



2020 was a successful year for the Trust both financially and operationally, despite the global COVID-19 pandemic.

Since its last fiscal year-end, total assets of the Trust increased 22.3% from \$2.7 billion as at December 31, 2019 to \$3.3 billion as at December 31, 2020.

During the year, the Trust purchased eleven properties and completed the development of one student property totaling 2,834 rental units. These acquisitions were primarily focused in Quebec and Western Canada and many of these acquisitions consisted of recently constructed apartment buildings. These newer and modern properties generate higher rents, attract stronger residents, require much less ongoing maintenance and capital spending, and serve to further strengthen and diversify our overall portfolio. Looking ahead, we will continue to focus on purchasing newer properties that further enhance our asset base. These buildings initially generate a lower NOI because of costs associated with lease up/rent concession but once it is stabilized and occupied we will realize strong NOI margins because of lower repairs and maintenance expenses and higher rental rates.

There was one disposal during the year. On February 27, 2020 the Trust disposed of 3443 Bathurst Street, Toronto, Ontario which consisted of 23 rental units for \$14.5 million. As at the year-ended December 31, 2019, the Trust recognized the property as "Held for Sale" and recorded it at fair value less estimated cost to sell in accordance with IFRS 5. The Trust determined the fair value of the property to be equal to its contract sale price of \$14.5 million as at December 31, 2019 and recognized a fair value gain of \$1.9 million in Q4 2019. During Q1 2020 the Trust realized a \$0.3 million loss on disposal as a result of higher selling and closing costs. This still resulted in an overall fair value gain on disposal of \$1.6 million.

Net operating income increased to \$85.0 million in 2020 up from \$61.8 million in 2019. However, NOI margin decreased to 63.8% in 2020 from 68.3% in 2019 while FFO decreased from \$0.92/unit in 2019 to \$0.71/unit in 2020 and NFFO decreased from \$1.19/unit in 2019 to \$0.91/unit. The decrease in NOI margin, FFO per unit and NFFO per unit was as a result of the onboarding, stabilization and initial lease up of a significant number of newly acquired rental properties as well as an increased number of units outstanding as a result of a significant amount of capital raised during 2020 that has been deployed into a number of new investment opportunities. The income potential associated with these investments has not been fully realized within the 2020 NOI, FFO and NFFO figures. This is due to the timing difference between when capital is raised and when investment properties are acquired, leased-up and stabilized, as well as a deliberate intention by Management to carry significant additional liquidity and capital reserves ranging between \$200 million and \$300 million due to the uncertainty caused by Covid-19. Management plans to maintain higher than normal levels of reserves to be conservative but is in the process of reducing reserve levels to about \$150 million from \$300 million currently. This targeted level would still be about double what the Trust would normally maintain. As a result, Management believes that per unit FFO and NFFO will rise as this excess capital is deployed into investments. Please refer to the "FFO and NFFO" section of the MD&A for a further discussion on this item.

Same Store NOI margin decreased to 67.9% in 2020 from 68.1% in 2019. The minor decrease in Same Property Net Operating Income Margin was mainly the result of a short term increase in vacancy in the student property portfolio, however, we expect vacancy rates at the student properties to return to normal during 2021 as students begin to return to the campus during the COVID-19 recovery.

Same Store Total Operating Revenue increased 1.73% from \$78.5 million to \$79.8 million as the Trust worked diligently to lease-up and stabilize the significant number of properties added to the portfolio during the prior year. Also, Same Store average rent per unit increased 5.5% on turnover units when compared to December 31, 2019.

2020 OPERATING RESULTS



Rental revenue increased 47.3% in 2020 to \$133.3 million up from \$90.5 million in 2019. This is due to the significant increase in the number of rental units added to the portfolio during the year. Portfolio occupancy during 2020 was 91.1% down from 97.1% in 2019. This is attributable to the onboarding and lease-up of new acquisitions and a decline in occupancy in the student portfolio as a result of students returning home during the pandemic. Student Housing revenues fell by 7.41% in 2020 due to government lock down measures as a result of COVID-19. As many universities across Canada did not offer in-class learning and campuses were largely shut down, many students chose to stay at home, especially international students. Same store NOI at the student properties fell by 9.93% and the average rent/unit fell 0.75%. However, we do not see this as a continuing trend. The vaccine rollouts will result in a return to normalcy and we expect vacancy within our student housing portfolio to improve in Q2 and Q3 2021, as many universities have already begun to announce their intention to commence in-class learning in the fall of 2021 and more will likely announce similar intentions in the coming weeks. Furthermore, the overall portfolio occupancy rate of stabilized properties was approximately 94.6% while unstabilized properties (including lease up properties) had an occupancy rate of approximately 87.06%.

The gap to market figure in dollar terms declined from \$14.5 million as at December 31, 2019 to \$11.4 million at December 31, 2020 as suites turned over at higher rents. The gap to market figure in percentage terms dropped from 11.7% as at December 31, 2019 to 6.1% at December 31, 2020. This was mainly as result of new acquisitions (i.e. a larger denominator) where Centurion conservatively maintained market rent gap assumptions near zero which is our general approach with new acquisitions until new market rent assumptions have been proven. It is our experience that rents generally grow faster and create market rent gaps once new properties are stabilized, which could be 12-24 months after closing depending on the market and the degree of capital improvements required. As such, we expect that both the dollar and percentage market rent gaps will increase, once these new properties are stabilized.

Total capital expenditures during 2020 amounted to \$55.7 million up from \$27.6 million in 2019. This is mainly due to a number of large capital intensive projects at our existing properties (including parking lots, adding units to properties, renovating suites to maximize rent potential etc.) as well as the large increase in the number of rental units add to the portfolio.

The Trust continues to maintain a strong liquidity position of \$289.6 million as at December 31, 2020 consisting of \$141.5 million in cash and \$148.1 million available on its credit facilities.

As of December 31, 2020, total assets in the loan portfolio (net of syndication liabilities) amounted to \$639.6 million down slightly from \$724.3 million as at December 31, 2019. We made a strategic and active decision in 2020, due to COVID-19 pandemic, to focus on our existing borrowers and investments and not expand when the market visibility was poor. The loan portfolio consisted of net mortgage investments of \$309.1 million (December 2019: \$426.2 million), participating loan interests of \$113.0 million (December 2019: \$127.6 million) and equity account investments of \$217.5 million (December 2019: \$170.5 million).

The loan portfolio performed well in 2020 and continues to be well-diversified with 86 funded investments. Of these 86 investments, 17 are participating and are 8 equity. Participating means that that the Trust has an equity-type risk position in these projects resulting in the potential for upside beyond the return from the mortgage investment side of the projects. This is in alignment with the strategic goals of the Trust.

Since its last fiscal year-end, the Trust completed disposition of one equity accounted investment for total proceeds of \$4.5 million. In addition, the Trust acquired the REOT's interest in an equity accounted investment for \$7.3 million and transitioned it to the investment properties portfolio. The Trust also acquired a participating loan interest investment from REOT for the total proceeds of \$31.7 million, and transitioned it to the investment properties portfolio.

2020 OPERATING RESULTS

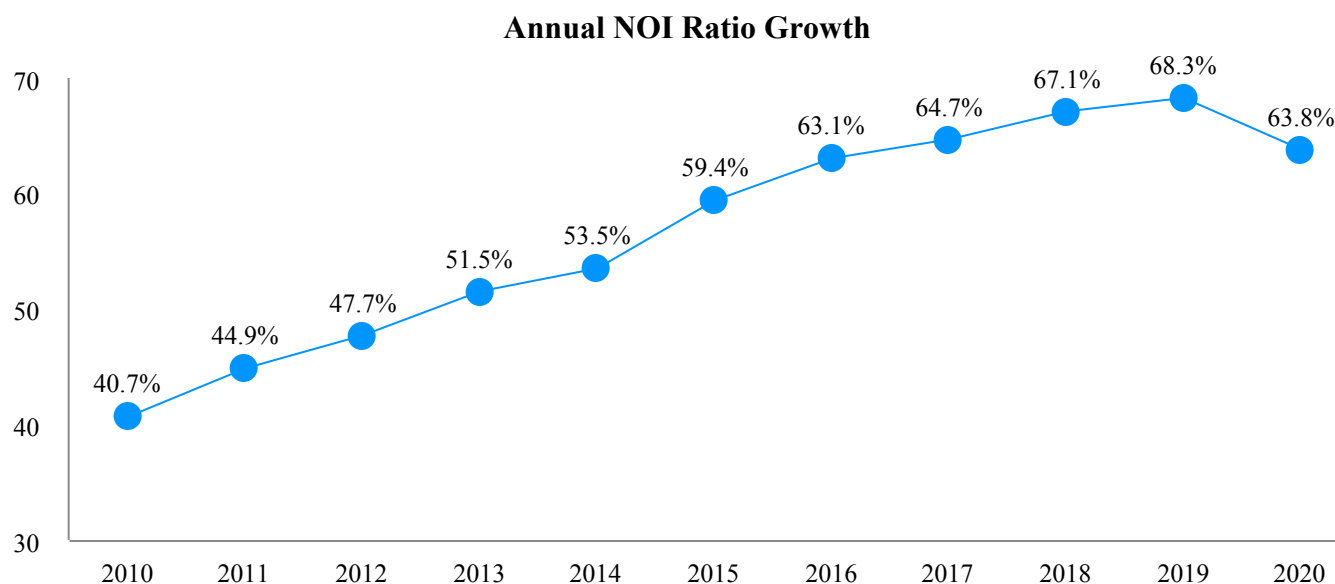


Of the investments categorized as mortgage investments (non-participating), the weighted average interest rate is 9.64% , with a term to maturity of 0.61 years and a weighted average loan to value of 68.8%. 56% of these investments are in first position and 44% are in second position. The total provision for expected credit losses related to mortgage investments as at December 31, 2020 was \$1.4 million, a decrease from \$1.6 million as at December 31, 2019. This is an allowance against future potential credit related losses not identified and does not reflect an actual loss incurred. Please see Appendix B for more details on the loan portfolio.

In 2020, NNOI increased to \$110.1 million from \$77.9 million in 2019, an increase of 39.63%. The below table reflects annualized NNOI at the end of each of these periods and not the NNOI for the full period.

NNOI Run Rates <i>(Expressed in thousands of Canadian dollars)</i>										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Same Property	\$4,000	\$7,532	\$18,093	\$24,834	\$31,218	\$35,254	\$41,333	\$46,648	\$56,063	\$77,288
New Acquisitions	\$3,034	\$8,910	\$6,317	\$2,813	\$3,302	\$3,953	\$1,344	\$4,939	\$21,859	\$31,517
TOTAL	\$7,034	\$16,442	\$24,410	\$27,647	\$34,520	\$39,207	\$42,677	\$51,587	\$77,922	\$108,805

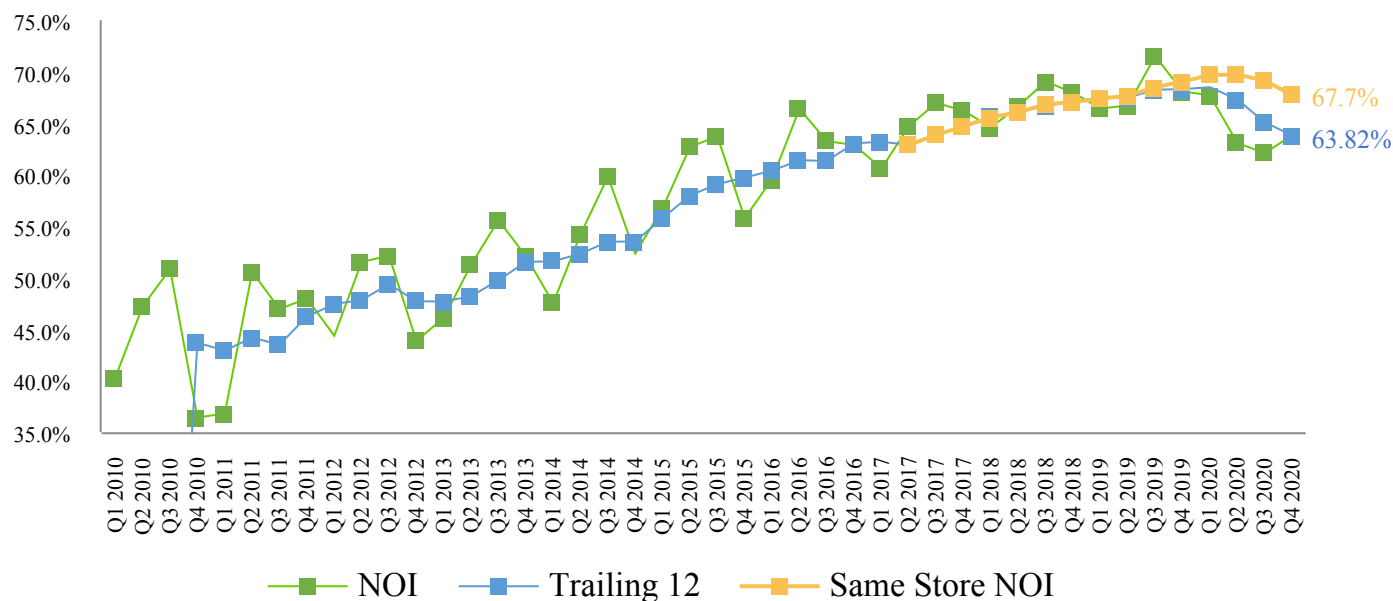
NOI ratios have continued to increase over time. Management is targeting an NOI Ratio of between 67% - 69% in 2021.



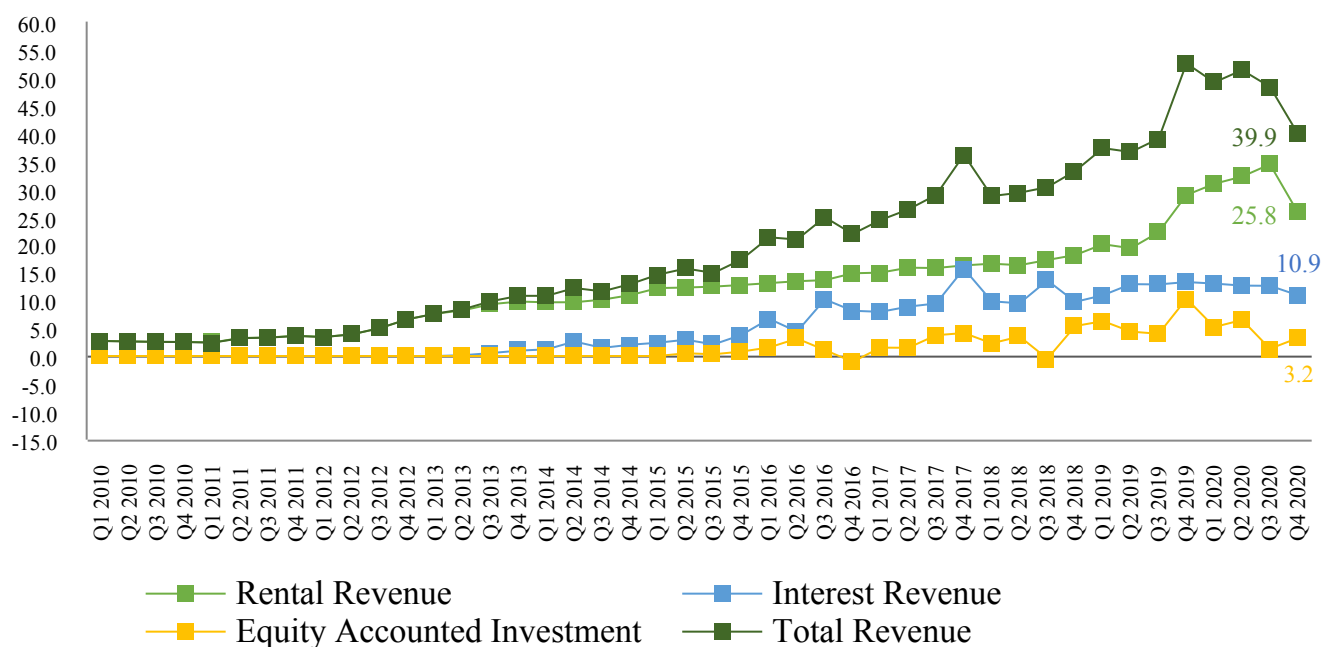
NOI AND REVENUE GROWTH



Quarterly NOI Growth Trend

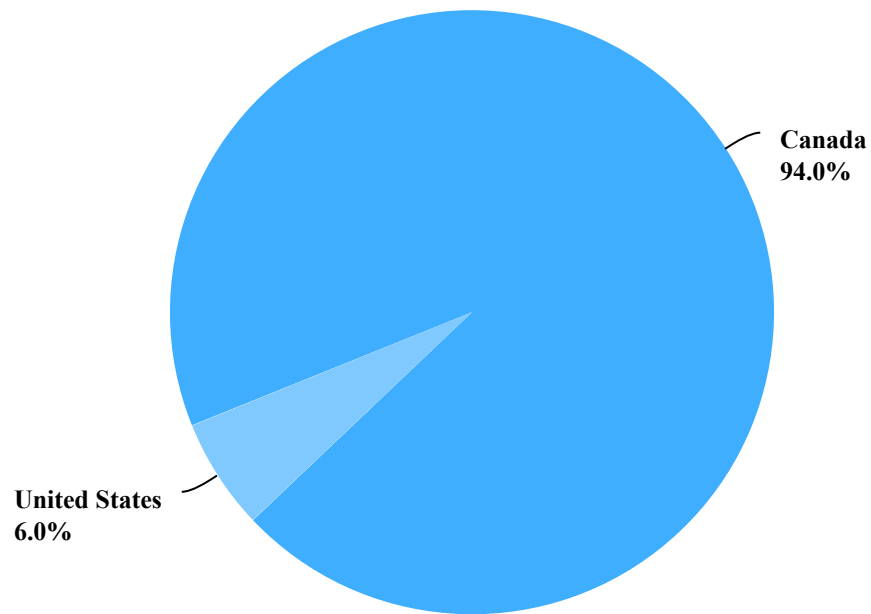


Quarterly Revenue Growth (in millions)





Net Operating Income (NOI) by Country



SAME STORE ANALYSIS¹



Asset Type	Stable <i>(expressed in thousands of Canadian dollars)</i>			Repositioning <i>(expressed in thousands of Canadian dollars)</i>		
	Q4 2020	Q4 2019	Change	Q4 2020	Q4 2019	Change
Income						
Total Operating Revenue	\$79,849	\$78,490	1.73%	—	—	— %
Total NOI	\$54,197	\$53,537	1.23%	—	—	— %
NOI Ratio	67.87%	68.21%	(0.34)%	—	—	— %
Average Rent/unit as per End of Period Rent Roll	\$1,097	\$1,040	5.50 %	—	—	— %
Expense Ratio (%)						
Taxes	11.17%	11.35%	(0.18)%	—	—	— %
R&M	4.83%	5.01%	(0.19)%	—	—	— %
Wages	3.66%	3.28%	0.37%	—	—	— %
Insurance	1.30%	1.14%	0.15%	—	—	— %
Utilities	7.54%	7.98%	(0.44)%	—	—	— %
G&A	2.99%	2.41%	0.59%	—	—	— %
Expense Dollars (\$)						
Taxes	(\$8,919)	(\$8,911)	\$8	—	—	— %
R&M	(\$3,856)	(\$3,936)	(\$80)	—	—	— %
Wages	(\$2,919)	(\$2,575)	\$343	—	—	— %
Insurance	(\$1,035)	(\$896)	\$138	—	—	— %
Utilities	(\$6,023)	(\$6,262)	(\$240)	—	—	— %
G&A	(\$2,391)	(\$1,891)	\$500	—	—	— %

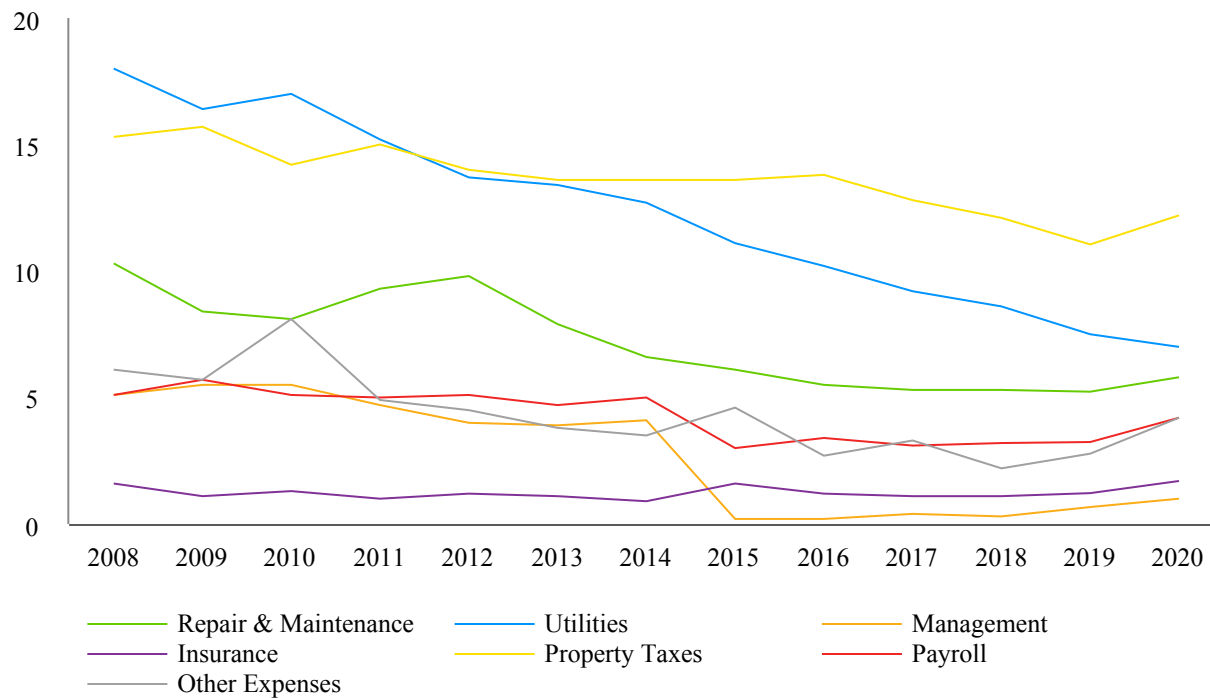
Asset Type	Unstabilized			Total - Same Store <i>(expressed in thousands of Canadian dollars)</i>		
	Q4 2020	Q4 2019	Change	Q4 2020	Q4 2019	Change
Income						
Total Operating Revenue	—	—	— %	\$79,849	\$78,490	1.73 %
Total NOI	—	—	— %	\$54,197	\$53,537	1.23 %
NOI Ratio	—	—	— %	67.87%	68.21%	(0.34)%
Average Rent/unit as per End of Period Rent Roll	—	—	— %	\$1,097	\$1,040	5.50 %
Expense Ratio (%)						
Taxes	—	—	— %	11.17%	11.35%	(0.18)%
R&M	—	—	— %	4.83%	5.01%	(0.19)%
Wages	—	—	— %	3.66%	3.28%	0.37 %
Insurance	—	—	— %	1.30%	1.14%	0.15 %
Utilities	—	—	— %	7.54%	7.98%	(0.44)%
G&A	—	—	— %	2.99%	2.41%	0.59 %
Expense Dollars (\$)						
Taxes	—	—	— %	(\$8,919)	(\$8,911)	\$8
R&M	—	—	— %	(\$3,856)	(\$3,936)	(\$80)
Wages	—	—	— %	(\$2,919)	(\$2,575)	\$343
Insurance	—	—	— %	(\$1,035)	(\$896)	\$138
Utilities	—	—	— %	(\$6,023)	(\$6,262)	(\$240)
G&A	—	—	— %	(\$2,391)	(\$1,891)	\$500

¹ Same store analysis includes the results for all properties that were owned throughout the period from December 31, 2019 to December 31, 2020.

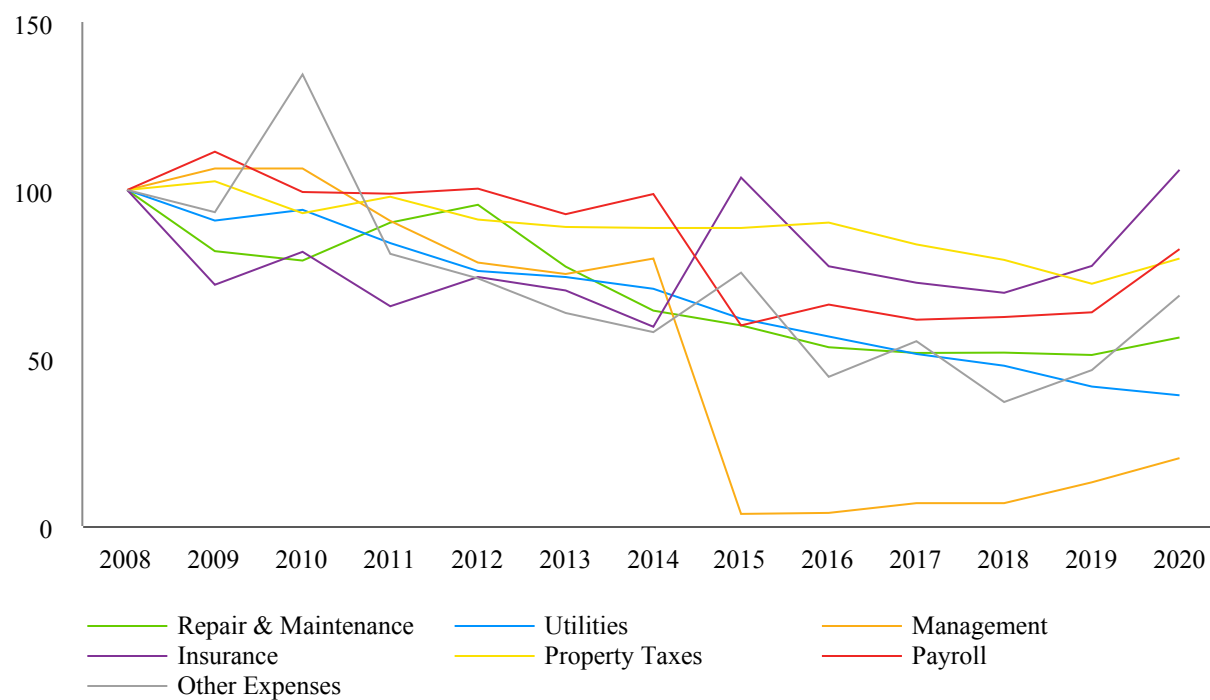
OPERATING EXPENSES



Operating Expenses % of Total Operating Revenue



Operating Expense Ratio Index



“FFO” AND “NFFO”

Funds From Operations and Normalized Funds From Operations



<i>(expressed in thousands of Canadian dollars except per unit amounts)</i>	2020	2019
FFO (Funds From Operations)		
Net Income and Comprehensive Income	\$113,725	\$289,107
Less: FV gains	(34,303)	(205,196)
Less: Minority Interest ¹	(16,116)	(18,835)
Plus: Allowance for expected credit losses (recovery)	(4)	479
Plus: Amortizations	3,344	2,180
Plus: Capital raising costs expensed through G&A	711	724
Plus: Deferred Income Tax Expense (recovery)	2,598	4,108
FFO	\$69,955	\$72,567
NFFO (Normalized Funds From Operations)		
FFO	\$69,955	\$72,567
Plus: Unlevered cash	8,316	6,695
Plus: Gap to market rents	11,356	14,510
NFFO	\$89,627	\$93,772
Average Number of Outstanding Units	98,939,686	78,694,683
Per Unit Statistics (Per Adjusted Number of Outstanding Units)		
Net Income and Comprehensive Income	\$1.15	\$3.67
FFO	\$0.71	\$0.92
NFFO	\$0.91	\$1.19

Notes:

¹ Represents the Non-Controlling Interest

Net income and comprehensive income per unit declined from \$3.67/unit in 2019 to \$1.15/unit in 2020. This decrease was primarily the result of lower fair value gains on investment properties recognized in 2020 as a result of a slowdown in market rent growth and an increase in property operating costs as a result of COVID-19. FFO per unit declined from \$0.92/unit in 2019 to \$0.71/unit in 2020 and NFFO per unit declined from \$1.19/unit in 2019 to \$0.91/unit in 2020. The Trust continues to meet its distribution obligations and we believe FFO and NFFO will increase in 2021. The decline in FFO and NFFO per unit was due to the following:

1) Management's decision to carry additional liquidity and capital reserves - During 2020 Management deliberately held a significant amount of additional liquidity and capital reserves ranging from \$200 million and \$300 million due to the Covid-19 pandemic. Management plans to maintain higher than normal levels of reserves to be conservative but is in the process of reducing reserve levels to about \$150 million from \$300 million currently. This targeted level would still be about double what the Trust would normally want to hold. As a result Management believes that per unit FFO and NFFO will rise as this excess capital is deployed into investments.

2) Timing differences between capital raises and asset acquisitions - The Trust raised a significant amount of capital in the 2020. There is a timing difference between when capital is raised and when it is deployed into cash generating assets. The Trust made many large acquisitions during the latter part of 2020 and in the early months of 2021. The income potential associated with these investments has not been fully realized within the year-end Net Income, FFO and NFFO figures. This is due to the time it takes to acquire, lease-up and stabilize newly acquired properties.

“FFO” AND “NFFO”

Funds From Operations and Normalized Funds From Operations



3) Acquisition of newer investment properties - The Trust focused its acquisitions on newly constructed properties in 2020. These newer properties initially generate lower NOI and FFO due to the up front costs associated with lease-up, rent concessions, hiring of site staff and overall stabilization of the buildings. However, in the long term these newer and more modern properties generate higher rents, attract stronger residents, require much less ongoing maintenance and capital spending, and serve to further strengthen and diversify our overall portfolio.

4) Gap to Market decrease - The gap to market figure in dollar terms declined from \$14.5 million as at December 31, 2019 to \$11.4 million at December 31, 2020 as suites turned over at higher rents. Centurion conservatively maintained market rent gap assumptions near zero on new acquisition which is our general approach with new acquisitions until new market rent assumptions have been proven. It is our experience that rents generally grow faster and create market rent gaps once new properties are stabilized, which could be 12-24 months after closing depending on the market and the degree of capital improvements required. As such, we expect that both the dollar and percentage market rent gaps will increase, once these new properties are stabilized.

UNITS AND DISTRIBUTIONS



Issued and Outstanding Number of Units

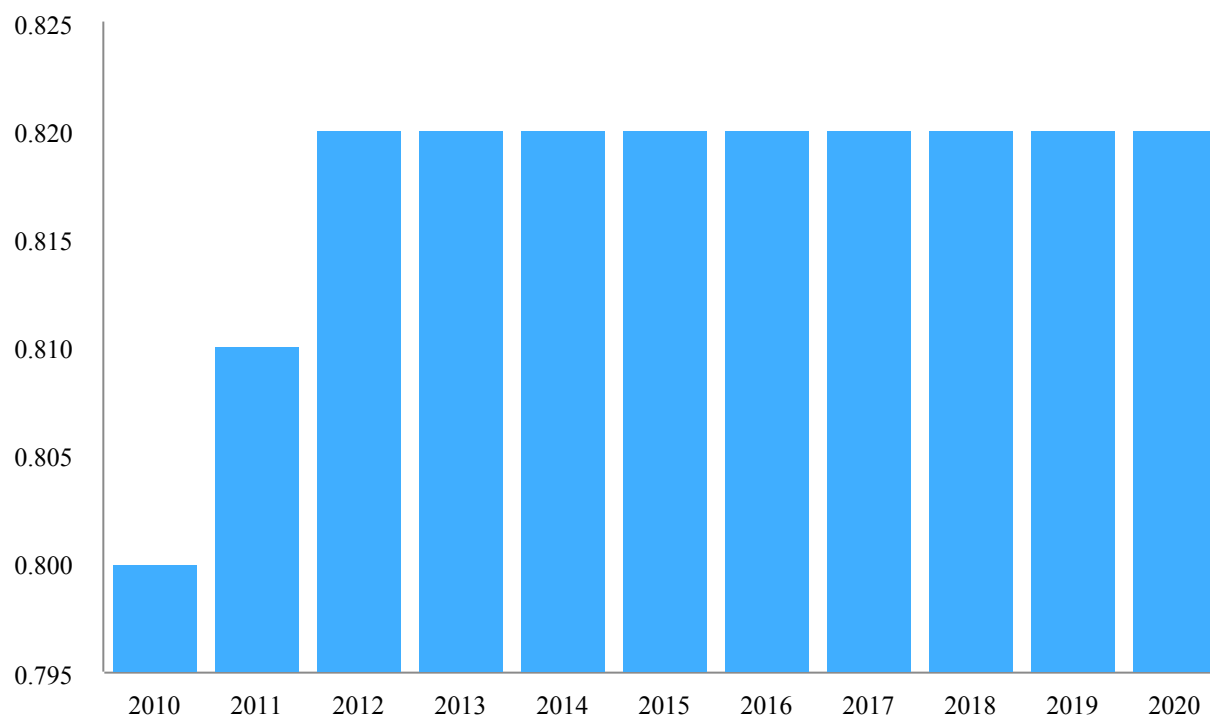
The following table depicts the number of Issued and Outstanding Units at each of these periods.

Summary of Unit Holdings at December 31, 2020		
	2020	2019
Class A	62,989,004	59,207,846
Class F	35,694,083	28,800,503
Class I	4,917,544	3,031,022
Class M	19,124	50,000
Exchangeable LP	806,924	480,798
Total	104,426,679	91,570,169

In 2020, annual distributions per Unit remained at \$0.82 for the Class A Units and \$0.93 for the Class F Units while the Unit price continued to increase in 2020. Distribution yield is currently 4.24% based on an annual distribution of \$0.82 per Unit on \$19.34 per Unit for Class A Units and 4.81% based on an annual distribution of \$0.93 per Unit on \$19.34 per Unit for Class F Units.

Management anticipates that distributions per Unit will remain at the current level for the remainder of the year while it focuses on the stabilizing and repositioning in-process properties and realizing some of the potential in the portfolio. The chart below shows the annual distribution since the REIT's inception.

Annual Cash Distribution per Unit of Class A Since Inception





TAX TREATMENT OF DISTRIBUTIONS

The chart below shows the history of the tax treatment of the REIT's distributions by year.

T3 Box	Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
42	Return of capital	100.00%	100.00%	100.00%	100.00%	90.25%	83.70%	83.31%	84.43%	67.90%	66.6%	49.72%	66.84%
21	Capital gains	—	—	—	—	9.75%	1.87%	1.15%	—	6.20%	—	4.175%	9.44%
26	Other income	—	—	—	—	—	14.43%	15.54%	15.57%	25.90%	32.55%	45.92%	21.99%
25	Foreign Non-Business Income	—	—	—	—	—	—	—	—	—	0.85%	0.19%	1.73%

In 2020, Other Income increased to 21.99% due a number of very successful realizations during the year. This was mainly driven by the interest income earned by the REIT on its mortgage investment and development portfolio. Given the strategic importance of continuing to build a future pipeline for accretive growth, Management expects that this income will remain the same or increase as the REIT continues to deploy capital into similar opportunities until these turn into actual property acquisitions upon project stabilization. Once these opportunities become property rather than mortgage investments, we expect that the proportion of returns for tax purposes classified as Other Income will decline.

CAPITAL RAISING ACTIVITY

Total capital raised by the Trust, net of unit issuance costs, in 2020 was \$338.2 million. The Trust continually looks for additional capital sources and structures, such as debt offerings, which would be accretive to the unitholders.

USE OF PROCEEDS



Form 45-106 is a required regulatory form which provides details of the use of proceeds as at the financial year-end. The date of the report is April 29, 2021, which is the date of the auditor's report on the consolidated financial statements for the Trust for the most recently completed financial year December 31, 2020.

NOTICE OF USE OF PROCEEDS CENTURION APARTMENT REAL ESTATE INVESTMENTS TRUST (\$'000)

For the financial year ended December 31, 2020

Report date April 29, 2021 ¹

	2020
(A) Closing unused proceeds balance from the last ² Notice in Form 45-106F16 filled, if any	—
(B) Proceeds raised in the most recent completed financial year	341,174
(C) Total opening proceeds	341,174

PROCEEDS USED DURING THE MOST RECENT COMPLETED FINANCIAL YEAR

Proceeds used to pay the following:	
Unit issue costs	2,948
Mortgage investments repaid, net of issued	(118,382)
Mortgages on Investment Properties received and refinanced, net	(478,476)
Mortgage Financing Fees	45,628
Equity investments funded, net	20,452
Participating loan investments funded, net	11,548
Redemptions of units	219,877
Investment in property acquisitions, net	545,331
Acquisition of property, plant and equipment	732
Capital improvements	55,696
Change in working capital	35,820
(D) Total used proceeds	341,174
(E) Closing unused proceeds	—

NOTES

¹ The regulation states that the date must be no earlier than the date of the auditor's report.

² The Consolidated Statement of Cash Flows included in the audited consolidated financial statements provides additional information.

TOTAL RETURNS

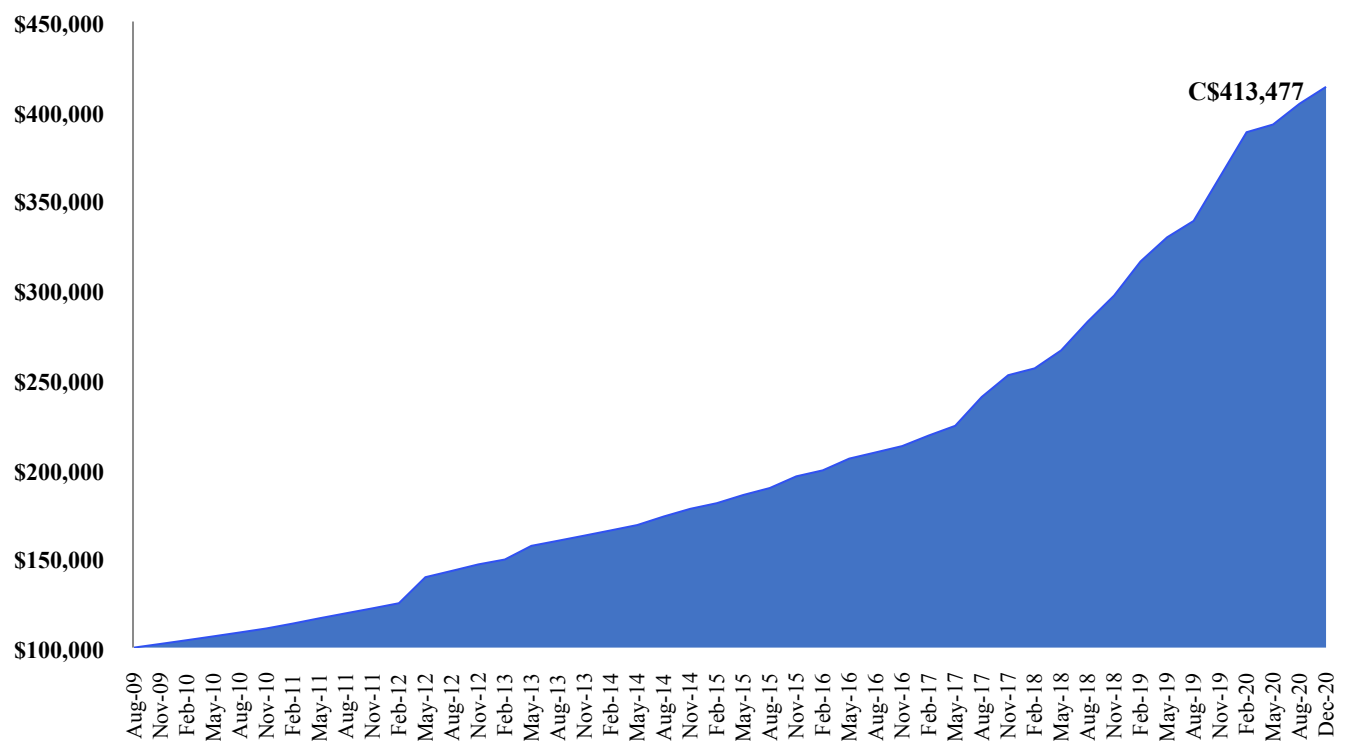


REIT Returns for Class A Units (excluding history of CAPLP)

Calendar Returns	2009 ¹	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Centurion CAPLP/REIT TR	2.75%	8.48%	10.21%	20.01%	11.95%	9.21%	10.82%	9.80%	17.24%	23.44%	21.79%	7.93%

Compound Returns (%)	1-Year	2-year	3-Year	4-Year	5-Year	Since Inception of REIT
Centurion CAPLP/REIT TR	7.93%	14.65%	17.51%	17.44%	15.87%	13.34%

Centurion Apartment REIT Growth of \$100,000 Invested ²



Notes:

¹For partial year from 31 Aug 09 to 31 Dec 09

²Class "A" Units

TOTAL RETURNS

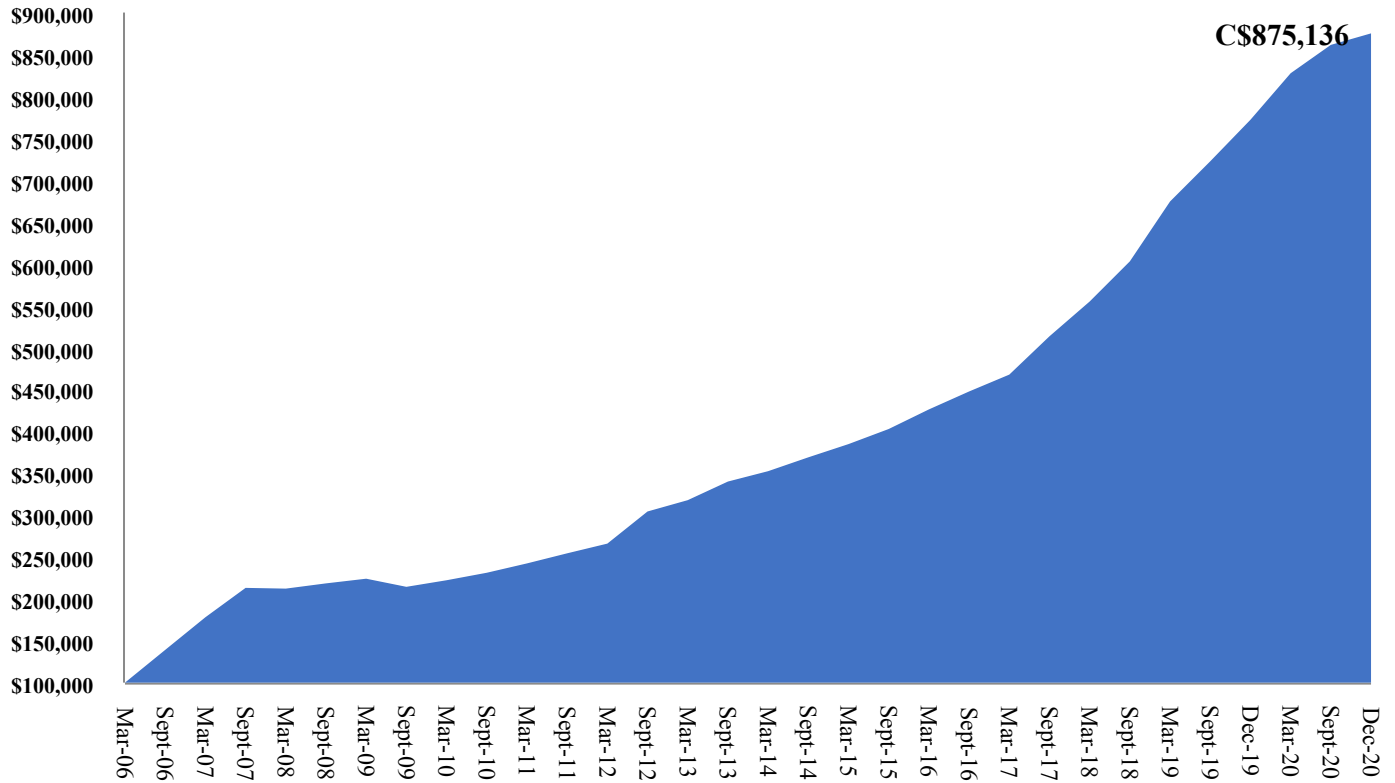


REIT Returns for Class A Units (including history of CAPLP)

Calendar Returns	2006 ¹	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CAPLP	55.80%	41.92%	(0.67)%	(0.78)%	8.25%	10.21%	20.01%	10.95%	9.21%	10.20%	9.80%	17.24%	23.44%	21.79%	7.93%

Compound Returns	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	Since Inception
Centurion CAPLP/ REIT TR	7.93%	14.65%	17.51%	17.44%	15.87%	15.01%	14.17%	13.76%	14.44%	13.34%

CAPLP Growth of \$100,000 Invested



Notes:

¹For partial year from Mar 06 to 31 Dec 09

TOTAL RETURNS

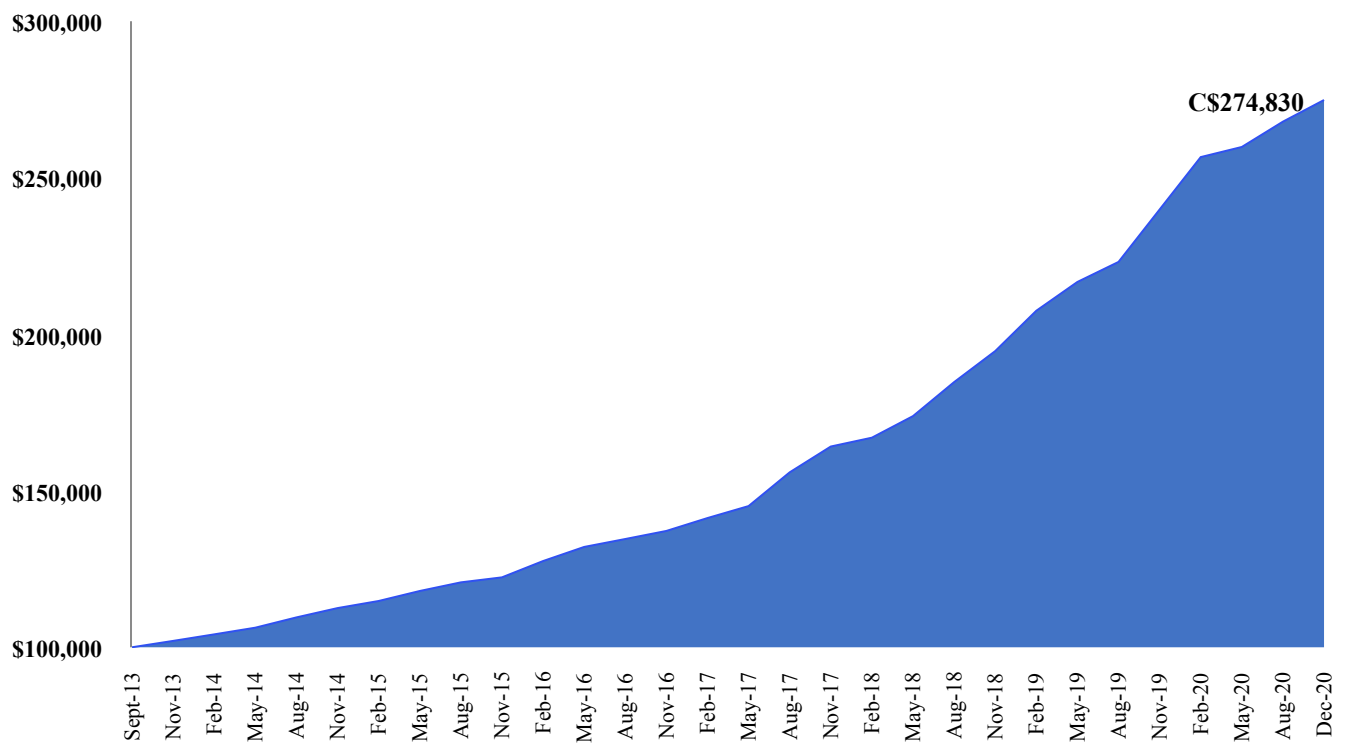


REIT Returns for Class F Units

Calendar Returns	2013	2014	2015	2016	2017	2018	2019	2020
Centurion Apartment REIT Class F TR	2.73%	10.26%	11.17%	10.79%	18.24%	24.39%	22.59%	8.57%

Compound Returns (%)	1-Year	2-year	3-Year	4-Year	5-Year	Since Inception of REIT
Centurion Apartment REIT Class F TR	8.57%	15.37%	18.30%	18.28%	16.74%	14.78%

Centurion Apartment REIT Growth of \$100,000 Invested ²



Notes:

¹For partial year from 30 Sept 2013 to 31 Dec 2013

²Class "F" Units

APPENDIX A

Summary Information About The Properties

Property Address	Type of Building ¹	Ownership (%)	Bachelor	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Total Suite Count (Undiluted) ^{2,4}	Total Suite Count (Diluted) ^{2,5}	Total Rental Units (Undiluted) ^{3,4}	Total Rental Units (Diluted) ^{3,5}
262-320 Kingswood Dr	Apt	100%		92	268				360	360	360	360
286 Kingswood Dr	Apt	100%		30	50				80	80	80	80
15, 19, 25 Hugo Cres	Apt	100%		7	46				53	53	53	53
196 Churchill Rd S	Apt	100%	3	12	18				33	33	33	33
21/31 Jean Ave	Apt	100%		20	12				32	32	32	32
1631 Victoria Park Avenue	Apt	100%	4	19	12				35	35	35	35
4 & 8 Rannock St, and 880 Pharmacy Ave.	Apt	100%		34	51				85	85	85	85
60 Prince Edward St	Apt	100%		3	27				30	30	30	30
707 & 711 Dundas St W	Apt	100%			24	12			36	36	36	36
165 Old Muskoka Rd	Apt	100%	1	4	33	1			39	39	39	39
2 & 4 Yonge St	Apt	100%		6	13	6			25	25	25	25
167 Morgan Ave	Apt	100%	2	10	20	15			47	47	47	47
362 Shanty Bay Rd	Apt	100%		4	11				15	15	15	15
275 North Service Road	Apt	100%		35	41	7			83	83	83	83
356 & 360 Hoffman	Apt	100%		36	60				96	96	96	96
173 King Street North	SH	100%		1	1		54		56	56	219	219
133-143 Woodside Avenue	Apt	100%		125	206	2			333	333	333	333
St. George Street & Ann Street	SH	100%					24		24	24	96	96
25 & 45 Brierdale Road	Apt	100%		14	76				90	90	90	90
1,2,3,5, and 7 Biggin Court	Apt	100%	11	179	108	10			308	308	308	308
Auburn Student Residence	SH	100%				10	40	50	100	100	440	440
6 Grand Stand Place	Apt	100%		21	33	6			60	60	60	60
219 St. Andrews Street	Apt	100%	2	14	12				28	28	28	28
252 & 256 St. Andrews Street	Apt	100%		3	129				132	132	132	132
1175 Dundas Street West	Apt	100%	1	53	50				104	104	104	104
277 Anderson Ave	Apt	100%			47				47	47	47	47
122 Elizabeth St	Apt	100%	1		26	2			29	29	29	29
36 & 70 Orchard View	Apt	100%		6	18				24	24	24	24
255 Dunlop St West	Apt	100%			2	26			28	28	28	28
26 Thorncliffe Park Drive	Apt	100%		35	25	2			62	62	62	62
27 Thorncliffe Park Drive	Apt	100%	2	45	39				86	86	86	86
50 Thorncliffe Park Drive	Apt	100%	1	10	34	12			57	57	57	57
1594 Victoria Park Avenue	Apt	100%	1	13	14				28	28	28	28
5 Dufresne Court	Apt	100%		108	82	28			218	218	218	218
1 Beaufort Street	SH	75%						27	27	20	135	101
75 Ann Street	SH	75%			2	45	90		137	103	499	374
167 King Street North	SH	100%						41	41	41	205	205
345 King Street North	SH	100%				28	28	38	94	94	386	386
4 Antrim Crescent	Apt	100%		44	26				70	70	70	70
168 King St North	SH	100%		1				35	36	36	176	176
58 Holtwood Court	Apt	100%		9	99	6			114	114	114	114
3707-3711 Whitelaw Lane NW	Apt	100%		3	123				126	126	126	126
205 Oxford St	SH	100%		53	86				139	139	225	225
11 Wendy Court	Apt	100%		5	91				96	96	96	96
285 North Service Road	Apt	100%		35	47				82	82	82	82
1731-1735-1739 Victoria Park Avenue	Apt	100%	15	78	36				129	129	129	129
5 Schroder Cres	Apt	100%		7	50	9			66	66	66	66
1 Columbia St W	SH	50%						74	74	37	370	185
5501, 5549, 5601, 5649 Prefontaine Ave	Apt	60%		64	144				208	125	208	125
5960 Little Pine Loop (Sky Pointe)	Apt	100%		42	33				75	75	75	75

APPENDIX A

Summary Information About The Properties

Property Address	Type of Building ¹	Ownership (%)	Bachelor	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Total Suite Count (Undiluted) ^{2,4}	Total Suite Count (Diluted) ^{2,5}	Total Rental Units (Undiluted) ^{3,4}	Total Rental Units (Diluted) ^{3,5}
1291 North McEachern Drive (Madison Manor)	Apt	100%		16	48				64	64	64	64
1251 North McEachern Drive (Madison Ridge)	Apt	100%			8	40			48	48	48	48
31200 FM 2920 Road	Apt	85%		140	60	24			224	190	224	190
772 Hockley Avenue	Apt	100%			20				20	20	20	20
777 Hockley Avenue	Apt	100%		10	20				30	30	30	30
778 Hockley Avenue	Apt	100%		13	10	10			33	33	33	33
784 Hockley Avenue	Apt	100%		9	20				29	29	29	29
790 Hockley Avenue	Apt	100%		8	16				24	24	24	24
2035 Timothy Road	Apt	75%		88	76	40			204	153	204	153
1488 Cook Street	Apt	50%	19	47	58	10			134	67	134	67
701-721 Sterling Lyon Parkway	Apt	50%	6	160	236	14			416	208	416	208
9930 Bellamy Hill Road	Apt	100%	27	36	18	1			82	82	82	82
345 - 375 Bridge Lake Drive	Apt	45%		64	112				176	79	176	79
433 Boleskine Road	Apt	100%	57	9	29				95	95	95	95
2766 Claude Road	Apt	100%		40	29	21			90	90	90	90
13555 96th Avenue	Apt	100%		125	21				146	146	146	146
344 - 370 Bridge Lake Drive	Apt	45%		74	134				208	94	208	94
765 Hockley Avenue	Apt	100%		42	21				63	63	63	63
10803 Jasper Avenue NW	Apt	100%		118	120				238	238	238	238
10130 117 Street NW ⁶	Apt	100%	26	156	52				234	234	234	234
8610 & 8620 Jasper Avenue ⁶	Apt	100%	41	127	80	44			292	292	292	292
10903 103 Avenue NW ⁶	Apt	100%		90	60				150	150	150	150
10904 102 Avenue NW ⁶	Apt	100%		92	60	4			156	156	156	156
5000 Green Jewel Blvd ⁶	Apt	50%		88	88				176	88	176	88
2849 Bryn Maur Road ⁶	Apt	100%		65	23	5			93	93	93	93
2800 West Baker Road ⁶	Apt	85%		134	90	4			228	194	228	194
10054 79 Ave NW ⁶	Apt	100%	42	32	26				100	100	100	100
2416 16 Avenue NW ⁶	SH	70%		212	134	2			348	243	486	340
333-337 Drysdale Boulevard ⁶	Apt	100%	15	38	122				175	175	175	175
2551 Chemin des Quatre-Bourgeois and 931 and 941 Samuel-King Street ⁶	Apt	100%	301	228	131	24			684	684	684	684
1437-1441 René-Lévesque Boulevard	Apt	100%	5	99	29	5			138	138	138	138
18 James Street North	SH	100%						30	30	30	150	150
Total			583	3,640	4,276	475	236	295	9,505	8,546	11,786	10,520

Notes:

1 "Apt" is short for Apartment and "SH" is short for Student Housing.

2 "Suites" means a rental suite, irrespective of the number of bedrooms or rental units in that suite. E.g., a 3-bedroom apartment that rents as a whole would be considered a single suite.

3 "Rental Units/Beds" adjusts for the number of student tenants renting individual units inside a suite. For example, a 5-bedroom student unit, would show as 1 suite, but 5 rental units as there may be 5 separate leases, each pertaining to a bed. This distinction only applies to properties classified as Student Residences. Thus, an apartment that had a 2-bedroom suite that had roommates sharing the apartment and was not classified as a "student residence" would be 1 Suite and 1 Rental Unit only. We make no distinction in "Rental Units" between individual leases on bedrooms and multi-tenant leases with all residents in the suite on a single lease (the two forms of lease in the student rental business).

4 "Undiluted" means that the number doesn't factor in any portion of the building that may be owned by partners. E.g., a 100-suite building owned 50/50 with a partner would show above as 100 suites on an undiluted basis and 50 suites on a diluted basis.

5 "Diluted" means that portions of the property owned by partners has been subtracted from the total. E.g., a 100-suite building owned with a partner would show above as 50 diluted suites.

6 New acquisitions as at December 31, 2020

APPENDIX A

Summary Information About The Properties



Property Summary by City									
City	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Acton	1	33	0.3%	33	0.4%	33	0.28%	33	0.31%
Barrie	2	43	0.5%	43	0.5%	43	0.36%	43	0.41%
Brighton	2	59	0.6%	59	0.7%	59	0.50%	59	0.56%
Calgary	1	348	3.7%	243	2.8%	486	4.12%	339	3.22%
Cambridge	5	679	7.1%	679	7.9%	679	5.76%	679	6.45%
Dartmouth	1	114	1.2%	114	1.3%	114	0.97%	114	1.08%
Edmonton	8	1378	14.5%	1378	16.1%	1378	11.69%	1378	13.10%
Gravenhurst	1	39	0.4%	39	0.5%	39	0.33%	39	0.37%
Guelph	1	66	0.7%	66	0.8%	66	0.56%	66	0.63%
Huntsville	1	25	0.3%	25	0.3%	25	0.21%	25	0.24%
Kelowna	1	175	1.8%	175	2.0%	175	1.48%	175	1.66%
Kitchener	6	668	7.0%	668	7.8%	668	5.67%	668	6.35%
Langford	8	382	4.0%	382	4.5%	382	3.24%	382	3.63%
London	4	327	3.4%	286	3.3%	955	8.10%	797	7.58%
Mississauga	3	269	2.8%	269	3.1%	269	2.28%	269	2.56%
Montreal	2	238	2.5%	238	2.8%	578	4.90%	578	5.49%
Oshawa	2	71	0.7%	71	0.8%	71	0.60%	71	0.67%
Quebec City	1	684	7.2%	684	8.0%	684	5.80%	684	6.50%
Regina	5	571	6.0%	400	4.7%	571	4.84%	400	3.80%
Surrey	1	146	1.5%	146	1.7%	146	1.24%	146	1.39%
Toronto	11	1138	12.0%	1138	13.3%	1138	9.66%	1138	10.82%
Victoria	6	331	3.5%	294	3.4%	1506	12.78%	1321	12.56%
Waterloo	2	229	2.4%	162	1.9%	229	1.94%	162	1.54%
Whitby	1	36	0.4%	36	0.4%	36	0.31%	36	0.34%
Winnipeg	3	800	8.4%	381	4.5%	800	6.79%	381	3.62%
Athens (U.S.)	1	204	2.1%	153	1.8%	204	1.73%	153	1.45%
Baytown (U.S.)	1	224	2.4%	190	2.2%	224	1.90%	190	1.81%
Waller (U.S.)	1	228	2.4%	194	2.3%	228	1.93%	194	1.84%
28 Cities	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

APPENDIX A

Summary Information About The Properties



Property Summary by Province/State									
Province/State	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Ontario	46	3784	40%	3706	43%	5587	47%	5244	50%
Nova Scotia	1	114	1%	114	1%	114	1%	114	1%
Alberta	9	1726	18%	1621	19%	1864	16%	1717	16%
British Columbia	12	932	10%	865	10%	932	8%	865	8%
Manitoba	3	800	8%	381	4%	800	7%	381	4%
Saskatchewan	5	571	6%	400	5%	571	5%	400	4%
Quebec	3	922	10%	922	11%	1262	11%	1262	12%
USA Georgia	1	204	2%	153	2%	204	2%	153	1%
USA Texas	2	452	5%	384	4%	452	4%	384	4%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

APPENDIX A

Summary Information About The Properties



Property Summary by Region/State									
Region/State	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RUs
Central Ontario	4	107	1%	107	1%	107	1%	107	1%
Central Okanagan	1	175	2%	175	2%	175	1%	175	2%
Calgary Metropolitan Region	1	348	4%	243	3%	486	4%	340	3%
Eastern Ontario	2	59	1%	59	1%	59	1%	59	1%
Greater Toronto Area	18	1,547	16%	1,547	18%	1,547	13%	1,547	15%
Montreal	2	238	3%	238	3%	578	5%	578	5%
Quebec City	1	684	7%	684	8%	684	6%	684	7%
Kitchener-Waterloo-Cambridge	18	1,744	18%	1,707	20%	2,919	25%	2,734	26%
London Area	4	327	3%	286	3%	955	8%	797	8%
Halifax Regional Municipality	1	114	1%	114	1%	114	1%	114	1%
Greater Edmonton Area	8	1,378	14%	1,378	16%	1,378	12%	1,378	13%
Greater Regina Area	5	571	6%	400	5%	571	5%	400	4%
Greater Victoria Area	11	757	8%	690	8%	757	6%	690	7%
Winnipeg Capital Region	3	800	8%	381	4%	800	7%	381	4%
Georgia (U.S.)	1	204	2%	153	2%	204	2%	153	1%
Texas (U.S.)	2	452	5%	384	4%	452	3%	384	4%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,521	100%

Summary by Market Type									
	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RUs
Primary	54	7,094	75%	6,264	73%	7,692	65%	6,821	65%
Secondary	24	2,288	24%	2,159	25%	3,971	34%	3,577	34%
Tertiary	4	123	1%	123	1%	123	1%	123	1%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,521	100%

APPENDIX A

Summary Information About The Properties



Property Type	Summary Asset by Type								
	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RUs
Canadian Apartments	67	7,743	81%	7,086	83%	7,743	66%	7,086	67%
U.S. Apartments	3	656	7%	537	6%	656	6%	537	5%
Student Housing	12	1,106	12%	923	11%	3,387	29%	2,897	28%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

APPENDIX A

Summary Information About The Properties



City	Type of Building	Student Housing by City					Average Rents (undiluted basis)	
		# of Complexes	# of Suites (Undiluted)	# of Suites (Diluted)	# of Beds (Undiluted)	# of Beds (Diluted)	Total Rental Units	Revenue/Unit/Month
Calgary	Student Housing	1	348	243	486	340	Apartment	\$1,380.97
Montreal	Student Housing	4	327	286	955	796		
London	Student Housing	1	100	100	440	440	Student Residences	\$736.58
Waterloo	Student Housing	6	331	294	1,506	1,321		
Total		12	1,106	923	3,387	2,897	Total	11,786

Rent Controlled vs Non Rent Controlled ¹ Properties									
	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RU's
Rent Controlled	53	5,097	54%	4,611	54%	5,523	47%	5,037	48%
Non Rent Controlled	29	4,408	46%	3,935	46%	6,263	53%	5,483	52%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

¹ For the purpose of this table, "Rent Controlled", means that the rent is controlled by regulation, but excludes purpose-built student properties which, although they may have formal rent controls in some cases, because of the nature of assured student turnover upon graduation, the property may be considered "Non-Rent Controlled".

Property Summary By Affordability Type									
Property Type	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RU's
Apartment									
Affordable	—	—	—	—	—	—	—	—	—
Mid-Tier	47	4,509	47%	4,458	52%	4,509	38%	4,458	42%
Luxury	23	3,890	41%	3,165	37%	3,890	33%	3,165	30%
Apartment Subtotal	70	8,399	88%	7,623	89%	8,399	71%	7,623	72%
Student Housing									
Affordable	—	—	—	—	—	—	—	—	—
Mid-Tier	3	581	6%	476	6%	1,097	9%	951	9%
Luxury	9	525	6%	447	5%	2,290	19%	1,947	19%
Student Housing Subtotal	12	1,106	12%	923	11%	3,387	28%	2,898	28%
Summary By Affordability									
Affordable	—	—	—	—	—	—	—	—	—
Mid-Tier	50	5,090	54%	4,934	58%	5,606	48%	5,409	51%
Luxury	32	4,415	46%	3,612	42%	6,180	52%	5,111	49%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

APPENDIX A

Summary Information About The Properties



Property Portfolio by Year of Construction									
	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RU's
After 2009	35	4830	51%	3963	46%	5688	48%	4632	44%
2000-2009	6	588	6%	547	6%	1422	12%	1264	12%
1990-1999	2	260	3%	209	2%	423	4%	372	4%
1980-1989	10	1094	12%	1094	13%	1180	10%	1180	11%
1970-1979	11	1017	11%	1017	12%	1357	12%	1357	13%
1960-1969	12	1071	11%	1071	13%	1071	9%	1071	10%
1950-1959	6	645	7%	645	8%	645	5%	645	6%
Pre 1950	0	0	—%	0	—%	0	—%	0	—%
Total	82	9,505	101%	8,546	100%	11,786	100%	10,521	100%

Property Summary By Affordability Type									
Property Type	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RU's
Apartment									
Townhouses	3	79	1%	79	1%	79	1%	79	1%
Garden Style	26	2,801	29%	2,682	31%	2,801	24%	2,682	25%
Mid-Rise	27	2,854	30%	2,264	26%	2,854	24%	2,264	22%
High-Rise	14	2,665	28%	2,598	30%	2,665	22%	2,598	24%
Apartment Subtotal	70	8,399	88%	7,623	88%	8,399	71%	7,623	72%
Student Housing									
Townhouses	2	51	1%	44	1%	231	2%	197	2%
Garden Style	—	—	—%	—	—%	—	—%	—	—%
Mid-Rise	—	—	—%	—	—%	—	—%	—	—%
High-Rise	10	1,055	11%	879	10%	3,156	27%	2,700	26%
Student Housing Subtotal	12	1,106	12%	923	11%	3,387	29%	2,897	28%
Summary by Building Style									
Townhouses	5	130	2%	123	2%	310	3%	276	3%
Garden Style	26	2,801	29%	2,682	31%	2,801	24%	2,682	25%
Mid-Rise	27	2,854	30%	2,264	26%	2,854	24%	2,264	22%
High-Rise	24	3,720	39%	3,477	40%	5,821	49%	5,298	50%
Total	82	9,505	100%	8,546	99%	11,786	100%	10,520	100%

APPENDIX A

Summary Information About The Properties



Property Summary By Construction Material									
	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RU's
Wood	28	2,521	27%	2,101	25%	2,701	23%	2,254	21%
Steel and Wood	1	416	4%	208	2%	416	4%	208	2%
Concrete	53	6,568	69%	6,237	73%	8,669	74%	8,058	77%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

Property Summary By Unit Access									
	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RU's	Diluted Rental Units	Diluted Rental Units % of Total RU's
Walk Up	26	2444	26%	2318	27%	2624	22%	2471	23%
Elevated	56	7061	74%	6,228	73%	9162	78%	8049	77%
Total	82	9,505	100%	8,546	100%	11,786	100%	10,520	100%

LIST OF PROPERTIES

Apartments



Churchill Court Apartments

Location: Acton, Ontario
Address: 196 Churchill Road South
Type of Building: Walk-up apartments
Number of Suites: 33
(3 bachelor, 12 one-bdrm, and 18 two-bdrm)



Kempenfelt Village

Location: Barrie, Ontario
Address: 362 Shanty Bay Road
Type of Building: Townhouses
Number of Suites: 15
(4 one-bdrm and 11 two-bdrm)



Milligan Park Apartments

Location: Barrie, Ontario
Address: 255 Dunlop Street West
Type of Building: Townhouses
Number of Suites: 28
(2 two-bdrm and 26 three-bdrm)



Brookside Apartments

Location: Brighton, Ontario
Address: 60 Prince Edward Street
Type of Building: Walk-up apartments
Number of Suites: 30
(3 one-bdrm and 27 two-bdrm)



MacIntosh Court Apartments

Location: Brighton, Ontario
Address: 122 Elizabeth Street
Type of Building: Walk-up apartments
Number of Suites: 29
(1 bachelor, 26 two-bdrm, and 2 three-bdrm)

LIST OF PROPERTIES

Apartments



25 & 45 Brierdale Road

Location: Cambridge, Ontario
Address: 25 & 45 Brierdale Road
Type of Building: Two 3-Storey Walk-up apartments
Number of Suites: 90
(14 one-bdrm, and 76 two-bdrm)



133-143 Woodside Avenue

Location: Cambridge, Ontario
Address: 133,135,137,141,142, & 143 Woodside Avenue
Type of building: Five 3-Storey walk-up apartments
Number of suites: 333
(125 one-bdrm, 206 two-bdrm, and 2 three-bdrm)



219 St. Andrews Street

Location: Cambridge, Ontario
Address: 219 St. Andrews Street
Type of building: Walk-up apartments
Number of suites: 28
(2 bachelor, 14 one-bdrm, and 12 two-bdrm)



252 & 256 St. Andrews Street

Location: Cambridge, Ontario
Address: 252 & 256 St. Andrews Street
Type of building: Walk-up apartments
Number of suites: 132
(3 one-bdrm and 129 two-bdrm)



11 Wendy Court

Location: Cambridge, Ontario
Address: 11 Wendy Court
Type of Building: Walk-up apartments
Number of Suites: 96
(5 one-bdrm and 91 two-bdrm)

LIST OF PROPERTIES

Apartments



Cherokee Court Apartments

Location: Gravenhurst, Ontario
Address: 165 Old Muskoka Road
Type of Building: Apartments (elevator)
Number of Suites: 39
(1 bachelor, 4 one-bdrm, 33 two-bdrm, and 1 three-bdrm)



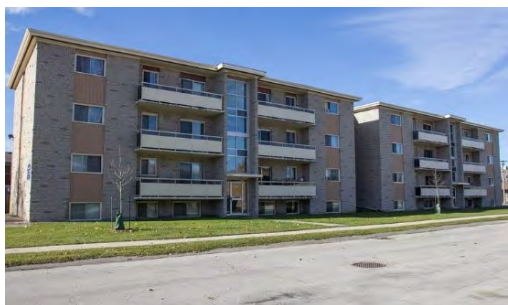
Atwood Suites

Location: Guelph, Ontario
Address: 5 Schroder Crescent
Type of Building: Apartments (elevator)
Number of Suites: 66
(7 one-bdrm, 50 two-bdrm, and 9 three-bdrm)



Hunters Bay Apartments

Location: Huntsville, Ontario
Address: 2 & 4 Yonge Street
Type of Building: Walk-up apartments
Number of Suites: 25
(6 one-bdrm, 13 two-bdrm and 6 three-bdrm)



Fairway Apartments

Location: Kitchener, Ontario
Address: 21 & 31 Jean Ave
Type of Building: Walk-up apartments
Number of Suites: 32
(20 one-bdrm and 12 two-bdrm)

LIST OF PROPERTIES

Apartments



Hoffman Apartments

Location: Kitchener, Ontario
Address: 356 & 360 Hoffman Street
Type of Building: Walk-up apartments
Number of Suites: 96
(36 one-bdrm and 60 two-bdrm)



Hugo Apartments

Location: Kitchener, Ontario
Address: 15, 19, & 25 Hugo Crescent
Type of Building: Walk-up apartments
Number of Suites: 53 (7 one-bdrm and 46 two-bdrm)



Morgan Apartments

Location: Kitchener, Ontario
Address: 167 Morgan Avenue
Type of Building: Apartments (elevator)
Number of Suites: 47 (2 bachelor, 10 one-bdrm, 20 two-bdrm, and 15 three-bdrm)



Kingswood Estates

Location: Kitchener, Ontario
Address: 262, 266, 270, 274, 278, 282, 286, 310, & 320 Kingswood Drive
Type of Building: Walk-up apartments
Number of Suites: 360 (92 one-bdrm and 268 two-bdrm)

LIST OF PROPERTIES

Apartments



1175 Dundas Street West (Westdale Apartments)

Location: Mississauga, Ontario
Address: 1175 Dundas Street West
Type of building: Apartment (elevator)
Number of suites: 104
(1 bachelor, 53 one-bdrm, and 50 two-bdrm)



275 North Service Road (North Apartments)

Location: Mississauga, Ontario
Address: 275 North Service Road
Type of building: Apartment (elevator)
Number of suites: 82
(35 one-bdrm, 41 two-bdrm, and 7 three-bdrm)



285 North Service Road

Location: Mississauga, Ontario
Address: 285 North Service Road
Type of building: Apartment (elevator)
Number of suites: 82
(35 one-bdrm and 47 two-bdrm)



Park Place Apartments

Location: Oshawa, Ontario
Address: 277 Anderson Avenue
Type of Building: Apartments (elevator)
Number of Suites: 47
(47 two-bdrm)

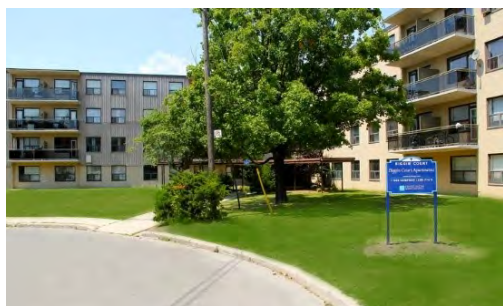


Orchard View Apartments and Mansion

Location: Oshawa, Ontario
Address: 36 and 70 Orchardview Blvd
Type of Building: Walk-up apartments
Number of Suites: 24
(6 one-bdrm and 18 two-bdrm)

LIST OF PROPERTIES

Apartments



Biggin Court

Location: Toronto, Ontario
Address: 1, 2, 3, 5, and 7 Biggin Court
Type of Building: Apartments (elevator)
Number of Suites: 308
(11 bachelor, 9 jr one-bdrm, 170 one-bdrm, 108 two-bdrm, and 10 three-bdrm)



Grandstand Place

Location: Toronto, Ontario
Address: 6 Grandstand Place
Type of Building: Apartments (elevator)
Number of Suites: 60
(21 one-bdrm, 33 two-bdrm, and 6 three-bdrm)



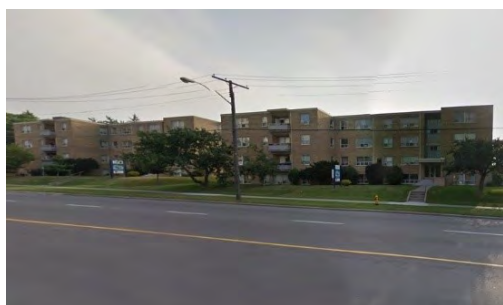
1631 Victoria Park Avenue

Location: Toronto, Ontario
Address: 1631 Victoria Park Avenue
Type of Building: Walk-up apartments
Number of Suites: 35
(4 bachelor, 19 one-bdrm, and 12 two-bdrm)



1594 Victoria Park Avenue

Location: Toronto, Ontario
Address: 1594 Victoria Park Avenue
Type of Building: Apartments (elevator)
Number of Suites: 28
(1 bachelor, 13 one-bdrm, and 14 two-bdrm)



1731 - 1739 Victoria Park Avenue

Location: Toronto, Ontario
Address: 1731, 1735, & 1739 Victoria Park Avenue
Type of Building: Walk-up apartments
Number of Suites: 129
(15 Bachelor, 78 one-bdrm, and 36 two-bdrm)

LIST OF PROPERTIES

Apartments



4 & 8 Rannock Avenue and 880 Pharmacy Ave

Location: Toronto, Ontario
Address: 4 & 8 Rannock Avenue and 880 Pharmacy Avenue
Type of Building: Walk-up apartments
Number of Suites: 85
(34 one-bdrm, and 51 two-bdrm)



26 Thorncliffe Park Drive

Location: Toronto, Ontario
Address: 26 Thorncliffe Park Drive
Type of Building: Apartments (elevator)
Number of Suites: 62
(35 one-bdrm, 25 two-bdrm, and 2 three-bdrm)



27 Thorncliffe Park Drive

Location: Toronto, Ontario
Address: 27 Thorncliffe Park Drive
Type of building: Apartments (elevator)
Number of suites: 86
(2 bachelor, 45 one-bdrm, and 39 two-bdrm)



50 Thorncliffe Park Drive

Location: Toronto, Ontario
Address: 50 Thorncliffe Park Drive
Type of building: Apartments (elevator)
Number of suites: 57
(1 bachelor, 10 one-bdrm, 34 two-bdrm, and 12 three-bdrm)



5 Dufresne Court

Location: Toronto, Ontario
Address: 5 Dufresne Court
Type of building: Apartments (elevator)
Number of suites: 218
(27 jr one-bdrm, 54 one-bdrm, 27 large one-bdrm, 82 two-bdrm, and 28 three-bdrm)

LIST OF PROPERTIES

Apartments



Antrim Apartments

Location: Toronto, Ontario
Address: 4 Antrim Crescent
Type of Building: Apartments (elevator)
Number of Suites: 70 suites
(44 one-bdrm and 26 two-bdrm)



Dundas Court

Location: Whitby, Ontario
Address: 707 & 711 Dundas Street West
Type of Building: Townhouses
Number of Suites: 36
(24 two-bdrm and 12 three-bdrm)



Le Art

Location: Montreal, Quebec
Address: 1437-1441 René-Lévesque Boulevard West
Type of Building: Apartments (elevator)
Number of Suites: 138 Suites
(5 bachelor, 99 one-bdrm, 29 two-bdrm and 5 three-bdrm)



Quartier QB

Location: Québec City, Quebec
Address: 2551 Quatre-Bourgeois Boulevard
Type of Building: Apartments (elevator)
Number of Suites: 684 Suites
(301 bachelor, 228 one-bdrm, 131 two-bdrm and 24 three-bdrm)

LIST OF PROPERTIES

Apartments



The Huntington

Location: Dartmouth, Nova Scotia
Address: 58 Holtwood Court
Type of Building: Luxury Apartments (elevator)
Number of Suites: 114
(9 one-bdrm, 99 two-bdrm, and 6 three-bdrm)



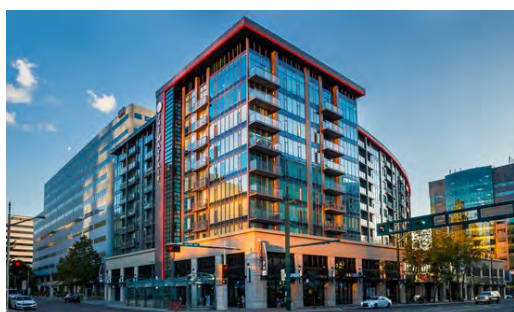
Beacon Place

Location: Edmonton, Alberta
Address: 9930 Bellamy Hill Road NW
Type of Building: Apartments (elevator)
Number of Suites: 82 (27 bachelor, 36 one-bdrm, 18 two-bdrm, 1 three-bdrm)



Grand Central Manor

Location: Edmonton, Alberta
Address: 10903 103 & 102 Avenue NW
Type of Building: Apartments (elevator)
Number of Suites: 306 Suites
(182 one-bdrm, 120 two-bdrm and 4 three-bdrm)



Mayfair

Location: Edmonton, Alberta
Address: 10803 Jasper Ave NW
Type of Building: Luxury Apartments (elevator)
Number of Suites: 238 (118 one-bdrm, 120 two-bdrm)



Oliver Place

Location: Edmonton, Alberta
Address: 10130 117 Street NW
Type of Building: Apartments (elevator)
Number of Suites: 234 Suites
(26 bachelor, 156 one-bdrm and 52 two-bdrm)

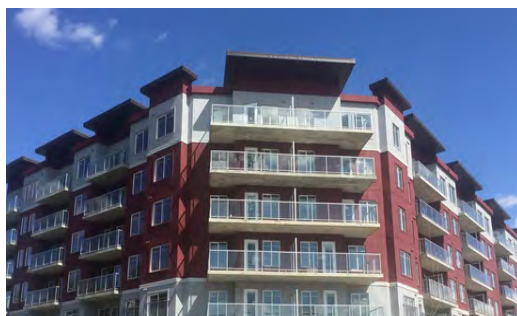
LIST OF PROPERTIES

Apartments



Riverside Towers

Location: Edmonton, Alberta
Address: 8610 & 8620 Jasper Avenue
Type of Building: Apartments (elevator)
Number of Suites: 292 Suites
(41 bachelor, 127 one-bdrm, 80 two-bdrm and 44 three-bdrm)



TRAX

Location: Edmonton, Alberta
Address: 10054 79 Ave NW
Type of Building: Apartments (elevator)
Number of Suites: 100 Suites
(42 bachelor, 32 one-bdrm and 26 two-bdrm)



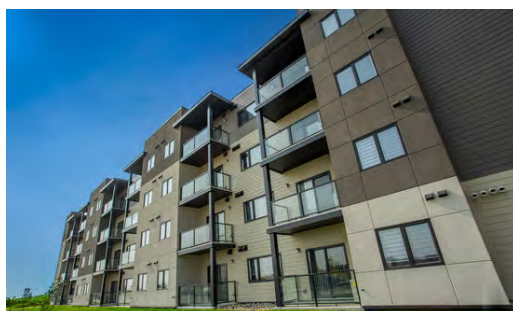
Windermere Village

Location: Edmonton, Alberta
Address: 3707-3711 Whitelaw Lane NW
Type of Building: Luxury Apartments (elevator)
Number of Suites: 126
(3 one-bdrm and 123 two-bdrm)



Harbour View Estates

Location: Regina, Saskatchewan
Address: 5501-5549-5601-5649 Prefontaine Avenue
Type of Building: Apartments (elevator)
Number of Suites: 208 suites
(64 one-bdrm and 144 two-bdrm)
*Centurion owns 60% of this property in joint venture with other investors.



The Apex at Acre 21*

Location: Regina, Saskatchewan
Address: 5000 Green Jewel Blvd
Type of Building: Apartments (elevator)
Number of Suites: 176 Suites
(88 one-bdrm and 88 two-bdrm)
*Centurion owns 50% of this property in joint venture with other investors

LIST OF PROPERTIES

Apartments



Sky Pointe Estates

Location: Regina, Saskatchewan
Address: 5960 Little Pine Loop
Type of Building: Apartments (elevator)
Number of Suites: 75 suites
(42 one-bdrm and 33 two-bdrm)



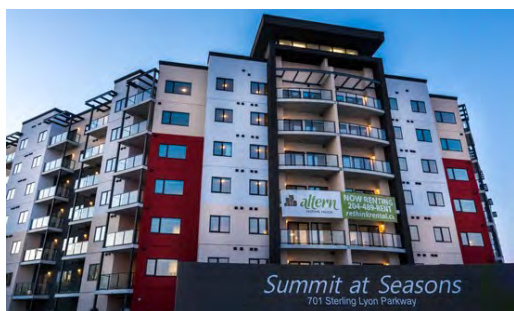
Madison Ridge

Location: Regina, Saskatchewan
Address: 1251 North McEachern Drive
Type of Building: Apartments (elevator)
Number of Suites: 48 suites
(8 two-bdrm and 40 three-bdrm)



Madison Manor

Location: Regina, Saskatchewan
Address: 1291 North McEachern Drive
Type of Building: Apartments (elevator)
Number of Suites: 64 suites
(16 one-bdrm and 48 two-bdrm)



Summit at Seasons*

Location: Winnipeg, Manitoba
Address: 701-721 Sterling Lyon Parkway
Type of Building: Luxury Apartments (elevator)
Number of Suites: 416 (6 bachelor, 160 one-bdrm, 236 three-bdrm, 14 four-bdrm)

*Centurion owns 50% of this property in joint venture with other investors.



Pinnacle at Bridgewater*

Location: Winnipeg, Manitoba
Address: 344-370 Bridge Lake Drive
Type of Building: Apartments (elevator)
Number of Suites: 208 (74 one-bdrm, 134 two-bdrm)

*Centurion owns 45% of this property in joint venture with other investors.

LIST OF PROPERTIES

Apartments



Pinnacle at Bridgewater II*

Location: Winnipeg, Manitoba

Address: 340-370 Bridge Lake Drive

Type of Building: Apartments (elevator)

Number of Suites: 208

*Centurion owns 45% of this property in joint venture with other investors.



Trio

Location: Kelowna, British Columbia

Address: 333-337 Drysdale Boulevard

Type of Building: Apartments (elevator)

Number of Suites: 175 Suites

(15 bachelor, 38 one-bdrm and 122 two-bdrm)



Roberts Place

Location: Langford, British Columbia

Address: 772 Hockley Avenue

Type of Building: Apartments (elevator)

Number of Suites: 20 (20 two-bdrm)



Roberts Landing

Location: Langford, British Columbia

Address: 772 Hockley Avenue

Type of Building: Apartments (elevator)

Number of Suites: 30 (10 one-bdrm, 20 two-bdrm)



The Arc

Location: Langford, British Columbia

Address: 2849 Bryn Maur Road

Type of Building: Apartments (elevator)

Number of Suites: 93 Suites

(65 one-bdrm, 23 two-bdrm and 5 three-bdrm)

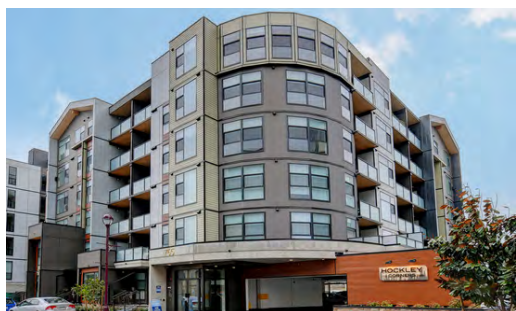
LIST OF PROPERTIES

Apartments



Village Walk West

Location: Langford, British Columbia
Address: 778, 784 and 790 Hockley Avenue
Type of Building: Apartments (elevator)
Number of Suites: 86 (30 one-bdrm, 46 two-bdrm, 10 three-bdrm)



Hockley Corners

Location: Langford, British Columbia
Address: 765 Hockley Avenue
Type of Building: Apartments (elevator)
Number of Suites: 63 (42 one-bdrm, 21 two-bdrm)



The Verve

Location: Victoria, British Columbia
Address: 433 Boleskine Road
Type of Building: Apartments (elevator)
Number of Suites: 95 (57 bachelor, 9 one-bdrm, 29 two-bdrm)



Fusion

Location: Surrey, British Columbia
Address: 13555 96th Avenue
Type of Building: Apartments (elevator)
Number of Suites: 146 (125 one-bdrm, 21 two-bdrm)



V1488*

Location: Victoria, British Columbia
Address: 1488 Cook Street
Type of Building: Apartments (elevator)
Number of Suites: 134 (19 bachelor, 47 one-bdrm, 58 two-bdrm, 10 three-bdrm)
*Centurion owns 50% of this property in joint venture with other investors.

LIST OF PROPERTIES

Apartments



Oxford at The Ranch

Location: Waller, Texas, U.S.

Address: 31200 FM 2920 Road

Type of Building: Apartments

Number of Suites: 224 suites (elevator)

(140 one-bdrm, 60 two-bdrm, and 24 three-bdrm)

*Centurion owns 85% of this property in joint venture with other investors.



Timothy Woods*

Location: Waller, Texas, U.S.

Address: 2035 Timothy Road

Type of Building: Apartments

Number of Suites: 204 suites (elevator)

(88 one-bdrm, 76 two-bdrm, and 40 three-bdrm)

*Centurion owns 75% of this property in joint venture with other investors.



Oxford at Country Club*

Location: Baytown, Texas

Address: 2800 West Baker Road

Type of Building: Apartments (elevator)

Number of Suites: 228 Suites

(134 one-bdrm, 90 two-bdrm and 4 three-bdrm)

*Centurion owns 85% of this property in joint venture with other investors.

LIST OF PROPERTIES

Student Residences



LA MARQ au 515

Location: Montréal (Québec)
Address: 1430 rue City Councillors
Type of Building: Student Residence (elevator)
Number of Suites: 100 suites
(comprising 440 rental beds; 10 three-bdrm, 40 four-bdrm, and 50 five-bdrm)



75 Ann Street*

Location: London (Ontario)
Address: 75 Ann Street
Type of Building: Student Residence (elevator)
Number of Suites: 137 (comprising 499 rental beds; 2 two-bdrm, 45 three-bdrm, 90 four-bdrm)
*Centurion owns 75% of this property in joint venture with other investors.



1 Beaufort Street*

Location: London (Ontario)
Address: 1 Beaufort Street
Type of Building: Student Residence
Number of Suites: 6 block townhouse complex; 27 suites
(comprising 135 rental beds; 27 five-bdrms)
*Centurion owns 75% of this property in joint venture with other investors.



St George Street

Location: London (Ontario)
Address: 83 St. George Street (13 townhouses), 87, 89, 91, 93, 95, 97, & 99 St. George Street, 149, 151, 163, & 165 Ann Street
Type of Building: Student Residence
Number of Suites: 24 townhouses (comprising 96 rental beds; 24 four-bdrms)



205 Oxford Centre Apartments

Location: London (Ontario)
Address: 205 Oxford Street East
Type of Building: Student Residence (elevator)
Number of Suites: 139 suites
(comprising 220 rental beds; 53 one-bdrm and 86 two-bdrm)

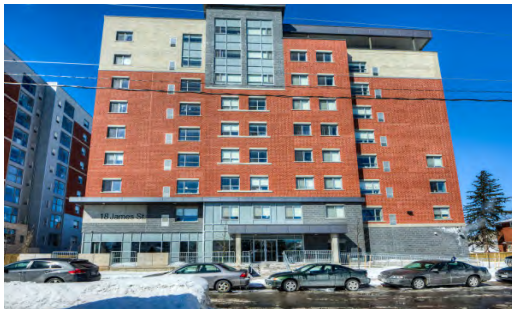
LIST OF PROPERTIES

Student Residences



University View

Location: Waterloo, Ontario
Address: 173 King Street North
Type of Building: Student residence (elevator)
Number of Suites: 56 Suites
(comprising of 219 rental beds; 1 one-bdrm, 1 two-bdrm, and 54 four-bdrm)



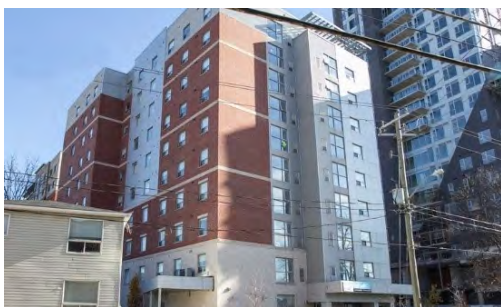
18 James Street

Location: Waterloo, Ontario
Address: 18 James Street North
Type of Building: Student
Number of Suites: 30 suites (comprising 150 rental beds; 30 five-bdrm)



167 King Street North

Location: Waterloo, Ontario
Address: 167 King Street North
Type of Building: Student residence (elevator)
Number of Suites: 41 Suites
(comprising of 205 rental beds; 41 five-bdrm)



168 King Street North

Location: Waterloo, Ontario
Address: 168 King Street North
Type of Building: Student residence (elevator)
Number of Suites: 36 Suites
(comprising of 176 rental beds; 1 one-bdrm and 35 five-bdrm)



345 King Street North

Location: Waterloo, Ontario
Address: 345 King Street North
Type of Building: Student residence (elevator)
Number of Suites: 94 Suites
(comprising of 386 rental beds; 38 five-bdrm, 28 four-bdrm, and 28 three-bdrm)

LIST OF PROPERTIES

Student Residences



Columbia Street West*

Location: Waterloo (Ontario)

Address: 1 Columbia Street West

Type of Building: Student Residence (elevator)

Number of Suites: 74

(comprising 370 rental beds; 74 five-bdrm)

*Centurion owns 50% of this property in joint venture with other investors.



The Hub Calgary*

Location: Calgary, Alberta

Address: 2416 16th Avenue NW

Type of Building: Student

Number of Suites: 348 Suites

(212 one-bdrm, 134 two-bdrm and 2 three-bdrm)

*Centurion owns 69.9% of this property in joint venture with other investors.

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (December 31, 2020)

The following charts provide additional information relating to the mortgage investments and equity accounted investments in the REIT.

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated						
	Funded				Committed		
	\$	#	% (\$)	Wt.-Avg. Rate	\$	#	% (\$)
By Participation							
Mortgage Investments	\$	378,119	61	60%	9.64%	\$	613,268 77 74%
Participating Loan Interests	\$	159,819	17	26%	9.37%	\$	120,256 18 15%
Equity Accounted Investments	\$	84,005	8	14%	0.00%	\$	90,326 9 11%
Total	\$	621,943	86	100%	9.58%	\$	823,850 104 100%
By Rank							
1st	\$	211,238	32	34%	9.01%	\$	384,762 43 47%
2nd	\$	326,700	46	52%	10.00%	\$	348,762 52 42%
Equity Accounted Investments	\$	84,005	8	14%	0.00%	\$	90,326 9 11%
Total	\$	621,943	86	100%	9.58%	\$	823,850 104 100%
By Loan Type							
Commercial	\$	81,648	13	13%	8.43%	\$	102,202 15 12%
Residential	\$	530,456	71	85%	9.79%	\$	711,682 86 87%
Term	\$	9,839	2	2%	8.00%	\$	9,966 2 1%
Total	\$	621,943	86	100%	9.58%	\$	823,850 103 100%
By Province/State							
Canada							
AB	\$	50,796	8	8%	8.75%	\$	62,117 10 8%
BC	\$	97,765	11	16%	10.35%	\$	126,959 15 15%
MB	\$	24,029	3	4%	15.00%	\$	18,588 3 2%
NS	\$	4,243	1	1%	10.00%	\$	4,243 1 1%
ON	\$	340,056	55	53%	9.51%	\$	516,899 66 63%
QC	\$	5,511	1	1%	8.00%	\$	5,511 1 1%
Subtotal (A)	\$	522,400	79	83%	9.63%	\$	734,317 96 90%
United States							
FL	\$	32,250	2	5%	9.00%	\$	26,296 2 3%
MI	\$	0	0	0%	0.00%	\$	9,612 1 1%
MN	\$	10,226	1	2%	8.00%	\$	10,803 1 1%
MO	\$	10,258	2	2%	8.00%	\$	7,204 2 1%
TX	\$	46,809	2	8%	10.00%	\$	35,618 2 4%
Subtotal (B)	\$	99,543	7	17%	9.28%	\$	89,533 8 10%
Grand Total (A + B)	\$	621,943	86	100%	9.58%	\$	823,850 104 100%

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (December 31, 2020)

REIT Consolidated									
Investments Segregation (excl. Foreclosed Properties)	Funded					Committed			
	\$	#	% (\$)	Wt.-Avg. Rate		\$	#	% (\$)	
By City									
Greater Toronto Area									
Ajax	\$	13,633	2	2.19%	9.11%	\$	21,494	3	2.61%
Burlington	\$	10,015	1	1.61%	8.50%	\$	12,000	1	1.46%
Clarington	\$	4,709	1	0.76%	10.00%	\$	4,426	1	0.54%
Etobicoke	\$	10,635	1	1.71%	10.00%	\$	10,635	1	1.29%
Markham	\$	17,532	1	2.82%	10.00%	\$	18,777	1	2.28%
Mississauga	\$	27,148	2	4.36%	9.95%	\$	29,900	2	3.63%
Newcastle	\$	765	2	0.12%	11.69%	\$	4,565	2	0.55%
Oakville	\$	10,205	1	1.64%	9.25%	\$	10,205	1	1.24%
Pickering	\$	6,849	1	1.10%	8.00%	\$	6,849	1	0.83%
Scarborough	\$	27,248	2	4.38%	10.00%	\$	67,132	7	8.15%
Toronto	\$	22,264	6	3.58%	9.19%	\$	41,311	8	5.01%
Subtotal (A)	\$	151,003	20	24.27%	9.48%	\$	227,294	28	27.59%
Greater Vancouver Area									
Delta	\$	0	0	0.04%	0.00%	\$	8,505	2	1.03%
Langley	\$	0	0	0.00%	0.00%	\$	23,150	1	2.81%
Surrey	\$	62,838	5	10.10%	9.55%	\$	64,541	5	7.83%
Subtotal (B)	\$	62,838	5	10.14%	9.55%	\$	96,196	8	11.67%
Vancouver Island									
Sooke	\$	3,374	1	0.54%	9.50%	\$	8,800	1	1.07%
Victoria	\$	26,879	4	4.32%	13.98%	\$	13,203	4	1.61%
Subtotal (C)	\$	30,253	5	4.86%	13.07%	\$	22,003	5	2.68%
Guelph-Waterloo Area									
Guelph	\$	29,788	9	4.79%	9.96%	\$	29,788	9	3.62%
Waterloo	\$	71,182	10	11.44%	9.93%	\$	67,457	10	8.19%
Subtotal (D)	\$	100,970	19	16.23%	9.94%	\$	97,245	19	11.81%

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (December 31, 2020)

REIT Consolidated									
Investments Segregation (excl. Foreclosed Properties)	Funded				Committed				
	\$	#	% (\$)	Wt.-Avg. Rate	\$	#	% (\$)		
By City (cont'd)									
Other Canadian Cities									
Abbotsford	\$	0	0	0.00%	0.00%	\$	27,195	2	3.30%
Barrie	\$	13,795	3	2.22%	9.44%	\$	12,407	3	1.51%
Calgary	\$	52,193	5	8.39%	8.33%	\$	68,616	7	8.33%
Cochrane	\$	8,510	1	1.37%	8.00%	\$	9,927	1	1.20%
Dartmouth	\$	4,243	1	0.68%	10.00%	\$	4,243	1	0.52%
Edmonton	\$	7,062	2	1.13%	6.75%	\$	7,976	2	0.97%
Grimsby	\$	0	0	0.00%	0.00%	\$	1,550	1	0.19%
Hamilton	\$	19,594	2	3.15%	8.95%	\$	53,267	2	6.47%
Kanata	\$	7,432	2	1.19%	12.00%	\$	40,120	2	4.87%
Minett	\$	9,492	2	1.53%	9.59%	\$	12,546	2	1.52%
Montreal	\$	5,511	1	0.89%	8.00%	\$	5,511	1	0.67%
Orillia	\$	8,743	3	1.41%	9.48%	\$	10,891	3	1.32%
Ottawa	\$	8,067	2	1.30%	10.00%	\$	8,067	2	0.98%
Squamish	\$	4,673	1	0.75%	11.50%	\$	4,715	1	0.57%
St. Albert	\$	1,028	1	0.17%	9.00%	\$	1,185	1	0.14%
Timmins	\$	2,966	1	0.47%	10.00%	\$	4,773	2	0.58%
Winnipeg	\$	24,029	3	3.86%	15.00%	\$	18,588	3	2.26%
Subtotal (E)	\$	177,338	30	28.51%	9.12%	\$	291,577	36	35.40%
United States									
Austin	\$	18,889	1	3.04%	10.00%	\$	15,064	1	1.82%
Detroit	\$	0	0	0.00%	0.00%	\$	9,612	1	1.16%
Estero	\$	15,770	1	2.53%	9.00%	\$	12,648	1	1.54%
Irving	\$	27,920	1	4.49%	10.00%	\$	20,554	1	2.49%
Kansas City	\$	10,256	2	1.65%	8.00%	\$	7,204	2	0.87%
Minneapolis	\$	10,226	1	1.64%	8.00%	\$	10,804	1	1.31%
West Palm Beach	\$	16,480	1	2.65%	9.00%	\$	13,649	1	1.66%
Subtotal (F)	\$	99,541	7	16.00%	9.28%	\$	89,535	8	10.85%
Grand Total (SUM A to F)	\$	621,943	86	100%	9.58%	\$	823,850	104	100.00%

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (December 31, 2020)

REIT Consolidated									
Investments Segregation (excl. Foreclosed Properties)	Funded					Committed			
	\$	#	% (\$)	Wt.-Avg. Rate		\$	#	% (\$)	
By Purchase Options									
With	\$	165,305	18	27.00%	9.46%	\$	136,144	18	17.00%
Without	\$	372,633	61	60.00%	9.62%	\$	597,380	78	72.00%
Equity Accounted Investments	\$	84,005	7	13.00%	0.00%	\$	90,326	8	11.00%
Total	\$	621,943	86	100%	9.58%	\$	823,850	104	100%
By Development Stage									
Construction	\$	374,719	46	60.00%	9.53%	\$	574,354	61	70.00%
Pre-Construction	\$	113,340	18	18.00%	9.52%	\$	115,222	18	14.00%
Term	\$	133,884	22	22.00%	9.75%	\$	134,274	25	16.00%
Total	\$	621,943	86	100%	9.58%	\$	823,850	104	100%
By Underlying Security									
Multi Family Apartments	\$	199,682	21	33.00%	9.47%	\$	211,000	23	26.00%
Land	\$	72,887	10	12.00%	9.48%	\$	74,464	10	9.00%
Low-Rise Residential	\$	137,322	22	22.00%	9.68%	\$	242,708	28	29.00%
Industrial	\$	15,060	2	2.00%	9.34%	\$	25,551	4	3.00%
High-Rise Condominium	\$	71,527	13	11.00%	9.95%	\$	125,568	20	15.00%
Commercial/Mixed Use	\$	87,687	15	14.00%	9.35%	\$	111,172	16	14.00%
Multi Student Housing	\$	37,778	3	6.00%	10.00%	\$	33,387	3	4.00%
Total	\$	621,943	86	100%	9.58%	\$	823,850	104	100%
By Investment Size									
\$1m or less	\$	4,937	8	1.00%	9.57%	\$	146,105	24	17.00%
> \$1m - \$3m	\$	41,066	16	7.00%	10.63%	\$	43,268	17	5.00%
> \$3m - \$5m	\$	77,582	19	12.00%	10.17%	\$	125,304	19	15.00%
> \$5m - \$10m	\$	178,137	24	29.00%	9.38%	\$	183,251	25	22.00%
> \$10m - \$15m	\$	101,305	8	16.00%	9.20%	\$	121,727	8	15.00%
> \$15m	\$	218,916	11	35.00%	9.44%	\$	204,195	11	26.00%
Total	\$	621,943	86	100%	9.58%	\$	823,850	104	100%

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (December 31, 2020)



REIT Consolidated										
Investments Segregation (excl. Foreclosed Properties)	Funded					Committed				
	\$	#	% (\$)	Wt.-Avg. Rate		\$	#	% (\$)		
By Maturity (excl. Equity & FV Adj.)										
	2021	\$	400,537	67	81.00%	9.53%	\$	577,133	80	79.00%
	2022	\$	71,954	6	15.00%	10.00%	\$	97,795	9	13.00%
	2023	\$	16,702	4	3.00%	8.30%	\$	20,490	4	3.00%
	2024	\$	0	0	0.00%	0.00%	\$	0	0	0.00%
	2025	\$	4,122	1	1.00%	12.00%	\$	37,605	2	5.00%
	Total	\$	493,315	78	100%	9.58%	\$	733,023	95	100%
By Interest/Pref Rate (excl. Equity & FV Adj.)										
	8% or less	\$	75,784	11	15.00%	7.74%	\$	124,800	13	17.00%
	> 8.0% - 8.5%	\$	40,329	7	8.00%	8.50%	\$	131,292	9	18.00%
	> 8.5% - 9.0%	\$	72,901	7	15.00%	9.00%	\$	86,821	8	12.00%
	> 9.0% - 9.5%	\$	21,054	4	4.00%	9.36%	\$	33,480	5	5.00%
	> 9.5% - 10.0%	\$	226,655	36	48.00%	10.00%	\$	250,369	43	34.00%
	> 10.0% - 10.5%	\$	31,563	4	6.00%	10.43%	\$	37,505	4	5.00%
	> 10.5% - 11.0%	\$	5,679	2	1.00%	11.00%	\$	7,721	2	1.00%
	> 11.0% - 11.5%	\$	4,673	1	1.00%	11.50%	\$	4,715	1	1.00%
	> 11.5% - 12.0%	\$	7,068	2	1.00%	12.00%	\$	36,080	2	5.00%
	> 12.0% - 12.5%	\$	0	0	0.00%	0.00%	\$	0	0	0.00%
	> 12.5% - 13.0%	\$	0	0	0.00%	0.00%	\$	0	0	0.00%
	> 13.0% - 13.5%	\$	0	0	0.00%	0.00%	\$	0	0	0.00%
	> 13.5% - 14.0%	\$	0	0	0.00%	0.00%	\$	8,505	2	1.00%
	> 14.0% - 14.5%	\$	0	0	0.00%	0.00%	\$	0	0	0.00%
	> 14.5% - 15.0%	\$	1,398	2	0.00%	15.00%	\$	3,450	2	0.00%
	> 15.0%	\$	6,211	2	1.00%	20.00%	\$	8,285	4	1.00%
	Total	\$	493,315	78	100%	9.58%	\$	733,023	95	100%
By Committed LTV - Mortgage Investments										
	50% or less	\$	32,614	6	9.00%	9.58%	\$	38,187	6	5.00%
	> 50% - 60%	\$	31,249	4	8.00%	9.48%	\$	63,225	7	10.00%
	> 60% - 70%	\$	90,303	13	24.00%	9.48%	\$	155,745	14	28.00%
	> 70% - 80%	\$	117,294	17	30.00%	10.15%	\$	191,128	26	30.00%
	> 80% - 90%	\$	85,539	17	23.00%	9.27%	\$	143,863	20	24.00%
	> 90%	\$	21,120	4	6.00%	12.09%	\$	21,120	4	3.00%
	Total	\$	378,119	61	100%	9.64%	\$	613,268	77	100%
By Payment Method - Mortgage Investments										
	Interest Accrue	\$	186,041	34	49.00%	10.28%	\$	294,276	44	49.00%
	Interest Reserve Payment	\$	33,334	3	5.00%	10.00%	\$	33,334	3	5.00%
	Periodic Cheques	\$	11,063	2	6.00%	7.52%	\$	37,608	3	6.00%
	Pre Authorized Payment	\$	147,681	22	40.00%	8.91%	\$	247,549	27	40.00%
	Total	\$	378,119	61	100%	9.64%	\$	612,767	77	100%
Estimated Built Out Value of Purchase Options		Undiluted					Diluted			
	Mortgage Investments	\$	109,380	4	7.00%		\$	105,498	4	10.00%
	Participating Loan Interests	\$	902,948	14	60.00%		\$	638,592	14	61.00%
	Equity Accounted Investments	\$	485,629	7	33.00%		\$	308,077	7	29.00%
	Total	\$	1,497,957	25	100%		\$	1,052,167	25	100%

APPENDIX C

Properties Under Development



The following discloses the properties that are currently under development and shows, the location, the number of units/commercial unit square footage, Centurion's ownership interest, the Centurion vehicle supporting the development and the year in which the property is expected to be completed.

Property Name	Property Location	Number of Units	Commercial Sq ft.	Ownership Interest	Expected Date of Completion
Irving ²	Austin, Texas	319	1260	71%	2021
Estero ²	Estero, Florida	198		75%	2021
Paisley ³	Guelph, Ontario	757		100%	2021-2024
Belterra Village ¹	Austin, Texas	233		72%	2022
Steps Bridgeland ²	Calgary, Alberta	122		100%	2021
District Flats ¹	West Palm Beach, Florida	178	2,700	80%	2022
5207 - 4th Avenue ²	Edmonton, Alberta	149		50%	2022
CCA Minneapolis ¹	Minneapolis, Minnesota	307	6,987	46%	2021
Sage Creek ²	Winnipeg, Manitoba	398	9,742	50%	2021
Kansas ²	Kansas City, Missouri	283	10,342	35%	2021
1411 - 26 A street SW ²	Calgary, Alberta	73		100%	2021
The Block ⁴	Waterloo, Ontario	111		45%	2021
ME Living Condo ²	Toronto, Ontario	327	5,000	75%	2021
The Block Phase 2 ⁴	Waterloo, Ontario	379		45%	2021
Madison Avenue ²	Calgary, Alberta	55		50%	2022
Simon Fraser University Residences ¹	Burnaby, British Columbia	482		100%	2021
Scott Road - Phase I and II ¹	Surrey, BC	514	11,867	100%	2021
5509 Dundas S West ²	Toronto, Ontario	259	13,000	80%	2024
Bridgewater ³	Winnipeg, Manitoba	270		45%	2022
ME Condo PH 2 & 3 ²	Toronto, Ontario	443	6,148	72%	2023
Kanata (Huntmar Road) ¹	Kanata, Ontario	420		67%	2024
TOTAL		6,277	67,046		

¹ Ownership interest held within Centurion Apartment REIT

² Ownership interest held within Centurion Real Estate Opportunities Trust

³ Ownership interest held 50% within Centurion Apartment REIT and 50% within Centurion Real Estate Opportunities Trust

⁴ Ownership interest held 40% within Centurion Apartment REIT and 60% within Centurion Real Estate Opportunities Trust

APPENDIX D

Properties Under Contract



The following discloses the properties that are currently under contract and shows the location, the number of units, Centurion Apartment REIT's ownership interest, and the year of the estimated closing date.

Property Name	Property Location	Number of Units	Ownership %	Estimated Year of Closing
Le Montefiore ¹	Montreal, Québec	94	100%	2021
Hedstrom House ²	Langford, British Columbia	119	100%	2021
3280 Cavendish	Montréal, Québec	114	100%	2021
Peatt Commons	Langford, British Columbia	135	100%	2021
Eastern Ontario Portfolio ³	Ottawa/Oshawa, Ontario	329	100%	2021
Scott Road	Surrey, British Columbia	514	100%	2021
Canadian Student Housing Residence	British Columbia	480	100%	2021
Paisley	Guelph, Ontario	757	100%	2021 - 2024
TOTAL		2,542		

¹ Acquisition completed of this property on January 27, 2021

² Acquisition completed of this property on February 18, 2021

³ Acquisition completed of this property on March 26, 2021

APPENDIX E

Risks and Uncertainties



There are certain risk factors inherent in an investment in the REIT Units and in the activities of Centurion Apartment REIT, including the following, which subscribers should carefully consider before subscribing for the REIT Units.

Risks Related to the Novel Coronavirus Disease (COVID-19)

There has been and continues to be a global pandemic related to an outbreak of the novel coronavirus disease (COVID-19). This outbreak (and any future outbreaks) of COVID-19 has led (and may continue to lead) to disruptions in global economic activity, resulting in, among other things, a general decline in equity prices and lower interest rates. These circumstances are likely to have an adverse effect on levels of employment, which may adversely impact the ability of tenants, borrowers, and other counterparties to make timely payments on their rents, mortgages and other loans. An increase in delinquent payments by tenants, borrowers and other counterparties may negatively affect the Trust's financial position. While governments are closely monitoring the rapidly evolving situation, no assurance can be made regarding the policies that may be adopted by the Bank of Canada, the Canadian federal, provincial or municipal governments, their agencies, the United States government or any other foreign or sub-national government to address the effects of COVID-19 or any resulting market volatility. Following multiple interest rate cuts by the Bank of Canada in March 2020, which cuts were announced in an attempt to curb the economic effects of COVID-19, it is possible that the Bank of Canada may make further interest rate cuts or that it may in the future resume interest rate increases. Any such increases or decreases may occur at a faster rate than expected. To the extent that interest rates increase as a result of the Bank of Canada's actions or otherwise, the availability of refinancing alternatives for credit facilities, mortgage and other loans may be reduced. No assurance can be made regarding such matters or their effect on real estate markets generally and on the value and performance of mortgage loans. The Trust actively monitors regulatory developments and will adjust to any regulatory changes that may arise as a result of the COVID19 outbreak.

The COVID-19 outbreak may lead to disruptions of the Trust's normal business activity and a sustained outbreak may have a negative impact on the Trust and its financial performance. The Trust has business continuity policies in place and is developing additional strategies to address potential disruptions in its operations. However, no assurance can be made that such strategies will successfully mitigate the adverse impacts related to the COVID-19 outbreak. A prolonged outbreak of COVID-19 could adversely impact the health of the Trust's employees, borrowers, counterparties and other stakeholders.

The full extent of the duration and impact that COVID-19, including any regulatory responses to the outbreak, will have on the Canadian, United States and global economies and the Trust's business is highly uncertain and difficult to predict at this time.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for multi-unit residential premises, competition from other available residential premises and various other factors.

Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If Centurion Apartment REIT is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

APPENDIX E

Risks and Uncertainties



Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit Centurion Apartment REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Centurion Apartment REIT was required to liquidate its real property investments, the proceeds to Centurion Apartment REIT might be significantly less than the aggregate value of its properties on a going-concern basis.

Centurion Apartment REIT will be subject to the risks associated with debt financing, including the risk that existing mortgage indebtedness secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

Development Risks

Centurion Apartment REIT may, directly or indirectly, invest in real estate development projects. Any existing or future development investments of the REIT will entail certain risks, including the expenditure of funds on and devotion of management's time to evaluating projects that may not come to fruition; the risk that development costs of a project may exceed original estimates, possibly making the project uneconomical; the risk of construction overrun or other unforeseeable delays, during which the interest rate and leasing risk may fluctuate; the risk that occupancy rates and rents at a completed project will be less than anticipated or that there will be vacant space at the project; the risk that expenses at a completed development will be higher than anticipated; and the risk that permits and other governmental approvals will not be obtained. In addition, the REIT's future real estate development investments may require a significant investment of capital. The REIT may be required to obtain funds for its capital expenditures and operating activities, if any, through cash flow from operations, property sales or financings. If the REIT is unable to obtain such funds, it may have to defer or otherwise limit certain development activities.

Future Property Acquisitions

While Centurion Apartment REIT may enter into non-binding letters of intent with respect to properties under review, there can be no assurance that such properties will be acquired. Accordingly, there can be no assurance that Centurion Apartment REIT will be able to acquire Properties at the rates of return that the REIT Management is targeting. No forecast has been made for the acquisition of properties under review.

Revenue Producing Properties

The Properties generate income through rental payments made by the tenants thereof. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favorable to Centurion Apartment REIT than the existing lease. Unlike commercial leases which generally are "net" leases and allow a landlord to recover expenditures, residential leases are generally "gross" leases and the landlord is not able to pass on costs to its tenants.

No Guarantees or Insurance on Mortgage Investments

A Mortgage borrower's obligations to the Centurion Apartment REIT or any other person are not guaranteed by the Government of Canada, the government of any province or any agency thereof nor are they insured under the National Housing Act (Canada). In the event that additional security is given by the borrower or a third party or that a private guarantor guarantees the Mortgage borrower's obligations, there is no assurance that such additional security or guarantee will be available or sufficient to make Centurion Apartment REIT whole if and when resort is to be had thereto.

APPENDIX E

Risks and Uncertainties



Risks Related to Mortgage Extensions and Mortgage Defaults

The REIT Management may from time to time deem it appropriate to extend or renew the term of a Mortgage past its maturity, or to accrue the interest on a Mortgage, in order to provide the borrower with increased repayment flexibility. The REIT Management generally will do so if it believes that there is a very low risk to Centurion Apartment REIT of not being repaid the full principal and interest owing on the Mortgage. In these circumstances, however, Centurion Apartment REIT is subject to the risk that the principal and/or accrued interest of such Mortgage may not be repaid in a timely manner or at all, which could impact the cash flows of Centurion Apartment REIT during and after the period in which it is granting this accommodation. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that Centurion Apartment REIT may not recover all or substantially all of the principal and interest owed to it in respect of such Mortgage.

When a Mortgage is extended past its maturity, the loan can either be held over on a month-to-month basis, or renewed for an additional term at the time of its maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the Mortgage Servicer has the ability to exercise its Mortgage enforcement remedies in respect of the extended or renewed Mortgage. Exercising Mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of Centurion Apartment REIT during the period of enforcement. In addition, as a result of potential declines in Real Property values, the priority ranking of the Mortgage and other factors, there is no assurance that Centurion Apartment REIT will be able to recover all or substantially all of the outstanding principal and interest owed to it in respect of such Mortgages by the Mortgage Service Provider's exercise of Mortgage enforcement remedies for the benefit of Centurion Apartment REIT. Should Centurion Apartment REIT be unable to recover all or substantially all of the principal and interest owed to it in respect of such Mortgage loans, the assets of Centurion Apartment REIT would be reduced, and the returns, financial condition and results of operations of Centurion Apartment REIT could be adversely impacted.

Foreclosure or Power of Sale and Related Costs on Mortgage Investments

One or more borrowers could fail to make payments according to the terms of their loan, and Centurion Apartment REIT could therefore be forced to exercise its rights as mortgagee. The recovery of a portion of Centurion Apartment REIT's assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of Centurion Apartments REIT's rights as mortgagee. Legal fees and expenses and other costs incurred by Centurion Apartment REIT in enforcing its rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable they will be borne by Centurion Apartment REIT.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, Mortgage payments to prior charge holders, insurance costs and related charges must be made through the period of ownership of real property regardless of whether Mortgage payments are being made. Centurion Apartment REIT may therefore be required to incur such expenditures to protect its investment, even if the borrower is not honouring its contractual obligations.

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Risks and Uncertainties



Litigation Risks

Centurion Apartment REIT may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. During litigation involving a borrower in respect of a Mortgage, Centurion Apartment REIT may not be receiving payments of interest on a Mortgage that is the subject of litigation, thereby impacting cash flows. The unfavorable resolution of any legal proceedings could have an adverse effect on the Centurion Apartment REIT and its financial position and results of operations that could be material.

Competition for Real Property Investments

Centurion Apartment REIT competes for suitable real property investments with individuals, corporations and institutions (both Canadian and foreign) and other real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those desired by Centurion Apartment REIT. A number of these investors may have greater financial resources than those of Centurion Apartment REIT, or operate without the investment or operating guidelines of Centurion Apartment REIT or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in real property investments, may tend to increase competition for real property investments, thereby increasing purchase prices and/or reducing the yield on them.

Competition for Tenants

The real estate business is competitive. Numerous other developers, managers and owners of properties compete with Centurion Apartment REIT in seeking tenants. The existence of competing developers, managers and owners for Centurion Apartment REIT's tenants could have an adverse effect on Centurion Apartment REIT's ability to lease suites in its properties and on the rents charged.

Interest Rates

It is anticipated that the market price for the REIT Units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the REIT Units. A decrease in interest rates may encourage tenants to purchase condominiums or other types of housing, which could result in a reduction in demand for rental properties. Changes in interest rates may also have effects on vacancy rates, rent levels, refurbishing costs and other factors affecting Centurion Apartment REIT's business and profitability.

Debt Financing

Centurion Apartment REIT is subject to the risks associated with debt financing, including the risk that Centurion Apartment REIT may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness. A portion of Centurion's Acquisition and Operating Facilities are at floating interest rates, and accordingly, changes in short-term borrowing will affect Centurion Apartment REIT's costs of borrowing.

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Risks and Uncertainties



General Economic Conditions

Centurion Apartment REIT is affected by general economic conditions, local real estate markets, competition from other available rental premises, including new developments, and various other factors. The competition for tenants also comes from opportunities for individual home ownership, including condominiums, which can be particularly attractive when home mortgage loans are available at relatively low interest rates. The existence of competing developers, managers and owners for Centurion Apartment REIT's tenants could have an adverse effect on Centurion Apartment REIT's ability to lease suites in its properties and on the rents charged, increased leasing and marketing costs and increased refurbishing costs necessary to lease and re-lease suites, all of which could adversely affect Centurion Apartment REIT's revenues and, consequently, its ability to meet its obligations. In addition, any increase in the supply of available space in the markets in which Centurion Apartment REIT operates or may operate could have an adverse effect on Centurion Apartment REIT.

General Uninsured Losses

Centurion Apartment REIT carries comprehensive general liability, fire, flood, extended coverage, rental loss and pollution insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. Centurion Apartment REIT has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if economical to do so. Should an uninsured or underinsured loss occur, Centurion Apartment REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its Properties, but Centurion Apartment REIT would continue to be obligated to repay any recourse mortgage indebtedness on such Properties.

Availability of Cash for Distributions

Distributable income is calculated before deducting items such as principal repayments and capital expenditures and, accordingly, may exceed actual cash available to Centurion Apartment REIT from time to time. Centurion Apartment REIT may be required to use part of its debt capacity or raise additional equity in order to accommodate such items, and there can be no assurance that funds from such sources will be available on favourable terms or at all. In such circumstances, distributions may be reduced or suspended, which may therefore also have an adverse impact on the market price of the REIT Units. Accordingly, cash distributions are not guaranteed and cannot be assured. Further, Distributable Income can exceed net income and have the result of an erosion of Adjusted Unitholder's Equity. See "Distribution Policy".

Distributable Income is calculated in accordance with Centurion Apartment REIT's Declaration of Trust. Distributable Income is not a measure recognized under Canadian generally accepted accounting principles and does not have a standardized meaning prescribed by IFRS. Distributable income is presented herein because management of Centurion Apartment REIT believes this non-IFRS measure is a relevant measure of the ability of Centurion Apartment REIT to earn and distribute cash returns to REIT Unitholders. Distributable Income as computed by Centurion Apartment REIT may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to distributable income as reported by such organizations. Distributable income is calculated by reference to the net income of Centurion Apartment REIT on a consolidated basis, as determined in

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accordance with IFRS, subject to certain adjustments as set out in the constating documents of Centurion Apartment REIT.

Government Regulation

Centurion Apartment REIT currently has interests in properties located in the provinces of Ontario and Quebec. The nature of apartment construction and operation is such that refurbishment and structural repairs are required periodically, in addition to regular ongoing maintenance. In addition, legislation relating to, among other things, environmental and fire safety standards is continually evolving and changes thereto may give rise to ongoing financial and other obligations of Centurion Apartment REIT, the costs of which may not be fully recoverable from tenants.

Multi-unit residential rental properties are subject to rent control legislation in most provinces in Canada. Each province in which the Trust operates maintains distinct regulations with respect to tenants' and landlords' rights and obligations. The legislation in various degrees provides restrictions on the ability of a landlord to increase rents above an annually prescribed guideline or require the landlord to give tenants sufficient notice prior to an increase in rent or restricts the frequency of rent increases permitted during the year. The annual rent increase guidelines as per applicable legislation attempts to link the annual rent increases to some measure of changes in the cost of living index over the previous year. The legislation also, in most cases, provides for a mechanism to ensure rents can be increased above the guideline increases for extraordinary costs. As a result of rent controls, the Trust may incur property capital investments in the future that will not be fully recoverable from rents charged to the tenants.

Applicable legislation may be further amended in a manner that may adversely affect the ability of the Trust to maintain the historical level of cash flow from its properties. In addition, applicable legislation provides for compliance with several regulatory matters involving tenant evictions, work orders, health and safety issues, fire and maintenance standards, etc.

Environmental Matters

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive. Under various laws, Centurion Apartment REIT could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the owner by private plaintiffs. Where a property is purchased and new financing is obtained, Phase I Environmental Assessments are performed by an independent and experienced environmental consultant. In the case of mortgage assumption, the vendor will be asked to provide a satisfactory Phase I and/or Phase II Environmental Assessment that the REIT Management will rely upon and/or determine whether an update is necessary.

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Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is intended to provide Unitholders in those provinces and territories with limited liability. However because of uncertainties in the law relating to investment trusts, there is a risk, which is considered by counsel to be remote in the circumstance, that a REIT Unitholder could be held personally liable for obligations of Centurion Apartment REIT (to the extent that claims are not satisfied by Centurion Apartment REIT) in respect of contracts which Centurion Apartment REIT enters into and for certain liabilities arising other than out of contracts including claims in tort, claims for taxes and possibly certain other statutory liabilities. The Trustees intend to cause Centurion Apartment REIT's operations to be conducted in such a way as to minimize any such risk including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of Centurion Apartment REIT contain an express disavowal of liability against Unitholders.

Dependence on Key Personnel

In assessing the risk of an investment in the Units offered hereby, potential investors should be aware that they will be relying on the good faith, experience and judgment of the directors and officers of the Asset Manager to manage the business and affairs of the Trust. The management of the Trust depends on the services of certain key personnel. The termination of employment by the Asset Manager or the Property Manager of any of these key personnel could have a materially adverse effect on the Trust.

There is no guarantee that the directors and officers of the Asset Manager or the Board of Trustees will remain unchanged. It is contemplated that the directors, officers and employees of the Asset Manager will devote to the Trust's affairs only such time as may be reasonably necessary to conduct its business.

Failure or Unavailability of Computer and Data Processing Systems and Software

The REIT is dependent upon the successful and uninterrupted functioning of its computer and data processing systems and software. The failure or unavailability of these systems could interrupt operations or materially impact the REIT's ability to collect revenues and make payments. If sustained or repeated, a system failure or loss of data could negatively and materially adversely affect the ability of the REIT to discharge its duties and the impact on Centurion Apartment REIT may be material.

Potential Conflicts of Interest

Centurion Apartment REIT may be subject to various conflicts of interest because of the fact that the Trustees and senior officers of Centurion Apartment REIT, the Asset Manager, the Mortgage Manager and the Mortgage Servicer are engaged in a wide range of real estate and other business activities. Centurion Apartment REIT may become involved in transactions which conflict with the interests of the foregoing.

The Trustees may from time to time deal with persons, firms, institutions or corporations with which Centurion Apartment REIT may be dealing, or which may be seeking investments similar to those desired by Centurion Apartment REIT. The interests of these persons could conflict with those of Centurion Apartment REIT. In addition, from time to time, these persons may be competing with Centurion Apartment REIT for available investment opportunities.

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The Asset Manager, the Mortgage Manager, and the Mortgage Servicer (collectively, the “Service Providers”) are not owned by Centurion Apartment REIT but are related by common management and personnel to Centurion Apartment REIT. This could create conflicts of interest between the Asset Manager, the Mortgage Manager and the Mortgage Servicer and Centurion Apartment REIT.

The Service Providers’ services are not exclusive to the Trust, as each Service Provider provides services to several other clients. In particular, each Service Provider also provides similar services to CREOT, an investment trust with overlapping investment objectives to those of the REIT. Centurion Apartment REIT and CREOT operate independently from one another and have separate boards of trustees, with Gregory Romundt and Stephen Sender serving as trustees for both Centurion Apartment REIT and CREOT. Although Steven Sender serves as a trustee of both Centurion Apartment REIT and CREOT, he is otherwise independent of the Asset Manager and its affiliates.

Additionally, the Warehouse Agreement among the Trust, Centurion Apartment REIT and the Asset Manager and the arrangements thereunder may give rise to certain conflicts of interest, including with respect to (i) any Property Purchase Options or Property Offer Options (and the valuation and transfer thereof), (ii) the valuation and transfer of Warehoused Mortgages and/or Warehoused Other Investments between the Trust and Centurion Apartment REIT and (iii) the allocation of risk as between the Trust and Centurion Apartment REIT. The Asset Manager will follow procedures established by the Board of Trustees that are designed to ensure an appropriate allocation of risk under the Warehouse Agreement and related arrangements.

Centurion Apartment REIT is a connected issuer, and may be considered to be a related issuer, of Centurion Asset Management Inc. (the “Asset Manager”), its asset manager and an exempt market dealer, investment fund manager, and restricted portfolio manager in certain jurisdictions, in connection with the distribution of the REIT’s securities hereunder, which may result in potential conflicts of interest. Centurion Apartment REIT is a connected issuer of the Asset Manager due to the factors described in this Offering Memorandum under “Relationship between Centurion Apartment REIT, The Asset Manager and Affiliates of The Asset Manager” as a result of the fact that the President of Centurion Apartment REIT and the Asset Manager are the same and Mr. Gregory Romundt and his family beneficially own all of the shares of the Asset Manager, the Mortgage Manager and the Mortgage Servicer. Centurion Apartment REIT may be considered to be a related issuer of the Asset Manager by virtue of the Asset Manager’s right to appoint a prescribed number of nominees to the board of trustees of Centurion Apartment REIT. Centurion Apartment REIT owns 63.40% of a private mutual fund trust, Centurion Real Estate Opportunities Trust, which also has engaged Centurion Asset Management Inc. to be its asset manager. See “Trustees” and “Relationship Between Centurion Apartment REIT, The Asset Manager and Affiliates of The Asset Manager”.

The Centurion Apartment REIT Declaration of Trust contains “conflict of interest” provisions requiring Trustees to disclose material interests in Material Contracts and transactions and to refrain from voting thereon.

Allocation of Investment Opportunities

While Centurion Apartment REIT and CREOT are not naturally competing for the same investments as their primary investment portfolios will generally have different time horizons, there may be instances in which CREOT and Centurion Apartment REIT both have an interest in the same investment opportunity. For example, CREOT may invest in long-term real-estate properties and Centurion Apartment REIT may from time to time invest in Mortgage Assets. In the event that CREOT and Centurion Apartment REIT are both interested in pursuing the same investment opportunity, the Asset Manager will seek to allocate investment opportunities on a basis which it determines to be fair

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and reasonable. However, there is no requirement that the Asset Manager allocate investment opportunities on a pro rata basis between CREOT and Centurion Apartment REIT. Additionally, there may be situations where an investment opportunity is allocated to CREOT despite Centurion Apartment REIT having an interest in such investment opportunity.

Tax-Related Risks

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects Centurion Apartment REIT or the Unitholders.

If Centurion Apartment REIT fails or ceases to qualify as a mutual fund trust for the purposes of the Tax Act, the tax consequences described under “Canadian Federal Income Tax Considerations” and “Eligibility for Investment” would in some respects be materially and adversely different. In addition, REIT Unitholders may become subject to provincial taxes, such as Ontario Land Transfer Tax, in respect of their REIT Units.

If investments in Centurion Apartment REIT become publicly listed or traded, there can be no assurances that Centurion Apartment REIT will not be subject to the SIFT Rules, as described under “Canadian Federal Income Tax Considerations – SIFT Rules”, at that time. Centurion Apartment REIT or its subsidiaries may be reassessed for taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect Centurion Apartment REIT.

Critical Estimates, Assumptions and Judgements

The preparation of financial statements as per IFRS requires management to make judgments, assumptions and estimates that affect the reported amounts in the consolidated financial statements. Actual results could differ from these estimates. Financial statement carrying values, in addition to other factors (See “VALUATION POLICY”), serve as the basis for the calculation of the Fair Market Value of REIT Units. If such carrying values should prove to be incorrect, the Fair Market Value of the REIT Units could be different. To the extent that the carrying values or critical estimates, assumptions and judgements are inaccurate, and given that property portfolio values, which comprise the vast majority of the REITs assets, are calculated quarterly on a lagging basis, the Posted Price per REIT Unit in any given month may be understated or overstated as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of its Units will be paid an amount less than it would otherwise be paid if the critical estimates, assumptions and judgements were different and that the calculation of property values wasn’t calculated on a quarterly basis and thus potentially lagging the market. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual Fair Market Value is lower than the calculated Fair Market Value. In addition, there is a risk than an investment in the REIT by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the Posted Price of the REIT Units is higher than the actual Fair Market Value of the REIT Units. Further, there is a risk that a new Unitholder (or an existing Unitholder than makes an additional investment) could pay more than it might otherwise if the actual Fair Market Value of the REIT Units is lower than the Posted Price. Centurion Apartment REIT does not intend to adjust the Fair Market Value of the REIT retroactively.

As set forth in the definitions of “Fair Market Value”, the value of the REIT Units is determined by the Trustees, in their sole discretion, using reasonable methods of determining fair market value. Fair Market Value may or may not be equal to the net asset value of the Units. The description of the methodology of investment property valuations and the calculation of Fair Market Value and Post Prices of REIT Units reflects the methodology used by the Trustees as at the date hereof in calculating Fair Market Value. The Trustees may, in their discretion, adopt alternative

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methodologies to calculate investment property values and Fair Market Value from time to time, without notice to, or approval by, REIT Unitholders.

Centurion Apartment REIT may buy properties from CREOT which would be affected at a purchase price equal to fair market value. The determination of fair market value will be made in part by the Asset Manager and will be reviewed and approved by the Independent Trustees. Such determination will involve numerous estimates, assumptions and uncertainties. To the extent that these estimates and assumptions are incorrect, the REIT may be adversely affected.

Risks Relating to Unfunded Commitments

In connection with the seeding of CREOT, Centurion Apartment REIT has agreed to fund the unfunded commitments existing at the date of seeding. If the REIT is required to hold reserves of cash for an extended period of time in anticipation of funding the unfunded commitments, the returns generated by the REIT may be reduced.

Lack of Independent Experts Representing Unitholders

Each of Centurion Apartment REIT and the Asset Manager has consulted with legal counsel regarding the formation and terms of the REIT and the offering of Units. Unitholders have not, however, been independently represented. Therefore, to the extent that the REIT, Unitholders or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Units and the suitability of investing in the REIT.

Joint Arrangements

Centurion Apartment REIT may invest in, or be a participant in, joint arrangements and partnerships with third parties in respect of the mortgage investments and/or other real estate investments. A joint arrangement or partnership involves certain additional risks which could result in additional financial demands, increased liability and a reduction in the Asset Manager's control over the mortgage investments and/or the other real estate investments and its ability to sell the REIT's interests in a mortgage investment and/or other real estate investments within a reasonable time frame.

Dilution

The number of REIT Units Centurion Apartment REIT is authorized to issue is unlimited. The Centurion Apartment REIT Trustees have the discretion to issue additional REIT Units in other circumstances, pursuant to Centurion Apartment REIT's various incentive plans. Any issuance of additional REIT Units may have a dilutive effect on the holders of REIT Units.

Restrictions on Potential Growth and Reliance on Credit Facilities

The payout by Centurion Apartment REIT of a substantial part of its operating cash flow could adversely affect Centurion Apartment REIT's ability to grow unless it can obtain additional financing. Such financing may not be available, or renewable, on attractive terms or at all. In addition, if current credit facilities were to be cancelled or

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could not be renewed at maturity on similar terms, Centurion Apartment REIT could be materially and adversely affected.

Potential Inability to Fund Investments

Centurion Apartment REIT may commit to making future investments in anticipation of repayment of principal outstanding and/or the payment of interest under existing Mortgage investments and/or in reliance on its credit facilities. In the event that such repayments of principal or payments of interest are not made, or where credit facilities aren't available, Centurion Apartment REIT may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may be required to obtain interim financing and to fund such commitments or face liability in connection with its failure to make such advances.

Liquidity of REIT Units and Redemption Risk

The REIT Units are not listed on an exchange. There is currently no secondary market through which the REIT Units may be sold, there can be no assurance that any such market will develop and the REIT has no current plans to develop such a market. Accordingly, the sole method of liquidation of an investment in REIT Units is by way of a redemption of the REIT Units. Aggregate redemptions are limited to \$50,000 per month unless approved by the Board of Trustees. Accordingly, in the event that the REIT experiences a large number of redemptions, the REIT may not be able to satisfy all of the redemption requests. Depending upon the Purchase Option selected and the amount of time the REIT Units have been held, there may be a Deferred Sales Charge or Short-Term Trading Fee associated with an early redemption (see "Redemption of REIT Units").

Nature of REIT Units

The REIT Units are not the same as shares of a corporation. As a result, the Unitholders will not have the statutory rights and remedies normally associated with share ownership, such as the right to bring "oppression" or "derivative" actions.

APPENDIX F

Audited Consolidated Financial Statements





CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
Consolidated Financial Statements
For the Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Unitholders of Centurion Apartment Real Estate Investment Trust,

Opinion

We have audited the consolidated financial statements of Centurion Apartment Real Estate Investment Trust (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statements of net income and comprehensive income for the year then ended;
- the consolidated statement of changes in net assets attributable to unitholders for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated financial performance, and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in 2020 Annual Report | Management's Discussion and Analysis issued to Unitholders.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2020 Annual Report | Management's Discussion and Analysis" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
April 29, 2021

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

As at	Note	December 31, 2020	December 31, 2019
Assets			
Investment properties	4	\$ 2,445,550	\$ 1,808,604
Equity accounted investments	5	217,539	170,521
Participating loan interests	7	112,968	127,550
Mortgage investments	6	315,737	454,725
Investment properties held for sale	4	—	14,500
Receivable and other assets	8	63,171	42,583
Restricted cash	10	8,563	13,617
Cash		141,529	70,555
Total Assets		\$ 3,305,057	\$ 2,702,655
Liabilities			
Mortgages payable and credit facilities	11	\$ 1,183,108	\$ 737,678
Syndicated mortgage investment liabilities	6	6,681	28,520
Deferred income tax liabilities	20	6,610	4,108
Accounts payable and other liabilities	12	30,618	25,916
Unit subscriptions held in trust	10	8,563	13,617
Total Liabilities excluding net assets attributable to Unitholders		1,235,580	809,839
Net assets attributable to Unitholders		\$ 2,069,477	\$ 1,892,816
Represented by:			
Net assets attributable to unitholders of the Trust		\$ 1,835,170	\$ 1,641,277
Net assets attributable to non-controlling interests		\$ 234,307	\$ 251,539

Commitments and contingencies (Notes 6, 9, 13, 17 and 20)

Subsequent events (Note 26)

See accompanying notes to the consolidated financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

For the year ended	Note	2020	2019
			Note (3p)
Revenue from investment properties	14	\$ 123,372	\$ 90,492
Property operating costs		(42,620)	(28,702)
Net rental income		80,752	61,790
Interest income, net of interest expense from syndicated mortgage liabilities	6	49,144	48,505
Recovery of (allowance for) expected credit losses	6	4	(479)
Income from operations		129,900	109,816
Net fair value gains	4 & 7	34,303	205,196
Income from equity accounted investments	5	16,157	24,983
Finance costs	15	(28,817)	(21,351)
Other income and expenses		(6,650)	(5,246)
General and administrative expenses	16	(25,433)	(19,042)
Foreign exchange adjustment		(2,627)	(775)
Income before taxes		116,833	293,581
Current and deferred income tax (expense)	20	(3,108)	(4,474)
Net Income and Comprehensive Income		113,725	289,107
Attributable to:			
Unitholders of the Trust		\$ 97,609	\$ 276,745
Non-controlling interest		\$ 16,116	\$ 18,835

See accompanying notes to the consolidated financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

For the year ended December 31, 2020	Net assets attributable to Unitholders of the REIT	Net assets attributable to non-controlling interest	Net assets attributable to Unitholders
Net assets attributable to Unitholders at beginning of the year	\$ 1,641,277	\$ 251,539	\$ 1,892,816
Net Income and Comprehensive Income	97,609	16,116	113,725
Redeemable unitholder transactions			
Proceeds from Units issued (net of issuance costs)	322,083	22,082	344,165
Contributions (distributions) from Non-Controlling Interest	—	(4,451)	(4,451)
Reinvestments of distributions by Unitholders	45,496	7,347	52,843
Redemption of Units	(185,689)	(40,793)	(226,482)
Distributions to Unitholders	(85,606)	(17,533)	(103,139)
Net increase from Unitholder transactions	96,284	(33,348)	62,936
Net increase in net assets attributable to Unitholders	193,893	(17,232)	176,661
Net assets attributable to Unitholders at end of the year	\$ 1,835,170	\$ 234,307	\$ 2,069,477
For the year ended December 31, 2019	Net assets attributable to Unitholders of the REIT	Net assets attributable to non-controlling interest	Net assets attributable to Unitholders
			Note (3q)
Net assets attributable to Unitholders at beginning of the year	\$ 1,034,355	\$ 201,226	\$ 1,235,581
Net Income and Comprehensive Income	270,833	18,274	289,107
Redeemable unitholder transactions			
Proceeds from Units issued (net of issuance costs)	417,124	42,860	459,984
Contributions (distributions) from Non-Controlling Interest	—	4,493	4,493
Reinvestments of distributions by Unitholders	34,064	11,892	45,956
Redemption of Units	(46,442)	(5,255)	(51,697)
Distributions to Unitholders	(68,657)	(21,951)	(90,608)
Net increase from Unitholder transactions	336,089	32,039	368,128
Net increase in net assets attributable to Unitholders	606,922	50,313	657,235
Net assets attributable to Unitholders at end of the year	\$ 1,641,277	\$ 251,539	\$ 1,892,816

See accompanying notes to the consolidated financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

For the year ended	Note	2020	2019
Operating activities			Note (3p)
Net income		\$ 113,725	\$ 289,107
Adjustments for:			
Interest income, net of interest expense from syndicated mortgage liabilities	6	(49,144)	(48,505)
Interest received on mortgage investments, net of interest paid on syndication		37,770	35,814
(Recovery of) allowance for expected credit losses	6	(4)	479
Fair value gains	4 & 7	(34,303)	(205,528)
Non-cash income from equity accounted investments	5	(16,157)	(24,983)
Finance costs	15	28,817	21,351
Amortization of property and equipment	16	879	964
Realized fair value gains on participating loan interests and equity accounted investments	5 & 7	—	24,422
Foreign Exchange adjustment		2,627	775
Current and deferred income tax expense	20	3,108	4,474
Changes in non-cash operating account balances		(3,143)	(563)
Net cash from operating activities		84,175	97,807
Financing activities			
Proceeds from Units issued		341,174	469,147
Unit issue costs		(2,948)	(4,670)
Cash distributions to Unitholders		(50,296)	(44,652)
Redemption of Units		(219,877)	(51,697)
Capitalized financing fees	8	(19,460)	(4,485)
Mortgage advances and refinancing	24	537,585	276,086
Mortgage repayments and discharges	24	(59,109)	(42,887)
Credit facility advances (repayments)	24	1,275	(18,641)
Finance costs paid		(26,168)	(19,945)
Net cash from financing activities		502,176	558,256
Investing activities			
Investment property acquisitions	4	(533,770)	(450,088)
Investment property dispositions	4	14,500	9,950
Investment property acquisition costs	4	(12,053)	(13,288)
Investment property improvements	4	(55,696)	(27,294)
Investment property acquisition deposits	8	(14,008)	(12,332)
Acquisition of property and equipment	8	(732)	(2,823)
Participating loan interests funded	7	(20,668)	(17,600)
Participating loan interests repaid	7	9,120	27,225
Equity accounted investment funded	5	(45,214)	(51,932)
Equity accounted investment distributions	5	24,762	18,945
Mortgage investments principal repaid, net of syndication		255,503	102,148
Mortgage investments principal funded, net of syndication		(137,121)	(204,725)
Net cash used in investing activities		(515,377)	(621,814)
Net increase in cash		70,974	34,249
Cash, beginning of year		70,555	36,306
Cash, end of year		\$ 141,529	\$ 70,555

See accompanying notes to the consolidated financial statements.

1. Trust Information

Centurion Apartment Real Estate Investment Trust ("REIT" or the "Trust") is an unincorporated, open-ended real estate private investment trust which was created pursuant to a Declaration of Trust initially dated August 31, 2009, as further amended from time to time and most recently amended on September 19, 2017 ("Declaration of Trust") and is governed by the laws of the Province of Ontario. The registered office of the Trust is located at 25 Sheppard Avenue West, Suite 1800, Toronto, Ontario, M2N 6S8. The Trust invests primarily in multi-suite residential properties, student residence properties, mortgages and other opportunistic real estate investments in Canada and the United States.

2. Basis of Presentation

a) Statement of Compliance

These consolidated financial statements for the year ended December 31, 2020, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been approved for issue by the Board of Trustees on April 9, 2021.

The consolidated financial statements have been prepared considering the impact that the spread of COVID-19 has and continues to have on local, national and worldwide economies. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Canadian and global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Trust has considered the negative economic outlook and cash flow difficulties that may be experienced as a result of this virus, on its tenants, suppliers and lenders. Despite the commencement of a vaccine rollout, the ultimate duration and impacts of the COVID-19 pandemic are not currently known, the Trust has used the best information available as at December 31, 2020, in determining its estimates and the assumptions that affect the carrying amounts of assets and liabilities, and earnings for the year. Actual results could differ from those estimates. The Trust considers the estimates that could be most significantly impacted by COVID-19 to include those underlying the valuation of investment properties, real estate held within equity accounted investments and participating loan interests and the estimated credit losses on accounts receivable and mortgage investments.

b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for investment properties, real estate held in equity accounted investments, participating loan interests, and foreign currency forward contracts each of which have been measured at fair value through profit or loss ("FVTPL") as determined at each reporting date.

c) Principles of Consolidation

The consolidated financial statements reflect the operations of the Trust, its wholly-owned subsidiaries and its proportionate share of joint arrangements which are classified as joint operations. Entities subject to joint arrangements characterized as joint ventures are accounted for using the equity method. As at December 31, 2020, the Trust also maintains a 63.40% (December 31, 2019 – 65.78%) interest in Centurion Real Estate Opportunities Trust ("REOT"), which invests in a diversified portfolio of mortgages and opportunistic real estate developments. The

following summarizes the results of the material subsidiaries in which the Trust maintains a controlling interest before any intercompany eliminations:

As at	December 31, 2020	December 31, 2019
Total assets	\$ 678,761	\$ 820,478
Total liabilities	\$ 28,451	\$ 86,646
Net assets attributable to Unitholders of the Trust	\$ 416,003	\$ 482,293
Net assets attributable to Non-Controlling Interest	\$ 234,307	\$ 251,539
	December 31, 2020	December 31, 2019
Revenue and net interest income	\$ 43,451	\$ 50,527
Fair value adjustment and income from equity accounted investments	6,874	17,481
Expenses	(6,297)	(13,113)
Net Income and Comprehensive Income attributable to unitholders of the Trust	\$ 27,912	\$ 36,060
Net Income and Comprehensive Income attributable to non-controlling interest	\$ 16,116	\$ 18,835

The financial statements of the subsidiaries included in the consolidated financial statements are from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries are consistent with the accounting policies of the Trust and their financial statements have been prepared for the same reporting period as the Trust. All intercompany transactions and balances have been eliminated upon consolidation.

d) Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency, unless otherwise stated.

e) Critical Accounting Estimates, Assumptions and Judgments

The preparation of the consolidated financial statements requires management to make estimates, assumptions, and judgments that affect accounting policies and the reported amounts of assets, liabilities at the date of the consolidated financial statements, and income and expenses during the reporting period.

Estimates, assumptions, and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments. While management makes its best estimates and assumptions, actual results could differ from these and other estimates.

The significant estimates, assumptions, and judgments used in the preparation of the consolidated financial statements are as follows:

Measurement of Fair Value

Fair value measurements are recognized in financial and non-financial assets and liabilities categorized using a fair value hierarchy that reflects the significance of inputs used in determining their fair values:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Quoted prices in active markets for similar assets or liabilities or valuation techniques where significant inputs are based on observable market data.
- Level 3: Valuation techniques for which any significant input is not based on observable market data.

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety. The information about assumptions made in the determination fair value is included in the following notes:

- Note 4: Investment properties
- Note 5: Equity accounted investments
- Note 7: Participating loan interests
- Note 22: Fair value measurement disclosures

Measurement of Expected Credit Loss (“ECL”)

The ECL model requires evaluation and recognition of an allowance for expected credit losses over the next 12 months for investments without significant deterioration in credit risk and an allowance of lifetime losses on investments that have experienced a significant increase in credit risk since origination.

Management assesses financial assets for objective evidence of significant changes in credit risk at each reporting period by specifically considering, but not limited to, the following:

- Payment default by a borrower is not cured within a reasonable period
- Whether the security of the mortgage is significantly negatively impacted by recent events
- Financial difficulty experienced by a borrower
- Changes in assumptions about local economic and other real estate market conditions in the geographic area in which a borrower’s project is located
- Management’s judgment as to whether current economic and credit conditions are such that potential losses at the reporting date are likely to be higher or lower than the amounts suggested by historic experience

The calculation of expected credit losses requires significant judgment to determine the variables that are relevant for each mortgage investment and probability weights that should be applied. Management exercises expert credit judgment in determining the amount of ECLs at each reporting date by considering reasonable and supportable information that is not already incorporated in the quantitative modeling process. Changes in these inputs, assumptions, models, and judgments directly impact the measurement of ECLs.

Business Combinations

The Trust exercised judgment in determining whether the acquisition of a property should be accounted for as an asset purchase or business combination. This assessment impacts the treatment of transaction costs (including commissions, land transfer tax, appraisals, and legal fees associated with an acquisition), allocation of acquisition costs and whether or not goodwill is recognized. A business generally consists of inputs, processes applied to these inputs and resulting outputs that are, or will be, used to generate revenues. In the absence of such criteria, a group of assets is deemed to have been acquired. The Trust generally accounts for its investment property acquisitions as asset acquisitions.

Classification of Co-Investments

The Trust makes judgments as to whether its co-investments provide it with control, joint control, significant influence or no influence. The Trust has determined that it has joint control in all its co-ownerships and therefore has accounted for its investment in these co-ownerships as joint operations and applied the proportionate consolidation method to account the share of net assets, liabilities, revenues and expenses method to account for these arrangements. Co-investments structured through entities requires the Trust to apply judgement in determining the appropriate accounting treatment based on the terms of the governing documents.

3. Significant Accounting Policies

a) Investment Properties

The Trust accounts for its investment properties using the fair value model in accordance with *IAS 40 - Investment Properties* ("IAS 40"). Investment property is defined as property held to earn rentals or for capital appreciation or both. Investment properties are initially recorded at cost, including related transaction costs if the transaction is deemed to be an asset acquisition. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date.

Any changes in the fair value are included in operating income in the consolidated statement of net income and comprehensive income. Fair value is supported by independent external valuations or detailed internal valuations using market-based assumptions, each in accordance with recognized valuation techniques.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

b) Financial Instruments

Recognition and measurement

Financial instruments are classified as one of the following: (i) FVTPL, (ii) fair value through other comprehensive income ("FVOCI") or (iii) amortized cost or (iv) other liabilities. Initially, all financial instruments are recorded in the consolidated statement of financial position at fair value. After initial recognition, the effective interest related to financial instruments are measured at amortized cost and the gain or loss arising from the change in the fair value of the financial instruments are classified as FVTPL are included in net income for the year in which they arise. The classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Trusts designation of such instruments. The Trust has no financial instruments classified as FVOCI. Interest income from financial assets, not classified as FVTPL, is determined using the effective interest rate method.

Derecognition of financial assets and liabilities

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. The Trust derecognizes a financial liability when the obligation under the liability is discharged, canceled or expires.

c) Joint Arrangements

The Trust enters into joint arrangements through joint operations and joint ventures. A joint arrangement is a contractual arrangement pursuant to which the Trust and other parties undertake an economic activity that is subject to joint control, whereby the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint arrangements that involve the establishment of a separate entity in which each party to the venture has rights to the net assets of the arrangement are referred to as joint ventures.

The Trust accounts for its interest in joint ventures using the equity method. The Trust's investment in joint ventures are initially accounted for at cost, and the carrying amount is increased or decreased to recognize the Trust's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition. If an arrangement is considered a joint operation, the Trust will recognize its proportionate share of assets, liabilities, income, and expenses on a line-by-line basis. The Trust elected to measure one investment in the associates and joint ventures at fair value through profit and loss.

d) Mortgage Investments

Mortgage investments are classified and measured at amortized cost using the effective interest method, less any impairment losses. Mortgage investments are assessed at each reporting date to determine whether there is objective evidence of significant changes in credit risk. A mortgage investment's credit risk increases when objective evidence indicates that factors have occurred after the initial recognition of an investment and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The Trust's internal credit risk rating process involves judgment and combines multiple factors to arrive at a specific score to assess each mortgage investment the probability of default. These factors include the loan to value ratio, borrower's net worth and ability to service debt, project location, experience with the borrower and credit score. Significant changes in the internal credit risk rating have resulted in reclassifications of mortgage investments into Stage 2 and Stage 3.

Allowance for ECL on Mortgage Investments

The Trust maintains an allowance to cover impairment in the existing portfolio for loans that have not yet been individually identified as impaired. Under IFRS 9, an allowance is recorded for ECL on financial assets according to the following stages:

Stage 1	When mortgage investments are recognized they are classified into Stage 1. The Trust recognizes an allowance based on 12 months ECL, which represent ECLs related to default events that are expected to occur within 12 months after the reporting date. Stage 1 mortgage investments also include investments where the credit risk has subsequently improved such that the increase in credit risk since initial recognition is no longer significant and the mortgage investments have been reclassified from Stage 2.
Stage 2	When a mortgage investment has shown a significant increase in credit risk since origination, the Trust reclassifies the mortgage investment to Stage 2 and an allowance is recognized at an amount equal to ECL over the remaining life. Stage 2 mortgage investments also include investments where the credit risk has improved and the mortgage has been reclassified from Stage 3.
Stage 3	<p>The Trust classifies mortgage investments to Stage 3 when payment defaults by the borrower are not cured within a reasonable period. In certain other cases, where qualitative thresholds indicate unlikelihood to pay as a result of a credit event, the Trust carefully considers whether the event should result in an assessment at Stage 2 or Stage 3 for ECL calculations.</p> <p>Allowances required for impaired loans are recorded for individually identified impaired investments to reduce their carrying value to the expected recoverable amount. The Trust reviews investments on an ongoing basis to assess whether any loans should be classified as impaired and whether an allowance or write-off should be recorded.</p>

An impairment loss is calculated as the difference between the carrying amount of the mortgage investment and the present value of the probability weighted estimated future cash flows discounted at the original effective interest rate. Losses are charged to the consolidated statement of net income and comprehensive income and are reflected in the allowance for expected credit losses. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of net income and comprehensive income.

If there is no significant deterioration in credit risk for a specific debt investment, the allowance for ECL for a particular debt investment is calculated based on management's estimated deterioration in the probability weighted value of the underlying security.

e) Leases

A contract contains a lease if it conveys the right to control the use of a specified asset for a time period in exchange for consideration. To identify a lease, the Trust determines whether it has the right to direct the use of the specified underlying asset and also obtains substantially all the economic benefits from its use. The Trust does not apply the provisions of IFRS 16 to intangible assets.

When assessing the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgment is based on factors such as contract rates compared to market rates, the significance of other assets such as leasehold improvements, termination and relocation costs, location characteristics, and any sublease term.

The Trust has elected not to recognize lease assets and lease liabilities for low-value assets or short-term leases with a term of 12 months or less. Fixed lease payments on such leases are recognized in administrative or operating expenses, as applicable, on a straight-line basis over the lease term.

The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Trust's incremental borrowing rate. The Trust estimates the incremental borrowing rate based on the lease term, collateral, and the applicable economic environment. The lease liability is subsequently measured at amortized cost using the effective interest method. The lease liability is remeasured when the expected lease payments change as a result of certain modifications, changes in payments based on an index or rate, or due to changes in the lease term.

The lease asset is recognized at the present value of the liability at the commencement date of the lease. The lease asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term. The lease asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

f) Participating Loan Interests

The Trust enters into debt investments that comprise of a combination of contractual interest and potential enhanced returns such as profit participation. Participating loan interests are measured at FVTPL due to the characteristics of the instrument not being solely for the payment of principal and interest. The Trust recognizes interest income on participating loan interests based on the contractual terms of the agreement and is included as part of interest income on the consolidated statement of net income and comprehensive income. At the end of each reporting period, the Trust determines the fair value of the entire instrument with the corresponding gain or loss recorded as fair value gain/loss in the consolidated statement of net income and comprehensive income. Any interest income arising from the contractual portion of the mortgage investment and/or the participating loan interest are recorded as interest income and any remaining non-contractual gains or losses are recognized through FVTPL.

g) Property, Plant, and Equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and mainly comprise head office and regional offices leasehold improvements, corporate and information technology systems. These items are amortized on a straight-line basis over their estimated useful lives ranging from three to five years, or, in the case of leasehold improvements, are amortized over the shorter of the lease term and their estimated useful lives.

h) Foreign Currency Forward Contracts

The Trust may enter into foreign currency forward contracts to economically hedge the foreign currency risk exposure of its mortgage and other investments that are denominated in foreign currencies. The value of foreign currency forward contracts entered into by the Trust is recorded as the difference between the value of the contract on the reporting period and the value on the date the contract originated. Any resulting gain or loss is recognized in the consolidated statement of net income and comprehensive income unless the foreign currency contract is effective as a hedging instrument and designated as such under IFRS. The Trust has elected to not account for the foreign currency contracts as an accounting hedge.

i) Revenue Recognition

Revenue from investment properties includes rents from tenants under leases and ancillary income (such as utilities, parking, and laundry) paid by the tenants under the terms of their existing leases which is treated as one overall performance obligation. Revenue recognition under a lease commences when a tenant has a right to use the leased asset, and revenue is recognized when control of the goods or services is transferred to the customer at an amount that

reflects the consideration to which the REIT expects to be entitled in exchange for those goods or services. The REIT has not transferred substantially all of the risks and benefits of ownership of its income producing properties and, therefore, accounts for leases with its tenants as operating leases.

Rental income is accounted for on a straight-line basis over the lease terms. Ancillary income is considered non-lease components and is within the scope of IFRS 15 – Revenue from Contracts with Customers. The performance obligation for property management and ancillary services is satisfied over time.

j) Provisions

Provisions are recognized when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

The amount of a provision is based on management's best estimate of the expenditure that is required to settle the obligation at the end of the reporting year. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

k) Borrowing Costs and Interest on Mortgages Payable

Mortgage expenses include mortgage interest, which is expensed at the effective interest rate and all transaction costs incurred in connection with obtaining mortgages and credit facilities are amortized over the associated debt term.

Fees and insurance premiums paid to Canada Mortgage and Housing Corporation ("CMHC") are capitalized to Other Assets and are amortized over the amortization period of the underlying mortgage loans when incurred (initial amortization period is typically 25 to 35 years). Amortization expenses are included in finance costs in the consolidated statements of income and comprehensive income. If the Trust fully refinances an existing mortgage, any unamortized prepaid CMHC premiums and fees associated with the existing mortgages on that property will be written off through finance costs in the period in which full refinancing occurs. Any premium credits received upon refinancing will be capitalized and amortized over the new amortization period. Similarly, if the Trust discharges an existing mortgage, any unamortized prepaid CMHC premiums and fees associated with that mortgage will be written off through finance costs in the period in which the discharge occurs. If the Trust renews a mortgage, it will continue to amortize the existing prepaid CMHC premiums and fees associated with the existing mortgage over the remaining amortization period.

l) Employee Benefits

Short-term employee benefit obligations, including vacation and bonus payments, are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities are recognized for the amounts expected to be paid within 12 months as the Trust has an obligation to pay this amount as a result of a past service provided by the employee, and the obligation can be estimated reliably. Short-term employee benefits are recorded in Accounts payable and accrued liabilities.

The Trust maintains a deferred trust unit plan for some of its employees. This plan is considered cash settled and the fair value of the amount payable is recognized as an expense with a corresponding increase in liabilities, over the vesting period of the units issued. The liability is remeasured at each reporting date and settlement date. Any changes in the fair value of the liability are recognized in the consolidated statement of financial position.

m) Distribution Reinvestment and Unit Purchase Plan (“DRIP”)

The Trust has instituted a Dividend Reinvestment Plan (“DRIP”) in accordance with Article 5.8 of the Declaration of Trust which provides that the Trustees may in their sole discretion establish a distribution reinvestment plan at any time providing for the voluntary reinvestment of distributions by some or all the Trust Unitholders as the Trustees determine. Currently, Unitholders receive a 2% discount on Units purchased through DRIP. No commissions, service charges or brokerage fees are payable by participants in connection with the DRIP.

n) Net Assets Attributable to Unitholders

In accordance with *IAS 32 - Financial Instruments: Presentation* (“IAS 32”), puttable instruments are generally classified as financial liabilities. The Trust’s units are puttable instruments, meeting the definition of financial liabilities in IAS 32. There are exception tests within IAS 32 that could result in a classification as equity; however, the Trust’s units do not meet these exception requirements. Therefore, the Trust has no instrument that qualifies for equity classification on its Statement of Financial Position pursuant to IFRS. The classification of all units as financial liabilities with the presentation as net assets attributable to Unitholders does not alter the underlying economic interest of the Unitholders in the net assets and net operating results attributable to Unitholders.

The Trust’s units are carried on the Statement of Financial Position at net asset value. Although puttable instruments classified as financial liabilities are generally required to be remeasured to fair value at each reporting year, the alternative presentation as net assets attributable to Unitholders reflects that, in total, the interests of the Unitholders are limited to the net assets of the Trust.

o) Income Taxes

The Trust qualifies as a Mutual Fund Trust for Canadian income tax purposes. In accordance with the terms of the Declaration of Trust, the Trust intends to distribute its income for income tax purposes each year to such an extent that it will not be liable for income taxes under Part I of the Income Tax Act (Canada). The Trust is eligible to claim a tax deduction for distributions paid and, intends to continue to meet the requirements under the Income Tax Act (Canada). Accordingly, no provision for income taxes payable has been made related to Canadian domiciled investments. Income tax obligations relating to distributions of the Trust are the obligations of the Unitholders.

The Trust's U.S. investment properties and certain equity accounted investments are held by U.S. subsidiaries are taxable legal entities. The Trust uses the liability method of accounting for U.S. income taxes. Under the liability method of tax allocation, current income tax assets and liabilities are based on the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted as at the consolidated balance sheet dates.

Deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that deductions, tax credits and tax losses can be utilized. The carrying amounts of deferred income tax assets are reviewed as at each consolidated balance sheet date and reduced to the extent it is no longer probable that the income tax asset will be recovered.

In accordance with IAS 12, Income Taxes (“IAS 12”), the Trust measures deferred income tax assets and liabilities on its U.S. investment properties based on the rebuttable presumption that the carrying amount of the investment property is recovered through sale, as opposed to presuming that the economic benefits of the investment property will be substantially consumed through use over time. This presumption is rebutted if the investment property is held

within a business model whose objective is to consume substantially all of the economic benefits embodied in the income producing property over time rather than through sale.

p) Changes in Accounting Policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those of the prior year, except for the adoption of new standards and interpretations effective January 1, 2020 as follows:

Classification of trailer fees paid

In 2020, the Trust retrospectively amended its accounting policy with respect to the treatment of trailer fees for an immaterial correction. Previously the Trust elected to capitalize trailer fees paid by the Trust to net assets attributable to unitholders. In 2020, the Trust began to expense trailer fees through the statement of Net Income and Comprehensive Income. The policy change was applied retrospectively and the 2019 comparative figures were adjusted as follows:

- i) An increase in other expenses of \$6,473 resulting in a net income and comprehensive income of \$289,107
- ii) An increase in proceeds of units issued (net of issuance costs) of \$6,473, resulting in the total proceeds of units issued (net of issuance costs) of \$459,984. There were no changes to the amount of net assets attributable to unitholders as at December 31, 2019.
- iii) A decrease of \$6,473 in cash flows from operating activities for a total of \$97,807 and an increase of \$6,473 in cash flows from financing activities for a total of \$558,256.

Amendments to IFRS 3, Business Combinations - Definition of a Business

The amendments to the definition of a business in IFRS 3 help entities determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements for a business, removed the assessment of whether market participants are capable of replacing any missing elements, added guidance to help entities assess whether an acquired process is substantive, narrowed the definitions of a business and of outputs, and introduced an optional fair value concentration test. The amendments are applied prospectively to transactions or other events that occur on or after the date of first application and did not have a significant impact on the Trust's consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

Amendments to IAS 1 and IAS 8 align the definition of "material" across the standards and clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The adoption of the amendments to the definition of material did not have a significant impact on the Trust's consolidated financial statements.

q) Future Accounting Policy Changes

The following new or amended accounting standards under IFRS have been issued or revised by the IASB; however, they are not yet effective and as such have not been applied to the consolidated financial statements.

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

4. Investment Properties

Investment properties are measured at fair value as at the consolidated statement of financial position date. Any changes in the fair value are included in the consolidated statement of net income and comprehensive income.

The Trust investment properties consist of the following:

	December 31, 2020	December 31, 2019
Balance, beginning of year	\$ 1,808,604	\$ 1,126,421
Property acquisitions	602,191	450,088
Increase in property valuation	106,323	251,144
Foreign currency translation	—	(4,549)
Reclassification to equity accounted investments	(71,568)	—
Transfer to investment properties held for sale	—	(14,500)
Balance, end of year	\$ 2,445,550	\$ 1,808,604
	December 31, 2020	December 31, 2019
Increase in property valuation	\$ 106,323	\$ 251,144
Less: Acquisition costs	(12,053)	(13,288)
Less: Property improvements	(55,696)	(27,562)
Less: Other changes	—	(5,708)
Less: Loss on disposal of investment properties	\$ (317)	\$ (166)
Fair value Adjustment on investment properties	\$ 38,257	\$ 204,420
Fair value gain (loss) on participating loan interest	\$ (3,954)	\$ 776
Total fair value gains, net	\$ 34,303	\$ 205,196

During the year ended December 31, 2020, the Trust determined that two of its investment properties previously consolidated were required to be reclassified to equity accounted investments on the basis of the nature and structure of the arrangement.

The following valuation techniques were considered in determining the fair value which are all considered a level 3 valuation technique in the fair value hierarchy:

1. Consideration of recent prices of similar properties within similar market areas;
2. The direct capitalization method, which is based on the conversion of current and future normalized earnings potential directly into an expression of market value. The Normalized Net Operating Income (“NNOI”) for the year is divided by an overall capitalization rate (inverse of an earnings multiplier) to arrive at the estimate of fair value.

At each reporting date, the Trust assembles the property specific data used in the valuation model based on the process outlined in the valuation framework, reviews the valuation framework to determine whether any changes or updates are required, inputs the capitalization rates, set-offs and normalization assumptions provided by the valuers, and delivers the completed valuation framework to the external appraiser for review.

The external appraiser determine the capitalization rates that should be used in valuing the properties, provide charts of comparable sales and supporting relevant market information, determining the appropriate industry standard. Set

off amounts and normalization assumptions used in the calculation of NOI, and supplying a fair value report for the Trust to reflect in the consolidated financial statements.

Capitalization Rate Sensitivity Analysis

As at December 31, 2020, the Trust conducted a valuation of its investment properties on an individual basis, with no portfolio effect considered, to determine the estimated fair value of its investment properties.

Capitalization rates used to generate estimated fair values for the investment properties ranged from 3.25% to 5.63% at December 31, 2020 (December 31, 2019 – 3.25% to 5.75%) with a weighted average capitalization rate across the total portfolio of 4.20% (December 31, 2019 – 4.33%).

The table below presents the sensitivity of the fair valuation of investment properties to the changes in capitalization rate (inclusive of investment property held for sale).

Capitalization rate sensitivity increase (decrease)	Weighted average capitalization rate	Fair value of investment property	Fair value variance	% change
(0.75)%	3.45%	\$ 2,977,191	\$ 531,641	21.7%
(0.50)%	3.70%	\$ 2,776,030	\$ 330,480	13.5%
(0.25)%	3.95%	\$ 2,600,332	\$ 154,782	6.3%
—%	4.20%	\$ 2,445,550	—	—
0.25%	4.45%	\$ 2,308,160	\$ (137,390)	5.6%
0.50%	4.70%	\$ 2,185,385	\$ (260,165)	10.6%
0.75%	4.95%	\$ 2,075,012	\$ (370,538)	15.2%

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2020
(Expressed in thousands of Canadian dollars)

Acquisitions

During the year ended December 31, 2020, the Trust completed the following investment property asset acquisitions, which contributed to the operating results effective from the acquisition date.

Acquisition Date	Rental Units	% Holding	Purchase Price	Mortgage Funding	Mortgage Interest Rate	Mortgage Maturity Date
January 15, 2020	234	100%	\$ 61,500	\$ 35,000	3.26%	February 1, 2023
January 15, 2020	292	100%	51,500	29,000	3.26%	February 1, 2023
January 15, 2020	306	100%	92,000	66,993	2.47%	March 1, 2030
January 17, 2021 ⁽³⁾	176	50%	18,150	13,801	2.51%	June 1, 2030
March 19, 2020 ⁽¹⁾	93	100%	30,525	20,083	1.81%	July 1, 2030
June 4, 2020 ⁽²⁾⁽³⁾	100	100%	32,000	—	—%	—
July 17, 2020	684	100%	174,991	116,851	1.68%	August 1, 2030
September 1, 2020	175	100%	55,000	40,466	1.69%	March 1, 2031
November 30, 2020	138	100%	72,425	44,042	3.08%	September 1, 2024
December 15, 2020	150	100%	14,100	10,748	2.37%	December 15, 2025
			\$ 602,191	\$ 376,984		

⁽¹⁾ The acquisition was partially purchased through issuance of 314,323 Exchangeable LP Units (note 13) for a total of \$5,939.

⁽²⁾ The Trust obtained \$21,170 in mortgage financing for this property subsequent to year-end.

⁽³⁾ The Trust transferred these properties from Centurion Real Estate Opportunities Trust.

During the year ended December 31, 2019, the Trust completed the following investment property asset acquisitions, which contributed to the operating results effective from the acquisition date.

Acquisition Date	Rental Units	% Holding	Total Purchase Price	Mortgage Funding	Mortgage Interest Rate	Mortgage Maturity Date
April 25, 2019	204	75 %	36,494	23,014	2.35%	May 3, 2022
May 31, 2019	134	50 %	33,000	22,505	2.48%	December 1, 2028
June 26, 2019	136	100 %	40,267	10,267	2.40%	September 1, 2029
June 28, 2019	416	50 %	46,700	31,479	2.37%	December 1, 2028
July 15, 2019	82	100 %	13,850	6,700	3.29%	October 1st, 2021
July 15, 2019	176	45 %	17,600	11,749	2.39%	December 1, 2028
August 7, 2019	95	100 %	32,700	21,031	2.13%	September 1st, 2029
August 26, 2019	90	100 %	31,300	20,374	2.13%	September 1st, 2029
September 24, 2019	146	100 %	56,000	35,164	2.52%	December 1st, 2029
November 27, 2019	208	45 %	21,152	14,710	2.51%	December 1st, 2029
December 9, 2019	63	100 %	21,025	—	—	—
December 13, 2019	238	100 %	100,000	—	—	—
			\$ 450,088	\$ 196,993		

Investment in Joint Arrangements

Included within investment properties are the following joint operations, which are governed by co-ownership arrangements:

	December 31, 2020	December 31, 2019
75 Ann & 1 Beaufort Co-ownership	75 %	75 %
1 Columbia	50 %	50 %
Harbourview Estates LP	60 %	60 %
Pandora	50 %	50 %
The Residence of Seasons LP	50 %	50 %
Bridgewater Apartments	45 %	45 %
Bridgewater Apartments II	45 %	45 %
No. 21 Apartments LP	50 %	—

The Trust's share of assets, liabilities, revenues, expenses and net income and cash flows from investments in joint operations that are reflected in the consolidated financial statements are as follows:

For the year ended	December 31, 2020	December 31, 2019
Non-current assets	\$ 228,462	\$ 195,574
Current assets	(48,464)	(13,206)
Total assets	\$ 179,998	\$ 182,368
Non-current liabilities	141,724	115,426
Current liabilities	3,345	(2,626)
Total liabilities	\$ 145,069	\$ 112,800
Revenues	\$ 16,215	\$ 10,251
Expenses	(10,331)	(6,146)
Fair value adjustment on investment properties	2,988	13,625
Net income	\$ 8,872	\$ 17,730

Dispositions

During the year ended December 31, 2020, the Trust made the following dispositions:

Disposition Date	Rental Units	% Holding	Disposition Proceeds	Original Purchase	Cumulative Fair Value	Fees on disposition	Gain (Loss) on Sale
February 27, 2020	23	100%	\$ 14,500	\$ 9,160	\$ 5,362	\$ 295	\$ (317)

During the year ended December 31, 2019, the Trust made the following dispositions:

Disposition Date	Rental Units	% Holding	Disposition Proceeds	Purchase Price	Fair Value Adjustment	Fees on disposition	(Loss) on Sale
September 30, 2019	46	100%	\$ 6,185	\$ 4,972	\$ 1,167	\$ 148	\$ (102)
September 30, 2019	28	100%	\$ 3,765	\$ 3,026	\$ 710	\$ 93	\$ (64)
			\$ 9,950	\$ 7,998	\$ 1,877	\$ 241	\$ (166)

5. Equity Accounted Investments

Investment properties held within equity accounted investments generally consist of development assets and are measured at fair value as at the consolidated statement of financial position dates. Any changes in the fair value are included in the consolidated statement of comprehensive income. Fair value is supported by independent external valuations or detailed internal valuations using market-based assumptions, each in accordance with recognized valuation techniques. The techniques used comprise the capitalized net operating income method less cost to complete and include estimating, among other things, future stabilized net operating income, capitalization rates and other future cash flows applicable to investment properties. Fair values for investment properties are classified as Level 3 in the fair value hierarchy.

The carrying value of equity accounted investments consists of the following:

Entity	Ownership	December 31, 2019	Net Contributions/ (Distributions)	Income inclusive of Fair Value Adjustment	Foreign Currency Translation	Disposition	December 31, 2020
ME Living Phase 1 LP ¹	75 %	\$ 17,632	\$ 662	\$ 419	\$ —	\$ (17,918)	\$ 795
No. 21 Apartments LP ²	50 %	7,165	—	90	—	(7,255)	—
4Square LP	70 %	19,127	2,870	(67)	—	—	21,930
CCA CBD Minneapolis LLC	46 %	13,471	(3,694)	516	(66)	—	10,227
Trillium Mountain Ridge Inc	50 %	7,977	523	10	—	—	8,510
CCA Crossroad Kansas City LLC	35 %	9,287	—	1,262	(291)	—	10,258
Sage Apartments LP	50 %	12,124	—	3,503	—	—	15,627
ACRON ARG Lake Carolyn Residential LLC	75 %	27,572	—	927	(579)	—	27,920
9 Dawes LP ²	21 %	4,672	—	(152)	—	(4,520)	—
Lee-Tamiami LLC	75 %	16,810	—	(571)	(466)	—	15,773
Centurion Rise (520 Ellesmere) LP	75 %	8,955	(768)	2,362	—	—	10,549
ACRON ARG Belterra Austin LLC	71 %	15,367	—	4,062	(540)	—	18,889
The View at Charlesworth LP	50 %	2,050	230	568	—	—	2,848
Warehouse District Flats LLC	80 %	8,312	5,879	2,945	(660)	—	16,476
Bridgewater Trails III Apartments LP	45 %	—	6,318	818	—	—	7,136
Centurion Rise (Royal Court Barrie) LP	75 %	—	6,804	1,386	—	—	8,190
ME Living - Phase 3 & 4	72 %	\$ —	\$ 13,620	\$ —	\$ —	\$ —	\$ 13,620
The Burroughs Kanata LP	67 %	\$ —	\$ 3,311	\$ —	\$ —	\$ —	\$ 3,311
Clark Timothy LLC	75 %	\$ —	\$ 9,514	\$ 1,126	\$ —	\$ —	\$ 10,640
Oxford Ranch Apartments LLC	85 %	\$ —	\$ 8,428	\$ (1,940)	\$ —	\$ —	\$ 6,488
Oxford at Country Club Apartments LLC	85 %	\$ —	\$ 9,459	\$ (1,107)	\$ —	\$ —	\$ 8,352
		\$ 170,521	\$ 63,156	\$ 16,157	\$ (2,602)	\$ (29,693)	\$ 217,539

⁽¹⁾The Trust has elected to measure investments in associates and joint ventures at FVTPL.

⁽²⁾The Trust disposed of its equity position in No. 21 Apartments LP and 9 Dawes LP during 2020.

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Entity	Ownership	December 31, 2018	Net Contributions/ (Distributions)	Income and Fair Value adjustment	Currency Translation Adjustment	Disposition	December 31, 2019
The Residences of Seasons LP ²	50%	\$ 19,554	\$ 349	\$ (1,471)	\$ —	\$ (18,432)	\$ —
ME Living Phase 1 LP ¹	75%	15,744	—	1,888	—	—	17,632
Bridgewater Trails Apartments LP ²	45%	8,154	—	(334)	—	(7,820)	—
No. 21 Apartments LP	50%	5,040	—	2,125	—	—	7,165
Bridgewater Trails 2 Apartments LP ²	45%	6,334	—	1,902	—	(8,236)	—
4Square LP	70%	10,953	3,668	4,506	—	—	19,127
CCA CBD Minneapolis LLC	47%	12,336	—	1,752	(617)	—	13,471
Trillium Mountain Ridge Inc	50%	7,360	—	617	—	—	7,977
CCA Crossroad Kansas City LLC	35%	1,793	6,129	1,621	(256)	—	9,287
Sage Apartments LP	50%	7,107	3,603	1,414	—	—	12,124
ACRON ARG Lake Carolyn Residential LLC	75%	23,656	—	5,096	(1,180)	—	27,572
9 Dawes LP	21%	2,778	—	1,894	—	—	4,672
Lee-Tamiami LLC	75%	10,278	3,193	3,973	(634)	—	16,810
Centurion Rise (520 Ellesmere) LP	75%	—	8,955	—	—	—	8,955
ACRON ARG Belterra Austin LLC	71%	—	15,565	—	(198)	—	15,367
The View at Charlesworth LP	50%	—	2,050	—	—	—	2,050
Warehouse District Flats LLC	80%	—	8,420	—	(108)	—	8,312
		\$ 131,087	\$ 51,932	\$ 24,983	\$ (2,993)	\$ (34,488)	\$ 170,521

⁽¹⁾The Trust has elected to measure investments in associates and joint ventures at FVTPL.

⁽²⁾The Trust disposed of its equity position in "The Residences of Seasons LP", "Bridgewater Trails Apartments LP" and "Bridgewater Trails 2 Apartments LP" during 2019.

The Trust's portion of income and fair value adjustments for the year ended December 31, 2020 was \$16,157 (December 31, 2019: \$24,983), which includes a currency translation loss adjustment of \$(2,602) (December 31, 2019: \$(2,993))

As at December 31, 2020, the Trust has additional commitments for equity accounted investments of \$18,707 (December 31, 2019: \$17,762) due on request from borrowers.

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The following is the summarized financial information of the above investments at 100%:

As at December 31, 2020	ME Living Phase 1 LP (1)	ACRON ARG Lake Carolyn Residential LLC	Lee-Tamiami LLC	4Square LP	Other	Total
Non-current assets	\$ 26,140	\$ 82,659	\$ 57,623	\$ 107,583	\$ 530,810	\$ 804,815
Current assets	17,776	2,351	273	(998)	11,646	31,048
Total assets	\$ 43,916	\$ 85,010	\$ 57,896	\$ 106,585	\$ 542,456	\$ 835,863
Non-current liabilities	\$ (29,853)	\$ (51,348)	\$ (37,861)	\$ (58,127)	\$ (359,455)	\$ (536,644)
Current liabilities	(1,500)	(2,944)	(198)	(4,436)	(42,071)	(51,149)
Total liabilities	\$ (31,353)	\$ (54,292)	\$ (38,059)	\$ (62,563)	\$ (401,526)	\$ (587,793)
Total revenue	\$ —	\$ 5,200	\$ 197	\$ 926	\$ 19,353	\$ 25,676
Total expenses	—	(5,936)	(1,619)	(1,701)	(20,315)	(29,571)
Total fair value gains	558	1,236	(762)	(95)	24,562	25,499
Net income	\$ 558	\$ 500	\$ (2,184)	\$ (870)	\$ 23,600	\$ 21,604

⁽¹⁾ Certain equity accounted investments include economic interests above their ownership interests.

As at December 31, 2019	ME Living Phase 1 LP (1)	ACRON ARG Lake Carolyn Residential LLC	Lee-Tamiami LLC	4Square LP	Other	Total
Non-current assets	\$ 92,748	\$ 84,502	\$ 49,137	\$ 46,320	\$ 135,070	\$ 407,777
Current assets	2,495	223	99	837	68,994	72,648
Total assets	\$ 95,243	\$ 84,725	\$ 49,236	\$ 47,157	\$ 204,064	\$ 480,425
Non-current liabilities	\$ (59,052)	\$ (68,609)	\$ (30,409)	\$ (6,986)	\$ (22,002)	\$ (187,058)
Current liabilities	(21,456)	(5,003)	(4,921)	(25,282)	(17,624)	(74,286)
Total liabilities	\$ (80,508)	\$ (73,612)	\$ (35,330)	\$ (32,268)	\$ (39,626)	\$ (261,344)
Total revenue	\$ —	\$ 48	\$ —	\$ —	\$ 2,650	\$ 2,698
Total expenses	—	(490)	—	(17)	(2,466)	(2,973)
Total fair value gains	2,518	6,794	5,297	6,446	26,970	48,025
Net income	\$ 2,518	\$ 6,352	\$ 5,297	\$ 6,429	\$ 27,154	\$ 47,750

⁽¹⁾ Certain equity accounted investments include economic interests above their ownership interests.

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During the year ended December 31, 2020 the Trust acquired a 50% direct beneficial interest in an investment property (note 4) which was previously held as an equity accounted investments disposed of by Centurion Real Estate Opportunity Trust:

Entity	Disposition Date	% of Holding	Disposition Proceeds	Net Contributions	Cumulative Fair Value Gains	Gain (Loss) Recognized in 2020
No. 21 Apartments LP	January 17, 2020	50 %	\$ 7,255	\$ 3,712	\$ 3,454	\$ 89

During the year ended December 31, 2020 the Trust completed the following dispositions of equity accounted investments:

Entity	Disposition Date	% of Holding	Disposition Proceeds	Net Contributions	Cumulative Fair Value Gains	Gain (Loss) Recognized in 2020
9 Dawes LP	March 27, 2020	21 %	\$ 4,520	\$ 2,778	\$ 1,894	\$ (152)

During the year ended December 31, 2019, the Trust acquired the following beneficial interests in an investment properties (note 4) which were previously held as equity accounted investments owned by Centurion Real Estate Opportunity Trust:

Entity	Disposition Date	% of Holding	Disposition Proceeds	Net Contributions	Cumulative Fair Value Gains	Gain (Loss) Recognized in 2019
The Residence of Seasons LP	June 28, 2019	50%	18,432	10,567	9,336	(1,471)
Bridgewater Trails Apartments LP	July 15, 2019	45%	7,820	4,249	3,905	(334)
Bridgewater Trails II Apartments LP	November 27, 2019	45%	8,236	4,129	2,205	1,902

6. Mortgage Investments

Mortgages investments represent amounts under loan arrangements with third party borrowers. The weighted average effective interest rate on mortgage investments maturing between 2021 and 2025 is 9.57% (December 31, 2019: 9.34%). Interest income for year ended ended December 31, 2020 was \$49,144 (December 31, 2019: \$48,505). Cash interest received on mortgage investments for the year ended December 31, 2020 was \$37,770 (December 31, 2019: \$35,814).

Year ended December 31, 2020				
	Note	2020		2019
Interest income from mortgage investments	\$	41,087	\$	38,328
Interest expense on syndicated mortgage liabilities		(1,648)		(1,369)
Interest income from participating loan interests	7	9,705		11,546
Total interest income	\$	49,144	\$	48,505
Recovery of (allowance for) expected credit losses (ECL)	\$	4	\$	(479)

As at December 31, 2020, mortgage investments and syndicated mortgage investment liabilities are as follows:

As at December 31, 2020	Gross Mortgage Investments	Syndicated Mortgage Investments	Net Mortgage Investments
Non-current mortgage investments	\$ 62,391	\$ —	\$ 62,391
Current mortgage investments	254,762	(6,681)	248,081
	317,153	(6,681)	310,472
Allowance for ECL	(1,416)	—	(1,416)
Total mortgage investments	\$ 315,737	\$ (6,681)	\$ 309,056

As at December 31, 2019	Gross Mortgage Investments	Syndicated Mortgage Investments	Net Mortgage Investments
Non-Current mortgage investments	\$ 68,073	\$ —	\$ 68,073
Current mortgage investments	388,294	(28,520)	359,774
	456,367	(28,520)	427,847
Allowance for ECL	(1,642)	—	(1,642)
Total mortgage investments	\$ 454,725	\$ (28,520)	\$ 426,205

As at December 31, 2020, the Trust holds mortgage investments that contain participation agreements with third-party lenders, whereby the Trust retains residual interests subordinate to the interests syndicated to these third-party lenders.

All interest and fee income earned by the Trust recognized is included in the consolidated statement of net income and comprehensive income.

Interest paid to syndicate participants for the year ended December 31, 2020 was \$1,648 (December 31, 2019: \$1,369). As at December 31, 2020, the Trust has additional mortgage investment commitments of approximately \$231,001 (December 31, 2019: \$180,329).

As at December 31, 2020, continuity of mortgage investments, including the allowance for ECL, is allocated between the internal credit risk stages as follows:

	Stage 1	Stage 2	Stage 3	Total
Gross mortgage investments, beginning of the year	\$ 401,306	\$ 24,625	\$ 30,437	\$ 456,368
Funding	158,502	21,471	8,954	188,927
Repayment	(256,312)	(49,225)	(22,605)	(328,142)
Transfers to (from)	(34,207)	13,649	20,558	—
Gross mortgage investments, end of the year	\$ 269,289	\$ 10,520	\$ 37,344	\$ 317,153
Allowance for ECL, beginning of the year	\$ 703	\$ 281	\$ 659	\$ 1,643
Remeasurement	(228)	543	176	491
Repayment	(70)	(275)	(150)	(495)
Utilized	—	—	(223)	(223)
Transfers to (from)	(20)	(267)	287	—
Allowance for ECL, end of the year	\$ 385	\$ 282	\$ 749	\$ 1,416
Total mortgage investments	\$ 268,904	\$ 10,238	\$ 36,595	\$ 315,737

Of the \$328,142 (December 31, 2019: \$145,266) in mortgage investment repayments \$72,639 (December 31, 2019: \$43,118) were repaid to syndication participants resulting in net cash repayments on mortgage investments of \$255,503 (December 31, 2019: \$102,148). Of the \$188,927 in mortgage investment fundings, \$51,806 (December 31, 2019: \$54,033) were funded by syndication participants resulting in net mortgage investment fundings of \$137,121 (December 31, 2019: \$204,725).

As at December 31, 2019, mortgage investments, including the allowance for ECL, is allocated between the internal credit risk stages as follows:

	Stage 1	Stage 2	Stage 3	Total
Gross mortgage investments, beginning of the year	\$ 305,979	\$ 33,280	\$ 3,617	\$ 342,876
Funding / remeasurement	258,696	62	—	258,758
Repayment	(135,741)	(4,936)	(4,589)	(145,266)
Transfers to (from)	(27,628)	(3,781)	31,409	—
Gross mortgage investments, end of the year	\$ 401,306	\$ 24,625	\$ 30,437	\$ 456,368
Allowance for ECL, beginning of the year	\$ 475	\$ 608	\$ 80	\$ 1,163
Funding / remeasurement	374	188	158	720
Repayment	(101)	(125)	(14)	(240)
Transfers to (from)	(45)	(390)	435	—
Allowance for ECL, end of the year	\$ 703	\$ 281	\$ 659	\$ 1,643
Total mortgage investments	\$ 400,603	\$ 24,344	\$ 29,778	\$ 454,725

Future repayments for gross mortgage investments excluding the allowance for ECL are as follows:

	December 31, 2020	December 31, 2019
Within 1 year	\$ 254,762	\$ 388,294
1 to 2 years	55,787	33,233
2 to 3 years	2,482	32,824
3 to 4 years	—	2,016
Thereafter	4,122	—
Total repayments	\$ 317,153	\$ 456,367

The nature of the underlying assets for the Trust's mortgage investments as at December 31, 2020, is as follows:

	December 31, 2020	December 31, 2019
Low-Rise Residential	22 %	38 %
Land	23 %	23 %
Commercial/Mixed Use	19 %	16 %
High-Rise Condominium	9 %	12 %
Multi Family Apartments	17 %	4 %
Industrial	5 %	4 %
Student Housing	5 %	3 %
	100 %	100 %

As at December 31, 2020, the Trust's mortgage investments are comprised of an 67% interest (December 31, 2019: 82%) in first mortgages and an 33% interest (December 31, 2019: 18%) in second mortgages.

7. Participating Loan Interests

During year ended December 31, 2020, interest income was \$9,705 (December 31, 2019: \$11,546) and fair value loss recognized was \$3,954 (December 31, 2019: fair value gain of \$776). The fair value of the underlying real estate assets was determined using a detailed valuation framework, and the techniques considered in this framework are as follows:

The following valuation techniques were considered in determining the fair value:

1. Consideration of recent prices of similar properties within similar market areas;
2. The direct capitalized method for the underlying real estate security based on an "as if" completed basis, which is based on the conversion of future normalized earnings directly into an expression of market value less cost to complete.

As a result, the fair value of participating loan interests is based on Level 3 of the fair value hierarchy.

	December 31, 2020	December 31, 2019
Balance, beginning of year	\$ 127,550	\$ 137,123
Advances	22,368	17,600
Interest income	9,705	11,546
Fair value gains (loss)	(3,954)	776
Realized Fair Value Gain on Disposition	—	(8,879)
Repayment of principal	(33,716)	(27,225)
Repayment of interest	(8,985)	(3,391)
Balance, end of year	\$ 112,968	\$ 127,550

As at December 31, 2020, the Trust has additional contractual commitments of approximately \$13,646 for participating loan interests (December 31, 2019: \$22,086).

During the year ended December 31, 2020, the Trust acquired the underlying investment property secured by the participated loan interest from REOT:

Property	Disposition Date	% of Holding	Disposition Proceeds	Original Funding	Prior Years Cumulative Fair Value Losses	Gain (Loss) Recognized in 2020
Trax	June 4, 2020	100%	\$31,738	\$37,777	\$(4,093)	\$(1,946)

During the year ended December 31, 2019, the Trust acquired the underlying investment property secured by the participated loan interest from REOT:

Property	Disposition Date	% of Holding	Disposition Proceeds	Original Funding	Prior Years Cumulative Fair Value Gains	Gain (Loss) Recognized in 2019
Pandora	May 31, 2019	50%	\$13,366	\$4,487	\$8,452	\$427

8. Receivables and Other Assets

Receivable and other assets consist of the following:

	Note	December 31, 2020	December 31, 2019
Net rent receivables		\$ 769	\$ 624
Prepaid CMHC premiums, net		27,919	10,622
Other current assets		13,616	6,781
Acquisition deposits		14,008	12,332
Property and equipment		3,034	3,181
Leased assets	9	2,915	3,261
Prepaid expenses		910	1,687
Foreign currency futures contracts		—	4,095
		\$ 63,171	\$ 42,583

Prepaid CMHC premiums, net represents CMHC premiums on mortgages payable net of accumulated amortization of \$1,347 (December 31, 2019: \$697).

Total capitalized financing costs during the year ended December 31, 2020 amounted to \$18,597 (December 31, 2019: \$4,485) and total amortization of financing costs during the year amounted to \$2,465 (December 31, 2019: \$1,216).

Net rent receivables consist of the following:

	December 31, 2020	December 31, 2019
Rent receivables	\$ 1,202	\$ 801
Less: Allowance for expected credit loss	(433)	(177)
Net rent receivables	\$ 769	\$ 624

The following is an aging analysis of receivables:

	December 31, 2020	December 31, 2019
Current	\$ 690	\$ 626
31-60 days	140	56
61-90 days	74	45
Over 90 days	298	74
Allowance for expected credit loss	(433)	(177)
	\$ 769	\$ 624

9. Leases

Lease terms range from 1 to 10 years. After the inception of the lease, the Trust reassesses expectations about the exercise of renewal or termination options only when a significant event or change in circumstances occurs that is within the Trust's control.

As at December 31, 2020, lease liabilities reflected the Trust's weighted-average incremental borrowing rate of 5%. The Trust has not recognized any operating income or operating expenses from leased assets in the net rental income. The Trust's low-value and short-term leases are not material. The Trust has leases for office space for which it recognizes a lease asset. Balances associated with the Trust's right-of-use asset consist of the following:

	December 31, 2020	December 31, 2019
Right-of-Use Asset, beginning of year	\$ 3,261	\$ —
Additions	—	3,463
Depreciation	(346)	(202)
Total right-of-use asset	\$ 2,915	\$ 3,261

Certain right-of-use assets related to buildings meet the definition of investments property under IAS 40, *Investment property*; therefore, the fair value model is applied to those assets. Interest expense on the lease liability and the depreciation expense or fair gain (loss) on the right-of-use asset, depending on the balance sheet classification of the asset, are recognized separately from the lease liability.

	December 31, 2020	December 31, 2019
Lease expense recognized in general and administrative expenses	\$ 717	\$ 645
Depreciation of leased assets	346	202
Interest on lease liabilities	176	99
Total expenses associated with leased assets	\$ 1,239	\$ 946

	December 31, 2020	December 31, 2019
Cash payments for the interest on lease liabilities	\$ 176	\$ 99
Cash payments for leases not included in the measurement of lease liabilities	717	645
Cash outflows from operating activities	893	744
Cash payments for the principal portion of lease liabilities in financing activities	580	269
Total cash outflows for leases	\$ 1,473	\$ 1,013

	December 31, 2020	December 31, 2019
Maturity analysis - contractual undiscounted cash flows		
Less than one year	\$ 757	\$ 760
One to five years	2,202	2,000
More than 5 years	1,100	2,011
Total	\$ 4,059	\$ 4,771
Total lease liability	\$ 3,360	\$ 3,883
Current	605	580
Non-Current	\$ 2,755	\$ 3,303

10. Restricted Cash / Unit Subscriptions in Trust

As at December 31, 2020, restricted cash consists of cash not available for use of \$8,563 (December 31, 2019: \$13,617). This restricted cash represents Unitholder subscriptions held in trust until the trade settlement date. These amounts will be returned to investors if the proposed Unitholder subscriptions do not successfully proceed. All restricted cash as at December 31, 2020 is current in nature. Subsequent to year end, the restricted cash was released as units were issued to investors.

11. Mortgages Payable and Credit Facilities

Mortgages payable and credit facilities consist of the following:

	December 31, 2020	December 31, 2019
Current	\$ 116,857	\$ 45,478
Non-current	1,066,251	692,200
	\$ 1,183,108	\$ 737,678

Mortgages payable and credit facilities are secured by respective investment properties and are summarized as follows:

	December 31, 2020	December 31, 2019
First mortgages on investment properties, bearing interest between 1.58% and 4.35% (December 31, 2019: 1.33% and 4.99%), with a weighted average interest rate of 2.54% (December 31, 2019: 3.02%), and a weighted average maturity of 6.27 years (December 31, 2019 : 6.82 years), secured by related investment properties	\$ 1,028,089	\$ 611,833
Second mortgage on investment properties, bearing interest of 4.03% (December 31, 2019: 4.03%) and weighted average maturity of 3.84 years (December 31, 2019: 4.84 years), secured by related investment properties	915	947
Construction financing facilities, bearing interest rate of 3.70%, secured by related properties	16,647	—
Line of credit facilities, bearing interest rate of 3.10% (December 31, 2019: 4.62%) secured by assets of REIT and/or its subsidiaries	1,275	—
REIT proportion of mortgages held through joint arrangements, bearing interest between 0% and 4.20% (December 31, 2019: 0% and 5.45%), with a weighted average interest rate of 2.65% (December 31, 2019: 2.73%) and a weighted average maturity of 6.61 years (December 31, 2019: 7.46 years), secured by related investment properties in the joint venture	142,034	131,915
	\$ 1,188,960	\$ 744,695
Less: Unamortized portion of financing fees	(5,852)	(7,017)
	\$ 1,183,108	\$ 737,678

Substantially all the Trust's assets have been pledged as security under the related mortgages and other security agreements. Overall, the weighted average mortgage interest rate at December 31, 2020, was 2.56% (December 31, 2019: 2.97%).

Mortgages payable at December 31, 2020, are due as follows:

	Principal Repayments	Balance due at Maturity	Total
December 31, 2021	\$ 27,953	\$ 88,904	\$ 116,857
December 31, 2022	42,516	46,018	88,534
December 31, 2023	24,154	69,101	93,255
December 31, 2024	22,351	133,419	155,770
December 31, 2025	19,166	71,667	90,833
Thereafter	66,663	577,048	643,711
	\$ 202,803	\$ 986,157	\$ 1,188,960
Less: Unamortized portion of financing fees			(5,852)
			\$ 1,183,108

12. Accounts Payable and Other Liabilities

Accounts payable and other liabilities consist of the following:

	Note	December 31, 2020	December 31, 2019
Accrued expenses		\$ 13,165	\$ 10,022
Prepaid rent		2,029	2,349
Tenant deposits		7,609	7,007
Accounts payable		2,391	1,586
Lease liability	9	3,360	3,883
Deferred trust units		2,064	1,069
		\$ 30,618	\$ 25,916

13. Classification of Units

In accordance with the Declaration of Trust ("DOT"), the Trust may issue an unlimited number of units of various classes, with each unit representing an equal undivided interest in any distributions from the Trust, and in the net assets in the event of termination or wind-up of the Trust.

Authorized

i. Unlimited number of Class A Trust Units

Class A Trust Units are participating, with one vote per unit, no par value.

ii. Unlimited number of Class F Trust Units

Class F Trust Units are participating, with one vote per unit, no par value.

iii. Unlimited number of Class I Trust Units

Class I Trust Units are participating, with one vote per unit, no par value.

iv. Unlimited number of Class M Trust Units

Class M Trust Units are participating, reserved for Centurion Asset Management Inc. and represent a beneficial interest set as the ratio of the number of investor units, such that the amount of Class M Units will equal the number of investor units divided by 0.981 (December 31, 2019: 0.95) less the number of investor units. Apart from certain voting restrictions, Class M unitholders are entitled to vote to that percentage of all Unitholder votes equal to the Class M unit percentage interest. At any time, the holder of a Class M unit may convert into either Class A and or Class R units.

v. Unlimited number of Special Voting Units of the Trust and Exchangeable LP Units

Special Voting Units are non-participating, with one vote per share, issued on a one-for-one basis to holders of Exchangeable Securities of the original CAP LP II Partnership (the "Partnership") which rolled into the Trust. The Exchangeable Securities of the Partnership are participating along with the Class A, F, I and M Trust Units, non-voting and exchangeable by the holder into an equivalent number of Class A Trust Units.

Issued (in thousands of units)

	December 31, 2020	December 31, 2019
Class A Trust Units		
Units as at January 1,	59,208	50,483
New units issued	6,032	9,609
Distribution reinvestment plan	1,396	1,383
Redemption of units	(3,647)	(2,267)
	62,989	59,208
Class F Trust Units		
Units as at January 1,	28,800	15,871
New units issued	9,471	12,966
Distribution reinvestment plan	983	687
Redemption of units	(3,560)	(724)
	35,694	28,800
Exchangeable LP units		
Units as at January 1,	481	478
New units issued	314	—
Distribution reinvestment plan	13	3
Redemption of units	(1)	—
	807	481
Class M Trust Units		
Units as at January 1,	50	50
Redemption of units	(31)	—
	19	50
Class I Trust Units		
Units as at January 1,	3,030	644
New units issued	2,328	2,377
Distribution reinvestment plan	45	9
Redemption of units	(485)	—
	4,918	3,030

14. Revenue Recognition

Revenue from investment properties is comprised of the following:

		2020		2019
Rental income	\$	117,221	\$	86,660
Ancillary income		5,270		3,477
Expense recoveries		881		355
	\$	123,372	\$	90,492

15. Finance Costs

		2020		2019
Interest on mortgages payable and credit facilities	\$	26,352	\$	20,135
Amortization of financing fees		1,602		973
Amortization on CMHC Insurance		863		243
	\$	28,817	\$	21,351

16. General and Administrative Expenses

		2020		2019
Salaries and wages	\$	15,860	\$	10,755
Communications & IT		2,122		1,750
Office expenses		2,302		2,318
Fund administration costs		711		724
Professional fees		2,047		1,394
Advertising		1,513		1,137
Amortization of property and equipment		879		964
	\$	25,434	\$	19,042

17. Commitments

The Trust is committed to asset management services under an asset management agreement with Centurion Asset Management Inc. ("CAMI" or the "Asset Manager"), a company controlled by the President and Trustee, for a ten-year term ending December 31, 2024, with a renewal term for an additional ten years unless terminated by either of the parties. Under the agreement, the Trust is required to pay an acquisition fee to CAMI equal to 1.0% of the gross purchase price of each investment property acquired.

The Trust has entered into an agreement with a related party, Centurion Financial Trust ("CFIT"). Due to common management, REIT, the warehouse lender, is allowed to fund investments originated by the CFIT. CFIT has the right during the term of the agreements to purchase the investments previously funded by the warehouse lenders, subject to the provisions of the agreements. CFIT may also be obligated to repurchase investments funded by the warehouse lenders under the agreements, subject to the provisions of the agreements. CFIT has guaranteed any losses on the investments funded by the warehouse lenders under the agreements. The total funded balance in REIT warehouse as at December 31, 2020 is \$5,290 (December 31, 2019: \$nil).

18. Contingencies

The Trust is involved in certain litigation arising out of the ordinary course of investing in loans and other real estate projects. Although such matters cannot be predicted with certainty, management believes the claims if any are without merit and does not consider the Trust's exposure to such litigation to have a material impact on these consolidated financial statements.

19. Related Party Transactions

As at December 31, 2020, a related party of the Asset Manager holds 19,124 Class M Trust units. On April 1, 2020, 15,531 Class M units were converted to 1,587,638 Class A Units and redeemed for \$30,000. On September 1, 2020, 15,345 Class M units were converted to 1,559,008 Class A Units and redeemed for \$30,000. The distributions in cash for the year ended December 31, 2020, for these units were \$3,609 (\$4,243 for the year ended December 31, 2019).

During the year, the Trust was charged acquisition fees under an agreement described in Note 17 of \$5,654 (December 31, 2019: \$3,032).

Key management consists of the Board of Trustees and executive management team of the Trust. Compensation paid to non-executive Trustees during the year was \$360 (December 31, 2019: \$269). Compensation paid to the executive management during the year was \$1,091 (December 31, 2019: \$707).

During the year ended December 31, 2020, a related party of the Asset Manager earned commitment fees of \$3,751 payable by the borrower on debt investments made by the Trust (December 31, 2019: \$8,127).

During the year ended December 31, 2020, a related party to the Asset Manager, in its sole discretion, decided to forgo an amendment fee in the amount of \$525 that was earned on the renewal of a funded debt investment. The Trust realized this fee income in the Trust during 2020 and was an outstanding receivable as of December 31, 2020.

During the year ended December 31, 2020, the Trust advanced \$16,859 in cash and was repaid \$11,569 in cash respectively on a warehouse facility with CFIT (December 31, 2019: the Trust advanced \$11,529 in cash and was repaid \$11,529 in cash, respectively).

20. Income Taxes

a) Canadian Status

The REIT is a “mutual fund trust” pursuant to the Act. Under current tax legislation, a mutual fund trust that is not a Specified Investment Flow-Through (“SIFT”) Trust pursuant to the Act is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to Unitholders. The REIT intends to continue to qualify as a mutual fund trust that is not a SIFT Trust and to make distributions not less than the amount necessary to ensure that the REIT will not be liable to pay income taxes.

b) U.S. Status

Certain of the REIT’s operations or a portion thereof are conducted through its taxable U.S. subsidiaries, which are subject to U.S. federal and state corporate income taxes.

c) Income Tax Expense

		2020	2019
Current income tax expense	\$	510	\$ 366
Deferred income tax expense		2,598	4,108
Income tax expense	\$	3,108	\$ 4,474

d) The Major Components of Deferred Income Tax Liabilities

		December 31, 2020	December 31, 2019
Investment properties	\$	—	\$ (434)
Equity accounted investments		6,610	4,542
Total net deferred income tax liabilities	\$	6,610	\$ 4,108

21. Fair Value Measurement

Fair value is the price that market participants would be willing to pay for an asset or liability in an orderly transaction under current market conditions at the measurement date.

The fair values of the Trust's assets and liabilities were determined as follows:

- The carrying amounts of cash, restricted cash, unit subscriptions in trust, accounts receivables, accounts payable and other liabilities, other assets and tenant deposits approximate their fair values based on the short-term maturities of these financial instruments.
- Management determines fair value of mortgage investments and syndicated mortgage investment liabilities based on its assessment of the current lending market of the same or similar terms since there are no quoted prices in an active market for these investments. The fair value of the mortgage investments and syndicated mortgage investment liabilities as at December 31, 2020, is \$315,737 (December 31, 2019: \$454,725), based on rates received on a similar investment.
- Fair values of mortgages payable and credit facilities are estimated by discounting the future cash flows associated with the debt at market interest rates. The fair value at December 31, 2020, is \$1,223,916 (December 31, 2019: \$732,228).
- Management determines the fair value of participating loan interests, as detailed in Note 8, using either the direct capitalization approach or the direct comparison approach.
- The fair value of the foreign currency futures and forward contracts was determined using Level 2 inputs which include spot and futures and forward foreign exchange rates.

The table below analyzes assets and liabilities carried at fair value in the consolidated statement of financial position, by the levels in the fair value hierarchy, which are defined as follows:

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Investment properties	\$ —	\$ —	\$ 2,445,550	\$ 2,445,550
Participating loan interests	—	—	112,968	112,968
Foreclosed properties	—	—	—	—
Futures and forward currency contracts	—	—	—	—
Measured at fair value through profit and loss	\$ —	\$ —	\$ 2,558,518	\$ 2,558,518
December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Investment properties	\$ —	\$ —	\$ 1,788,169	\$ 1,788,169
Participating loan interests	—	—	127,550	127,550
Foreclosed properties	—	—	20,435	20,435
Futures and forward currency contracts	—	4,095	—	4,095
Measured at fair value through profit and loss	\$ —	\$ 4,095	\$ 1,936,154	\$ 1,940,249

22. Capital Management

The Trust defines capital as net assets attributable to Unitholders, debt (including mortgages), and lines of credit. The Trust's objectives in managing capital are to ensure adequate operating funds are available to maintain consistent and sustainable Unitholder distributions, to fund leasing costs and capital expenditure requirements, and to provide for resources needed to acquire new investment properties and fund real estate, equity investments or mortgage investments as identified.

Various debt and earnings distribution ratios are used to ensure capital adequacy and monitor capital requirements. The primary ratios used for assessing capital management are the interest coverage ratio and net debt-to-gross carrying value. Other indicators include weighted average interest rate, average term to maturity of debt, and variable debt as a portion of total debt.

These indicators assist the Trust in assessing that the debt level maintained is sufficient to provide adequate cash flows for Unitholder distributions and capital expenditures, and for evaluating the need to raise funds for further expansion.

Various mortgages have debt covenant requirements that are monitored by the Trust to ensure there are no defaults. These include loan-to-value ratios, cash flow coverage ratios, interest coverage ratios, and debt service coverage ratios.

The carrying value of the units is impacted by earnings and Unitholder distributions. The Trust endeavors to make annual distributions. Amounts retained in more than the distributions are used to fund new investments and working capital requirements. Management monitors distributions through various ratios to ensure adequate resources are available. These include the proportion of distributions paid in cash, DRIP participation ratio, and total distributions as a percent of distributable income and distributable income per unit.

The Trust's credit facilities (see Note 11) require compliance with certain financial covenants, throughout the year.

The Declaration of Trust provides for a maximum total indebtedness level of up to 75% of Gross Book Value (GBV). GBV means the book value of the assets. Indebtedness includes obligations incurred in connection with acquisitions. The following table highlights the Trust's existing leverage ratio, excluding any syndicated assets or liabilities, in accordance with the Declaration of Trust:

	December 31, 2020	December 31, 2019
Total unrestricted assets	\$ 3,289,813	\$ 2,660,518
Mortgages payable and credit facilities	1,183,108	737,678
Ratio of Debt to GBV	35.96 %	27.73 %

The following schedule details the components of the Trust's capital structure:

	December 31, 2020	December 31, 2019
Mortgages payable and credit facilities	\$ 1,183,108	\$ 737,678
Net assets attributable to Unitholders	2,069,477	1,892,816
Total Capital Structure	\$ 3,252,585	\$ 2,630,494

23. Financial Instruments

a) Risk Management

The main risks that arise from the Trust's financial instruments are liquidity, interest, credit and currency risk. The Trust's approach to managing these risks is summarized below.

Management's risk management policies are typically performed as a part of the overall management of the Trust's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Trust is exposed to several risks that can affect its operating performance. Management's close involvement in operations helps to identify risks and variations from expectations. As a part of the overall operation of the Trust, management considers the avoidance of undue concentrations of risk.

These risks include, and the actions taken to manage them, are as follows:

i) Liquidity Risk

Liquidity risk is the risk that the Trust may not be able to meet its financial obligations as they fall due. The Trust's principal liquidity needs arise from working capital, debt servicing and repayment obligations, planned funding of maintenance, mortgage funding commitments, leasing costs and distributions to Unitholders, and possible property acquisition funding requirements. The Trust manages its liquidity risk by ensuring its projected financial obligations can be met through its cash flows from operations, credit facilities, new capital issuances and projected repayments under the existing mortgage investment portfolio.

There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to the Trust. Management's strategy is to mitigate the Trust's exposure to excessive amounts of debt maturing in any one year. The features and quality of the underlying assets being financed and the debt market parameters existing at the time will affect the success of debt refinancing.

Management prepares cash forecasts and budgets on an ongoing basis to manage liquidity risks, ensure efficient use of resources and monitor the ongoing timing of liquidity events.

The success of new capital issuances is subject to the capital markets being receptive to a unit issue with financial terms favorable to the Trust. At December 31, 2020, the Trust had cash of \$141,529 (December 31, 2019: \$70,555) and credit facilities as follows:

	December 31, 2020	December 31, 2019
Credit facilities agreed	\$214,500	\$180,000
Available for use	\$167,147	\$158,500
Available as undrawn	\$148,052	\$158,500

The Trust has a construction financing facility from a Schedule 1 Bank for \$34,500 at an interest rate of prime plus 1.25%, which matures September 30, 2022. As at December 31, 2020, \$16,647 has been drawn on this facility (December 31, 2019: \$nil).

As at December 31, 2020, the Trust has contractual obligations totaling \$421,255 (December 31, 2019: \$297,968) due in less than one year, which includes all liabilities noted within the statement of financial position and the unfunded mortgage commitments (Notes 5, 6 and 7). For purposes of contractual obligations, no interest on the credit facility has been included as it is not practical to forecast the outstanding balance on the credit facility.

ii) Interest Rate Risk

The Trust's objective of managing interest rate risk is to minimize the volatility of earnings. Management establishes floor rates for all variable rate mortgage investments to limit their exposure to interest rate risk. Management monitors the Trust's variable rate credit on an ongoing basis and assesses the impact of any changes in these credit rates on earnings, management routinely assesses the suitability of the Trust's current credit facilities and terms. As at December 31, 2020, the Trust had mortgage investments and participating loans of \$185,846 (December 31, 2019: \$225,094) and a credit facility with a balance of \$1,275 (December 31, 2019: \$0) that bore interest at variables rates.

The Trust is subject to the risks associated with mortgage financing, including the risk that the interest rate on floating debt may rise before the long-term fixed-rate debt is arranged and that the mortgages and credit facilities will not be able to be refinanced on terms similar to those of the existing indebtedness.

	-1%			+1%	
	Amount	Income	Equity	Income	Equity
Financial assets					
Variable rate mortgage investments due to mature in a year	\$ 185,846	\$ —	—	\$ 1,858	1,858
Financial liabilities					
Variable rate debt due to mature in a year	\$ 1,275	\$ 13	13	\$ (13)	(13)

As of December 31, 2020, variable rate debt investments were at their floor rate.

iii) Credit Risk

Tenant credit risk arises from the possibility that tenants and mortgage borrowers may default on their rent and mortgage obligations respectively to the Trust. The risk of credit loss is mitigated by leasing and credit policies. The Trust monitors its collection experience every month and ensures that a stringent policy is adopted to provide for all past due amounts that are doubtful of being collected. All residential accounts receivable balances written off are recognized in the consolidated statement of comprehensive income and subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income. The Trust has considered the cash flow difficulties that may be experienced by tenants due to the impact of COVID-19 and the probability of default. The Trust continues to assist tenants on a case-by-case basis dependent upon need. Collection risk is being monitored closely, however, the Trust has not noted any significant collection issues to date.

Investment credit risk is the possibility that a borrower under one of the mortgages comprising the investment portfolio, may be unable to honor their debt commitment as a result of a negative change in the borrower's financial position or market conditions that could result in a loss to the Trust. Any instability in the real estate sector or an adverse change in economic conditions in Canada could result in declines in the value of investment property securing the Corporation's investments. The Trust's maximum exposure to credit risk is represented by the mortgage investment and profit participation. The Trust mitigates this risk by rigorously vetting all borrowers during the underwriting process, ensuring all new mortgage, participating investments and equity investments are approved by the investment committee before funding and actively monitoring the mortgage and other investments and initiating recovery procedures, in a timely manner, where required.

iv) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Trust is exposed to currency risk from an investment property or mortgage investment that is denominated in US Dollars ("USD"). The Trust uses foreign currency futures contracts to economically hedge the variability of future earnings and cash flows caused by movements in foreign exchange rates. Under the terms of the foreign currency futures contracts, the Trust buys or sells a currency against another currency at a set price on a future date.

As at December 31, 2020, the Trust has a portion of its assets denominated in USD and has entered into currency derivatives to sell USD and reduce its exposure to foreign currency risk. As at December 31, 2020, the Trust has USD currency derivatives with an aggregate notional value of \$38,000 USD (December 31, 2019: \$61,328 USD) at a weighted average rate of \$0.78 and a weighted average maturity of March 10, 2021.

The following schedule outlines the Trust's net exposure to USD:

For the year ended	December 31, 2020	December 31, 2019
Cash	\$ 6,951	\$ 3,513
Other Current Assets	—	668
Mortgage investments	—	6,196
Equity accounted investments	98,196	69,924
Investment properties	—	55,104
Total assets held in USD	105,147	135,405
Other Current Liabilities	\$ —	\$ (1,218)
Mortgages payable	—	(37,825)
Net assets held in USD	105,147	96,362
USD currency derivatives (notional value)	(38,000)	(61,328)
Net exposure	\$ 67,147	\$ 35,034

For the year-end December 31, 2020 a 1% change in the United State to Canadian Dollar exchange rate would have the following impact on net income and equity:

		-1%		1%	
	Carrying Amount	Income	Equity	Income	Equity
Net US dollar exposure	\$ 67,147	\$ (671)	(671)	\$ 671	671

24. Supplemental Cash Flow Information

The following table summarizes the movement in mortgages payable and credit facilities during the year:

	December 31, 2020		December 31, 2019	
Long-Term Debt				
Balance, beginning of year	\$	737,678	\$	507,748
New or Refinanced		537,585		276,086
Assumed mortgages upon acquisition		13,801		—
Mortgage repayments		(23,371)		(16,297)
Mortgages discharged		(35,738)		(26,590)
Capitalized Financing Fees		(437)		(4,242)
Amortization of financing fees		1,602		973
Adjustment due to reclassification of mortgages payable to equity accounted investments		(49,287)		—
Balance, end of year		1,181,833		737,678
Credit Facilities				
Balance, beginning of year	\$	—	\$	18,641
Credit Facility advances/(repayments)		1,275		(18,641)
Net, Credit Facilities		1,275		—
Balance, end of year	\$	1,183,108	\$	737,678

25. Segmented Information

Management of the Trust monitors and operates its rental real estate properties and its mortgage investment operations separately. The Trust applies accounting policies consistently to both segments. The results for these segments are as follows:

Year ended December 31, 2020	Investment properties	Other Investments	Total
Revenue / Interest income on mortgage investments, net of syndicated mortgage liabilities	\$ 123,372	\$ 49,144	\$ 172,516
Property operating costs	(42,620)	—	(42,620)
Recovery of (allowance for) expected credit losses	—	4	4
Income from operations	80,752	49,148	129,900
Fair value gains	34,303	—	34,303
Income from equity accounted investments	—	16,157	16,157
Finance costs	(28,646)	(171)	(28,817)
Other income and expenses	(5,989)	(661)	(6,650)
General and administrative expenses	(20,981)	(4,452)	(25,433)
Currency translation adjustment	—	(2,627)	(2,627)
Income before taxes	\$ 59,439	\$ 57,394	\$ 116,833

Year ended December 31, 2019	Investment properties	Other Investments	Total
Revenue / Interest income on mortgage investments, net of syndicated mortgage liabilities	\$ 90,492	\$ 48,505	\$ 138,997
Property operating costs	(28,702)	—	(28,702)
Recovery of (allowance for) expected credit losses	—	(479)	(479)
Income from operations	61,790	48,026	109,816
Fair value gains	205,196	—	205,196
Income from equity accounted investments	—	24,983	24,983
Finance costs	(21,168)	(183)	(21,351)
Other income and expenses	(4,973)	(273)	(5,246)
General and administrative expenses	(15,148)	(3,894)	(19,042)
Currency translation adjustment	—	(775)	(775)
Income before tax	\$ 225,697	\$ 67,884	\$ 293,581

26. Subsequent Events

- a) On January 1, 2021, CREOT merged with REIT (the “CREOT Merger”) in accordance with a merger agreement dated January 1, 2021, with REIT as the continuing trust. Pursuant thereto, the REIT acquired the remaining 36.60% of the non-controlling interest in CREOT. As consideration, the non-controlling CREOT unitholders received units of REIT totaling 7,461,598 units, equal to the number of CREOT units owned immediately prior to the time of closing of the Merger, multiplied by the Exchange Ratio of 0.5917.
- b) On January 1, 2021, upon the merger of Centurion Apartment REIT and CREOT, a related party of the Asset Manager converted 50,000 Class M units of CREOT to 1,050,978 Class A Units and redeemed for \$12,027.
- c) On January 27, 2021, the Trust completed the acquisition of a multi-residential apartment complex located in Montreal, Quebec consisting of 94 rental units for \$34,000 funded by a portion of the credit line and the remaining in cash.
- d) On February 18, 2021, the Trust completed the acquisition of a multi-residential apartment complex located in Langford, British Columbia consisting of 119 rental units for \$40,000 funded by a portion of the credit line and the remaining in cash.
- e) On March 26, 2021 the Trust completed a portfolio acquisition of three multi-residential apartment buildings for \$92,000. Two of the building in the portfolio are located in Oshawa, Ontario and one the buildings is located in Ottawa, Ontario. The acquisition consisted of a total 329 rental units. As part of the acquisition the Trust assumed a \$6,026 first mortgage and \$1,892 second mortgage. The remaining amount was funded by a portion of the credit line and remaining in cash.
- f) The Trust declared total distributions of approximately \$27,996, out of which \$11,736 were paid in cash.
- g) The Trust had redemptions of \$80,344 and unitholder subscriptions of \$87,400.



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