CENTURION APARTMENT REIT

Q3 REPORT

2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2020

PROFILE

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.

Q3 2020 HIGHLIGHTS

- Consolidated Assets increased by 21.6% to $3.3 billion from $2.7 billion at December 31, 2019.
- Net Operating Income ("NOI") increased by 34.6% from $15.9 million to $21.4 million over the same quarter last year and increased by 48.8% from $42.1 million to $62.6 million over the nine months of 2020 over the same period last year.
- Same Property Net Operating Income Margin increased to 69.14% from 68.69% over the same quarter last year.
- Net Operating Income margin decreased to 62.1% from 71.5% over the same quarter last year, due to the onboarding of a large number of newly acquired properties that are in the process of being stabilized.
- Same property NOI increased by 4.78% over the same quarter last year.
- Class A compounded return 19.24% for the 12-month trailing period.
- Class F compounded return 19.95% for the 12-month trailing period.

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	Three Months Ending 2020	2019	Nine Months Ending 2020	2019
Overall Portfolio Occupancy		90.0%	95.9%	92.0%	96.9%
Stabilized Property Occupancy		92.9%	96.4%	95.2%	97.5%
Operating Revenues		$34,435	$22,204	$97,582	$61,602
NOI		$21,379	$15,879	$62,648	$42,106
NOI Margin		62.1%	71.5%	64.2%	68.4%
OPERATING PERFORMANCE					
Net Income and Comprehensive Income	**1**	$31,118	$70,514	$116,187	$182,952
Net Income and Comprehensive Income per Unit	**2**	$0.31	$0.87	$1.19	$2.41
Funds From Operations per Unit	**2**	$0.20	$0.24	$0.61	$0.72
Normalized Funds From Operations per Unit	**2**	$0.24	$0.32	$0.76	$0.92
Weighted Average Number of Units (Adjusted)		98,897,463	81,149,678	97,606,257	76,018,415
Distributions per Class "A" Unit		$0.2050	$0.2050	$0.6150	$0.6150
Distributions per Class "F" Unit		$0.2325	$0.2325	$0.6975	$0.6975
Total Return - Class A		2.95%	2.77%	6.24%	8.51%
Total Return - Class F		3.10%	2.94%	6.71%	9.06%
12 Month Trailing Return - Class A		19.24%	19.81%	19.24%	19.81%
12 Month Training Return - Class F		19.95%	20.64%	19.95%	20.64%
OTHER					
Number of Rental Units Acquired and Created		1,345	589	2,779	1,482
Number of Rental Units (undiluted)	**1**	11,498	8,228	11,498	8,228
New Mortgage Investments Made, net of syndication		$36,685	$23,296	$116,200	$137,611
Repayments of Mortgage Investments, net of syndication		$28,555	$58,763	$136,572	$80,268

	Notes	Sep 30, 2020	Dec 31, 2019	Sep 30, 2019
RENT TO MARKET GAP				
Gap to Market (Annualized)	**3**	$11,572	$14,510	$14,646
Rent to Market Gap %	**3**	6.66%	11.68%	13.54%
LIQUIDITY AND LEVERAGE				
Total Debt to Gross Book Value		36.48%	27.73%	29.94%
Net Debt to Adjusted Gross Book Value	**4**	26.35%	12.66%	15.43%
Weighted Average Mortgage Liability Interest Rate		2.71%	2.97%	3.03%
Weighted Average Mortgage Liability Term (years)		6.63 years	6.93 years	6.10 years
Weighted Average Mortgage Investment Interest Rate		9.52%	9.34%	9.23%
Weighted Average Mortgage Investment Term (years)		0.64	0.61	0.73
Gross Interest Expense Coverage Ratio (times)	**5**	4.17	5.23	5.23
Available Liquidity - Acquisition and Operating Facility		$139,044	$229,055	$209,448
OTHER				
Number of properties purchased		10	12	9
Closing Price of Trust Units		$19.243	$18.720	$16.872
Total Assets		$3,286,414	$2,702,655	$2,394,196
Market Capitalization		$1,926,037	$1,714,194	$1,372,455

NOTES

1. 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 then expected selling and closing costs resulting in an overall fair value gain on disposal.
2. Refer to page 12 for definitions and page 30 for calculations.
3. Refer to the Operating Results section on page 16 for an additional discussion on the Gap to Market figure.
4. Calculated by taking (Mortgage Liabilities less Mortgage Assets) and divided by (Total Unrestricted Assets less Mortgage Investments).
5. Calculated by taking NOI plus Interest Income divided by Finance Costs.

PORTFOLIO DIVERSIFICATION

INCLUDES PROPERTIES AND MORTGAGE INVESTMENTS

PORTFOLIO DIVERSIFICATION

28 CITIES | 80 PROPERTIES | 11,498 UNITS*

APARTMENTS

CITIES	RENTAL UNITS
ALBERTA	
Edmonton	8 | 1378
BRITISH COLUMBIA	
Langford	8 | 382
Surrey	1 | 146
Victoria	2 | 229
Kelowna	1 | 175
ONTARIO	
Acton	1 | 33
Barrie	2 | 43
Brighton	2 | 59
Cambridge	5 | 679
Gravenhurst	1 | 39
Guelph	1 | 66
Huntsville	1 | 25
Kitchener	6 | 668
Mississauga	3 | 269
Oshawa	2 | 71
Toronto	11 | 1,138
Whitby	1 | 36
NOVA SCOTIA	
Dartmouth	1 | 114
SASKATCHEWAN	
Regina	4 | 571
MANITOBA	
Winnipeg	3 | 800
GEORGIA, U.S.A.	
Athens	1 | 204
TEXAS, U.S.A.	
Waller	1 | 224
Baytown	1 | 228
QUEBEC	
Quebec City	1 | 684
TOTAL RENTAL UNITS	**8,261**

STUDENT HOUSING

CITIES	PROPERTIES | RENTAL UNITS
ALBERTA	
The Hub Calgary	1 | 486
ONTARIO	
The MARQ London	4 | 955
The MARQ Waterloo	5 | 1,356
QUEBEC	
La MARQ Montreal	1 | 440
TOTAL RENTAL UNITS	**3,237**

*Owned properties only

LETTER FROM THE PRESIDENT

The third quarter of 2020 continued to be a successful quarter for Centurion Apartment Real Estate Investment Trust (the "Trust") despite the COVID-19 pandemic. Our Head Office team continues to work from home while our site staff continue to work safely and diligently at our sites.

Fund performance remained solid with trailing 12-month returns for the Class A and Class F units being 19.24% and 19.95% respectively. The YTD returns for Class A and Class F were 6.24% and 6.71%, respectively.

Consolidated assets increased by $199.4 million to $3.3 billion from June 30, 2020. Quarterly Net Operating Income increased 34.6% from the same quarter in the prior year. This significant increase is due to the number of acquisitions that occurred in 2019 and 2020. Furthermore, same store operating revenues and same store net operating income increased 4.1% and 4.8%, respectively, when compared to Q3 2019.

Our rent collection remained strong during the quarter and in line with our internal benchmarks. July rent collection was 99.4% while August and September were 99.2% and 98.7% respectively. We expect August and September's rent collection to catch up to July as we continue to work with residents to create payment plans. As the economy begins to start-up again and recover, we believe that rent collection will continue to be strong. In addition to solid rent collection, leasing of available units continues to be active with virtual tours being offered to potential tenants.

The occupancy rate for the nine months ended September 30, 2020 was 92.0% as we onboarded a number of properties that require lease up and stabilization. The stabilized portfolio occupancy dropped marginally to 95.2% compared to 97.5% in the same quarter last year, reflecting the return home of a number of students during the pandemic. We believe we have strong tailwinds into apartments as we continue to see increased demand for properties located in the suburbs as individuals opt for larger living spaces at a more affordable price. As a result of the significant increase in the number of rental units acquired, we anticipate that both the dollar amount of the gap to market and overall gap to market percentage will increase as we stabilize newly acquired properties.

During the quarter, the Trust purchased two multi-family properties and completed the development of one student property. The two properties acquired were located in Quebec City, Quebec and Kelowna, British Columbia and contained 684 and 175 rental units respectively. The property developed consisted of a newly constructed student property located in Calgary, Alberta containing 486 beds.

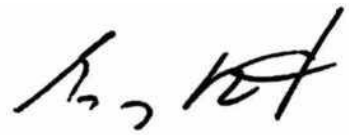
The mortgage investment portfolio performed very well during the quarter, we are very pleased with how the portfolio has performed during these unprecedented times. Our primary focus during the quarter has been monitoring our existing portfolio. Defaults remain very low and we believe we will not incur any losses with respect to any investments that are currently in default as they will be resolved in workout.

Capital raised during the quarter was $74.0 million. We also experienced redemptions of $61.6 million all of which were fully paid.

Centurion Asset Management Inc., the asset manager of the Trust, with the unanimous support of the Independent Trustees, is proposing the merger of the Trust with Centurion Real Estate Opportunities Trust ("REOT"). Details of this transaction can be found on our website under "Insights".

LETTER FROM THE PRESIDENT

Our overall liquidity remains high at $139.0 million. As we move down the path toward the future, we are seeing activity in the markets that we participate in. 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, as developers seek to sell their recently built properties or heavily leveraged investors may be required to sell to raise liquidity. In addition, low interest rates continue to be a positive factor in our financings and re-financings. During the quarter the Trust obtained new mortgage or refinanced existing mortgages with interest rates ranging from 1.68% to 2.48%.



GREG ROMUNDT
President, CEO, and Trustee

Q3 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 unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 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 C "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.

ACCOUNTING POLICIES

The REIT's significant accounting policies are described in Note 3 of the unaudited condensed consolidated interim financial statements (see "Appendix F") for the three and nine months ended September 30, 2020. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of unaudited condensed consolidated interim financial statements.

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.

Trio, British Columbia

The TraX, Alberta

Quartier QB, Québec

NON-IFRS MEASURES

Centurion Apartment REIT prepares unaudited condensed consolidated interim 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.

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 Condensed Consolidated Statement of Financial Position 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

Reconciliation of IFRS to Management Reporting		
	September 30, 2020	**December 31, 2019**
Total Gross Mortgage Investments, per IFRS	**$436,226**	**$454,725**
Add: Allowance for ECL	1,825	1,643
Add: Participating Loan Interests classified as Mortgage Investments, per Management	58,483	80,650
Total Gross Mortgage Investments, per Management	**$496,534**	**$537,018**
Total Participating Loan Interests, per IFRS	**$110,064**	**$127,550**
Less: Participating Loan Interests classified as Mortgage Investments, per Management	(58,483)	(80,650)
Add: Equity Accounted Investments classified as Participating Loan Interests, per Management	110,670	90,818
Total Participating Loan Interests, per Management	**$162,251**	**$137,718**
Total Equity Accounted Investments, per IFRS	**$190,869**	**$170,521**
Less: Equity Accounted Investments classified as Participating Loan Interests, per Management	(110,670)	(90,818)
Equity Accounted Investments, per Management Reporting	**$80,199**	**$79,703**

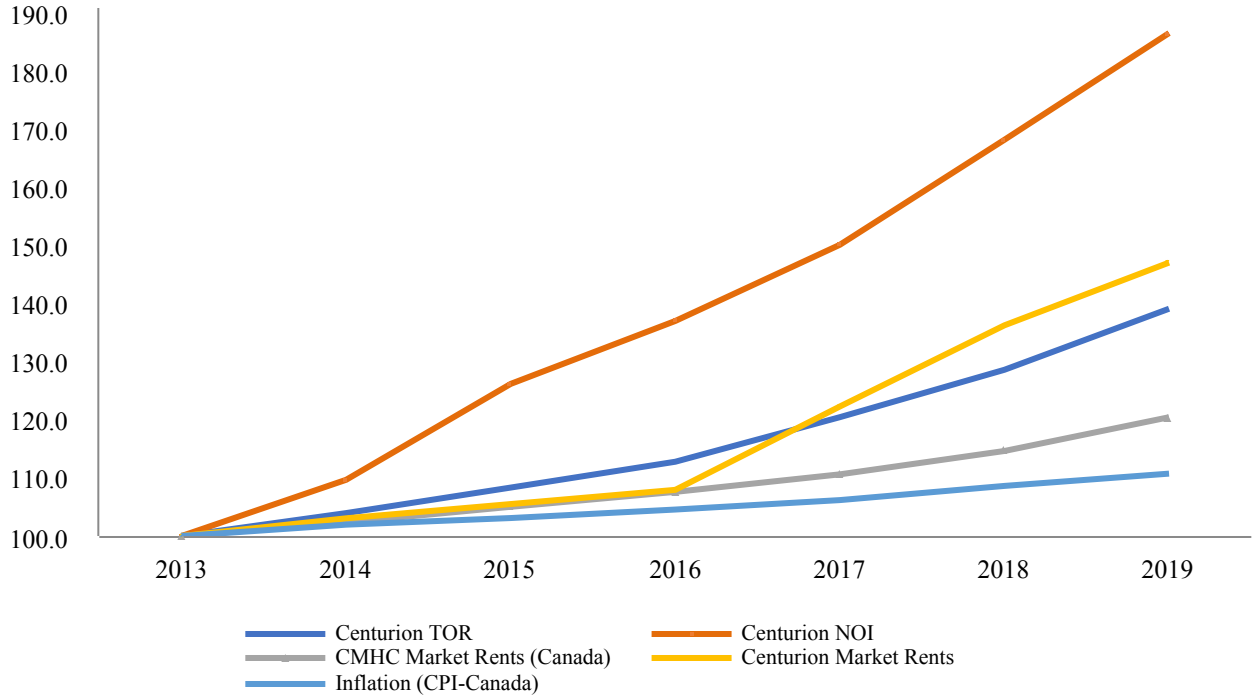
Management reporting of investments is an alternative reporting method used to present the composition of investments held by the Trust in alignment with the business.

Specifically, Management believes this method better reflects the underlying nature of the risk profile and expected returns of these investments when compared to the reporting requirements in accordance with IFRS, and consequently, this method provides Management with a platform to evaluate investments with similar characteristics and actively manage risk.

Management believes the Trust holds certain investments that include the characteristics of participating loan interests, which are classified as equity accounted investments in accordance with IFRS. Furthermore, Management believes the Trust holds certain investments that include the characteristics of mortgage investments, which are classified as participating loan interests in accordance with IFRS.

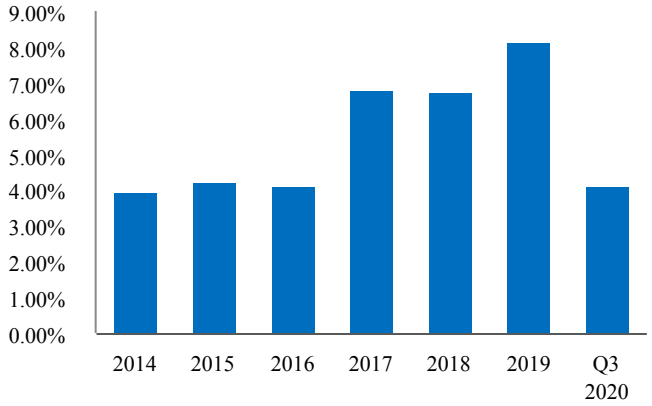
OUTLOOK AND BUSINESS STRATEGY

Centurion Performance vs. Inflation and Market Rents*



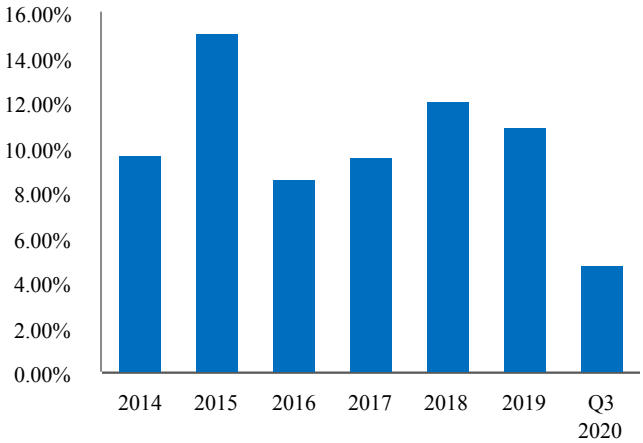
**The REIT has grown its Same Store NOI, Total Operating Revenues and Market rents significantly faster than market averages and inflation benchmarks.*

Total Operating Revenues Growth Rate*



*Total Operating Revenue has grown on average by 5.66% per annum.

Same Store NOI Growth Rate*



*Same Store NOI has grown at an average of 10.96% per annum.

Q3 2020 OPERATING RESULTS

The third quarter of 2020 was another solid quarter for the Trust both financially and operationally.

Since its last fiscal year-end, the total assets of the of the Trust increased 21.6% from $2.7 billion as at December 31, 2019 to $3.3 billion as at September 30, 2020.

During the quarter the Trust purchased two multi-family properties and completed the development of one student property. The two properties acquired were located in Quebec City, Quebec and Kelowna, British Columbia and contained 684 and 175 rental units, respectively. The property developed consisted of a newly constructed student property located in Calgary, Alberta containing of 486 beds.

Q3 2020, FFO decreased from $0.24/unit in Q3 2019 to $0.20/unit and Q3 2020 NFFO decreased from $0.32/unit in Q3 2019 to $0.24/unit. The decrease in FFO 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 is being deployed into a number a new opportunities.

Rental revenue increased 55.1% in Q3 2020 compared to the same quarter in the prior year to $34.4 million up from $22.2 million. Portfolio occupancy during Q3 2020 was 90.0% down from 95.9% in the same quarter in the prior year. This is attributable to the onboarding of new acquisitions, properties in initial lease up and a decline in occupancy in the student portfolio as a result of students returning home during the pandemic. Student property occupancy declined from 99.82% in Q3 2019 to 75.82% in Q3 2020, however, student property occupancy continues to increase weekly as more students continue to arrive and we expect this trend to continue going forward. Furthermore, the overall portfolio occupancy rate of stabilized properties was approximately 92.9% while unstabilized properties (including lease up properties) had an occupancy rate of approximately 84.9%.

Net operating income increased to $21.4 million up from $15.9 million in the same quarter last year. NOI margin decreased to 62.1% from 71.5% in the same quarter in the prior year. However, Same Store NOI margin increased to 69.1% from 68.7% when compared to the same quarter in the prior year.

The gap to market figure in dollar terms declined marginally from $14.5 million at December 31, 2019 to $11.6 million at September 30, 2020 as suites turned over at higher rents.The gap to market figure in percentage terms dropped from 11.7% at December 31, 2019 to 6.7% at September 30, 2020, 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 ("CAPEX") during the three and nine months ended September 30, 2020 was $12.3 million and $23.0 million, respectively, up from $6.6 million and $14.7 million, respectively, in the same quarter in the prior year. This is mainly due to a significant increase in the number of rental units in the portfolio during Q3 2020 when compared to the same quarter in the prior year.

The Trust continues to maintain a strong liquidity position of $139.0 million as at September 30, 2020 consisting of $28.0 million in cash and $111.0 million available on its credit facilities.

As of September 30, 2020, total assets in the loan portfolio (net of syndication liabilities) amounted to $706.2 million down slightly from $724.3 million as at December 31, 2019. The loan portfolio consisted of net mortgage investments of $405.3 million (December 2019: $426.2 million), participating loan interests of $110.1 million (December 2019: $127.6 million) and equity account investments of $190.9 million (December 2019: $170.5 million).

The loan portfolio continues to be well-diversified with 99 funded investments. Of these 99 investments, 17 are participating and are 7 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. Furthermore, the Trust acquired 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 $32.0 million, and transitioned it to the investment properties portfolio.

Of the investments categorized as mortgage investments (non-participating), the weighted average interest rate is 9.52% , with a term to maturity of 0.64 and a weighted average loan to value of 68.91%. 73% of these investments are in first position and 27% are in second position. The total provision for expected credit losses related to mortgage investments as at September 30, 2020 was $1.8 million, a decrease from $2.1 million as at June 30, 2020. 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 details of the loan portfolio.

ACQUISITIONS AND DISPOSITIONS

Q3 2020 PROPERTY ACQUISITIONS:

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)

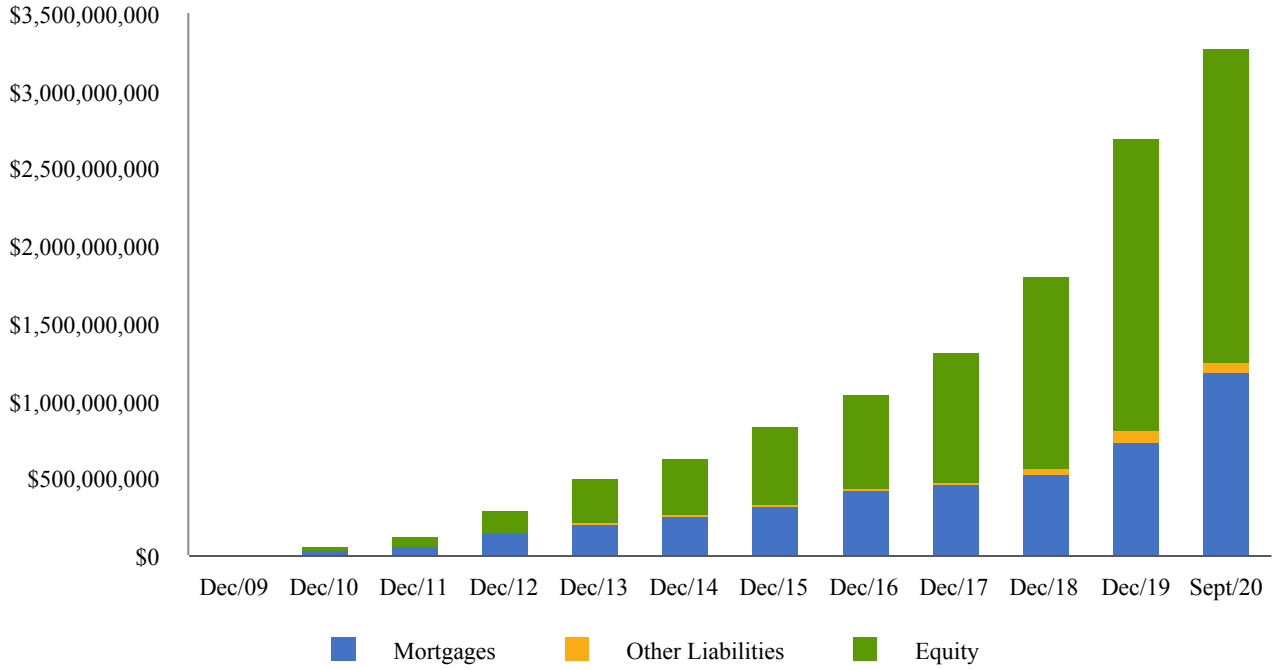
Trio
Location: Kelowna, British Columbia
Address: 333-337 Drysdale Boulevard
Type of Building: Apartments (elevator)
Number of Suites: 175 Suites
(15 bachelor, 38 one-bdrm and 122 two-bdrm)

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)

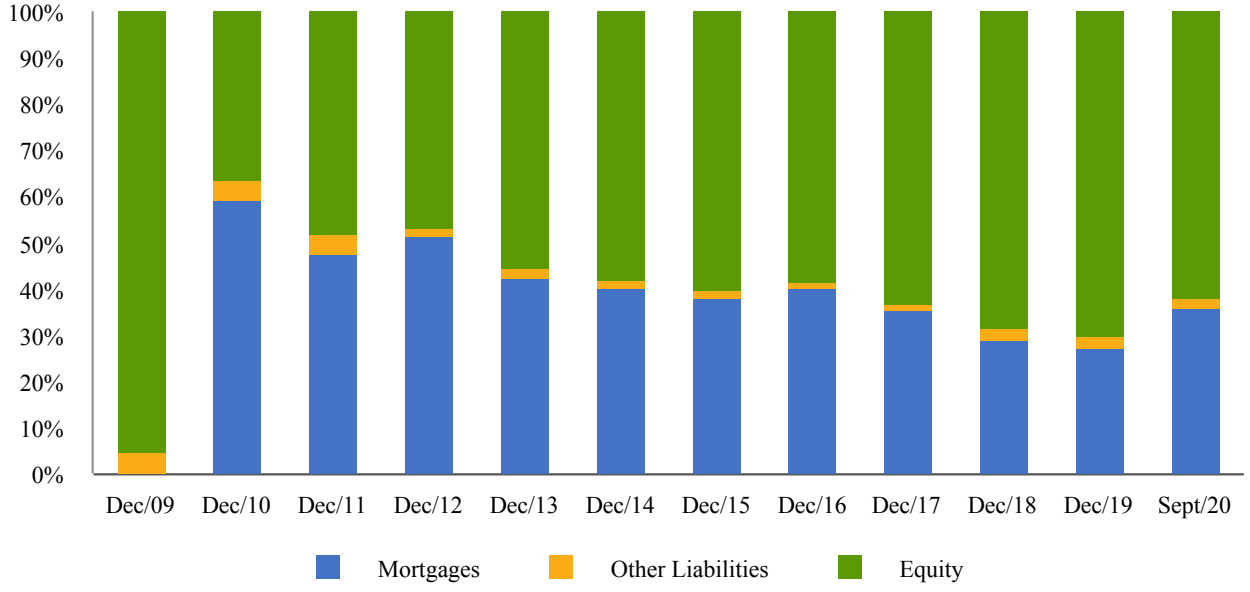
Q3 2020 PROPERTY DISPOSITIONS:

No dispositions during Q3 2020

Assets Debt/Equity Mix

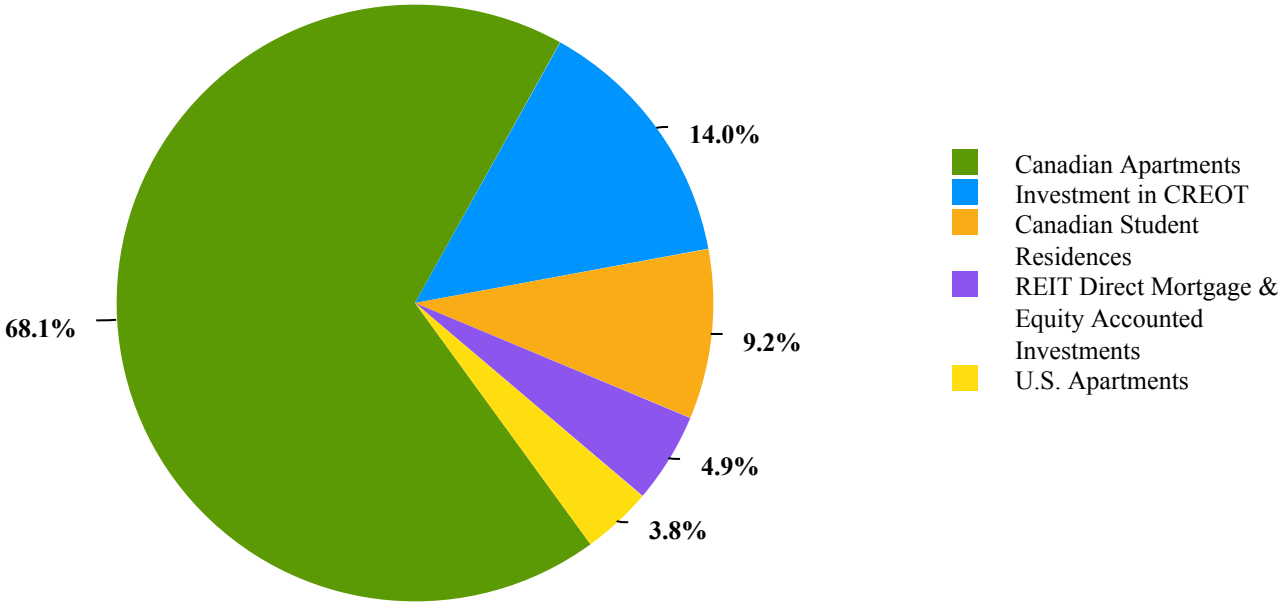


Debt/Equity Mix

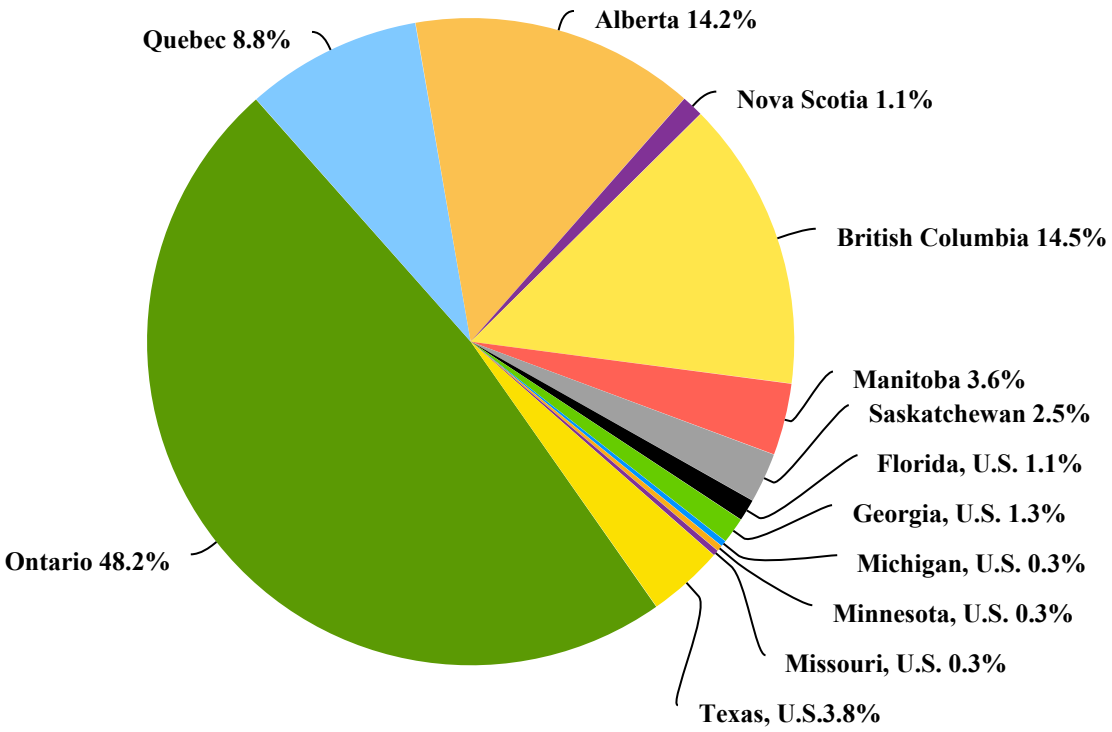


PORTFOLIO SUMMARY

Portfolio Summary (% of assets)

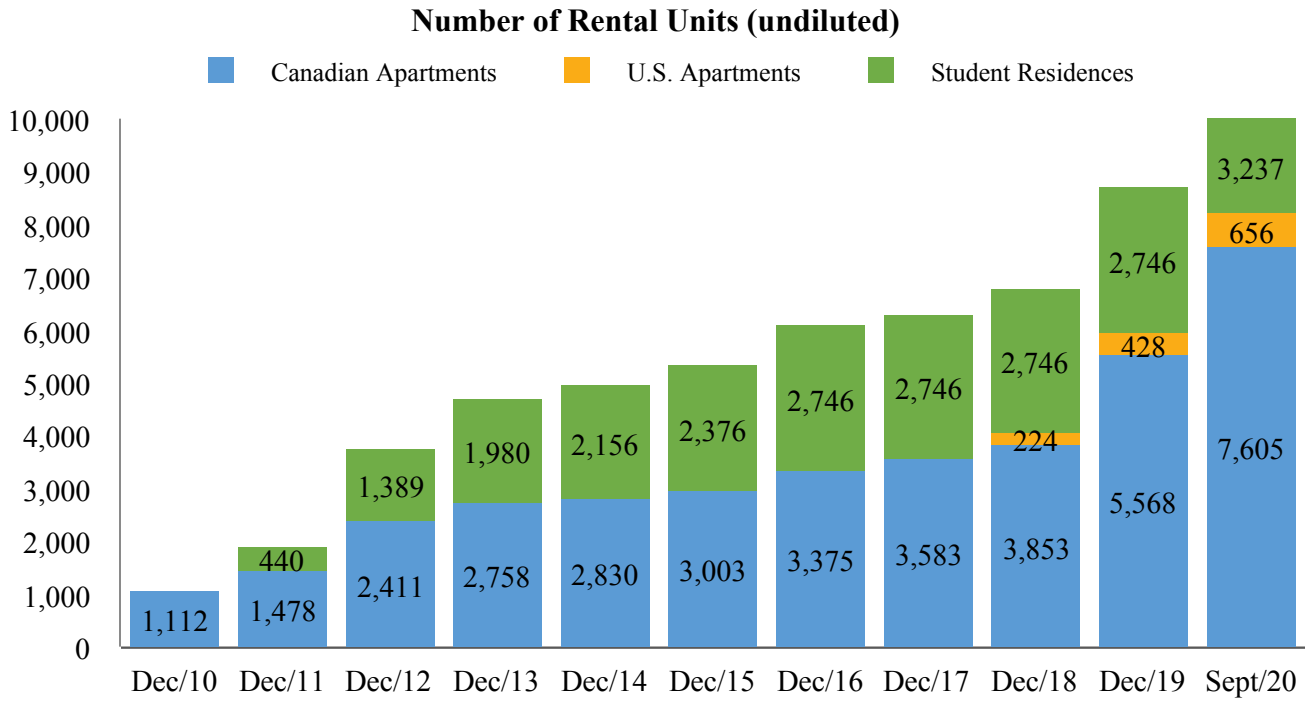


Geographic Exposure by $ Value of Assets



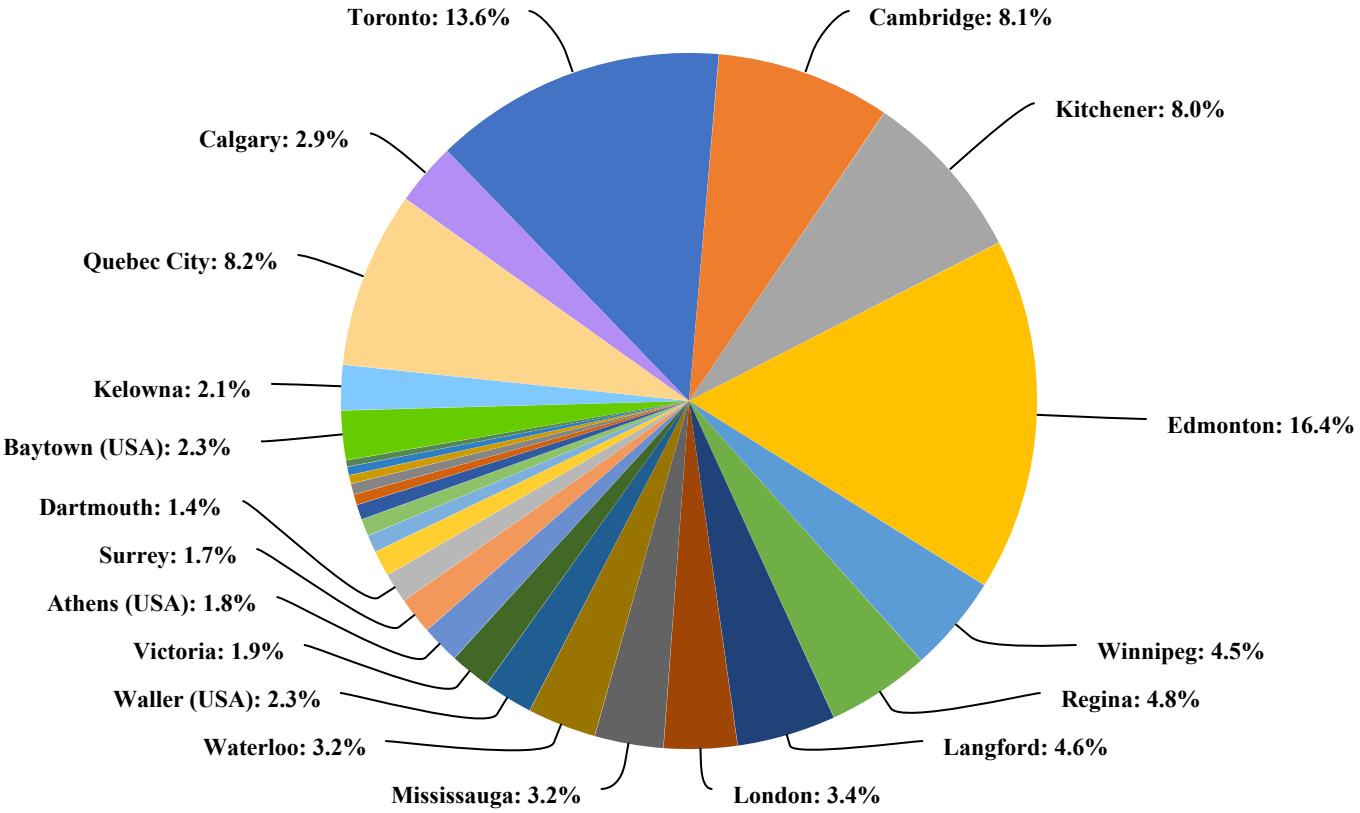
PROPERTY METRICS

As at September 30, 2020, the Trust owned 80 properties. The charts below provide additional details of the property portfolio:

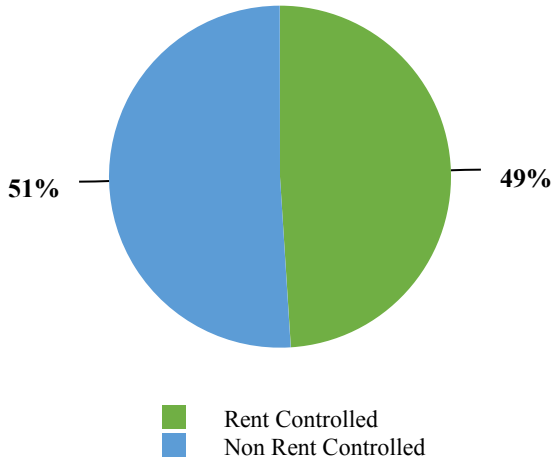


OTHER PROPERTY METRICS

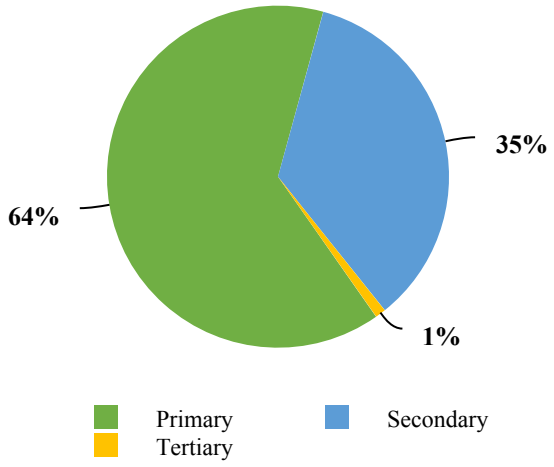
Percentage of Suites by City (diluted)



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



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



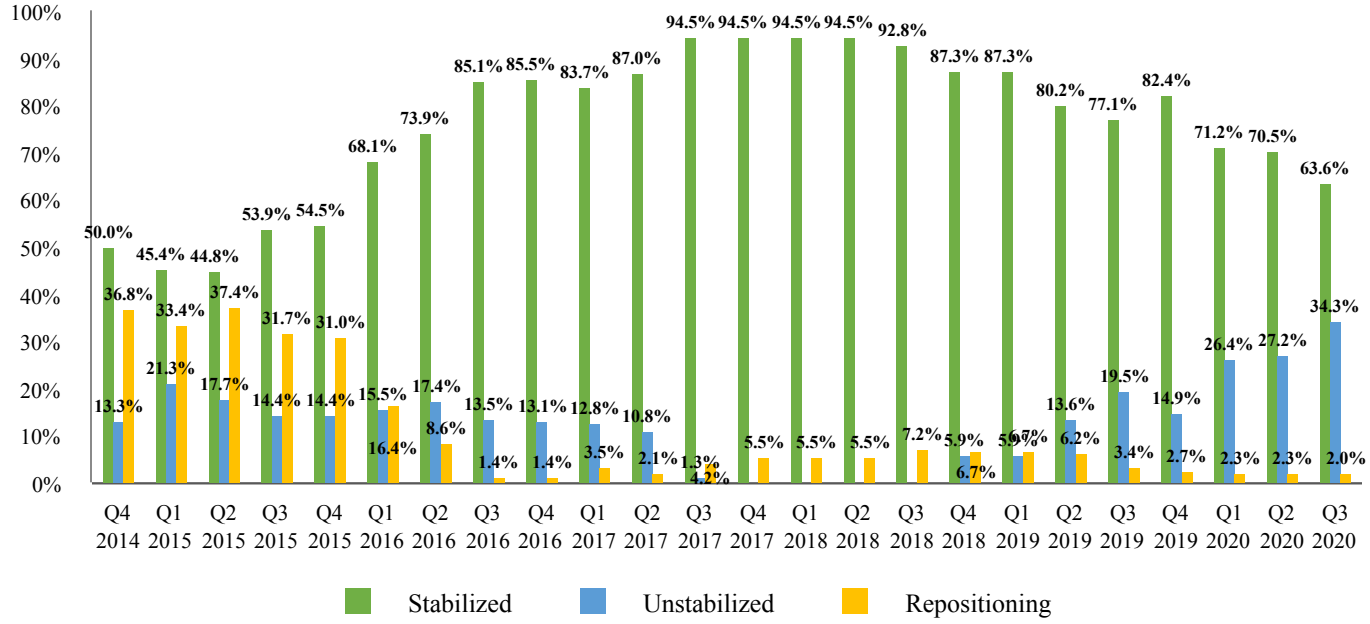
PROPERTY STABILIZATION AND REPOSITIONING PROGRESS

The following charts breakdown the Trust's portfolio into three categories as at September 30, 2020:

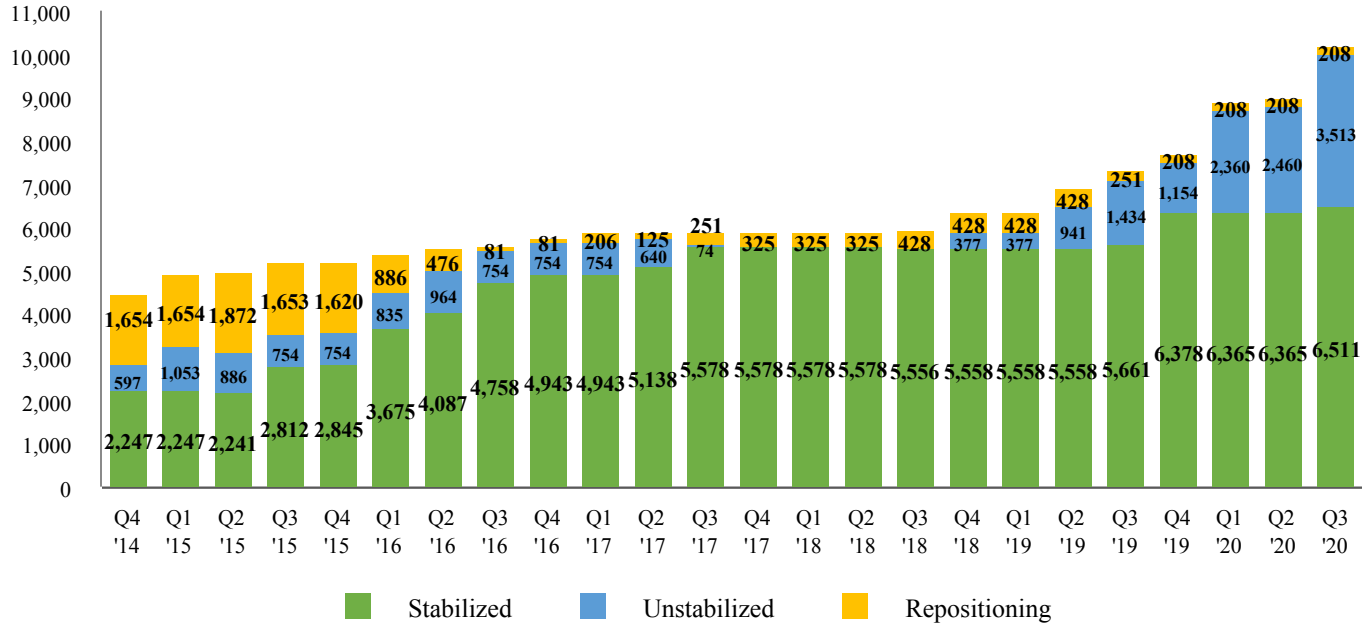
(1) Stabilized **(2) Unstabilized** **(3) Repositioning**

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

Portfolio Stabilization by Percentage (weighted)

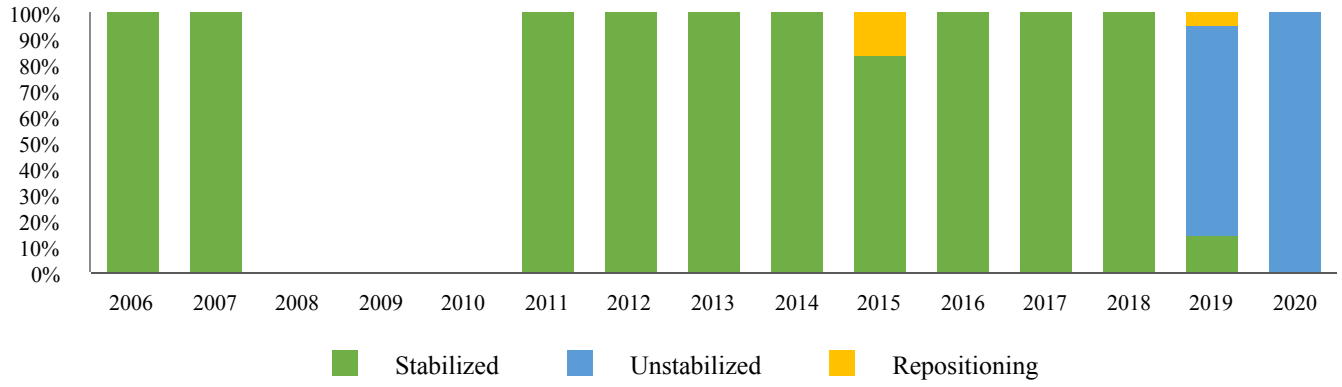


Portfolio Stabilization by Units (Diluted)

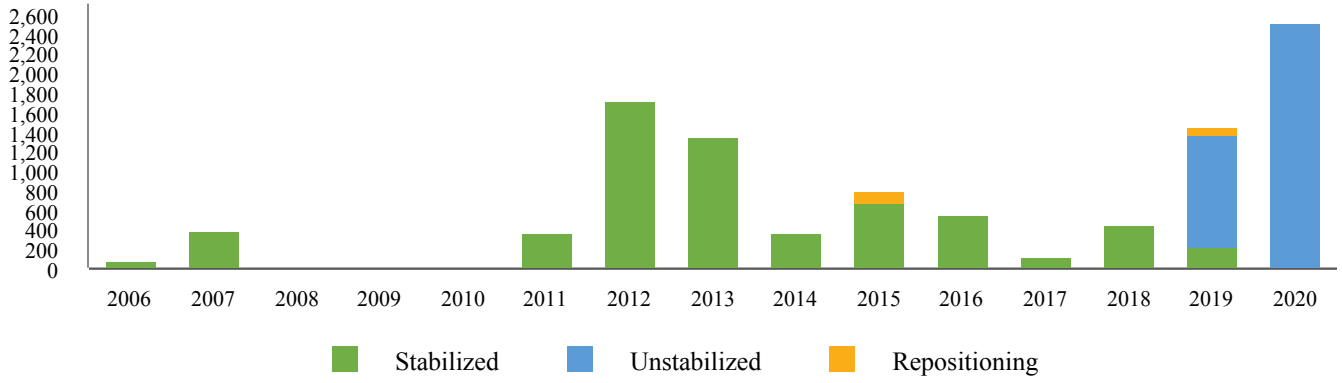


PROPERTY STABILIZATION AND REPOSITIONING PROGRESS

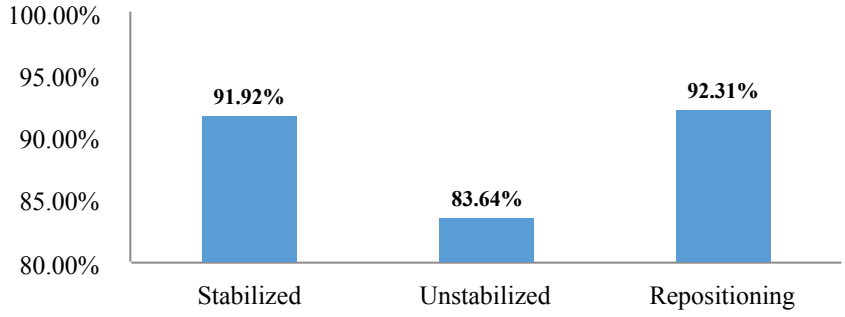
Stabilization by Year of Acquisition (percentage)



Stabilization by Year of Acquisition (rental units)



Summary of Property Occupancy by Stabilization Status



PROPERTY STABILIZATION AND REPOSITIONING PROGRESS

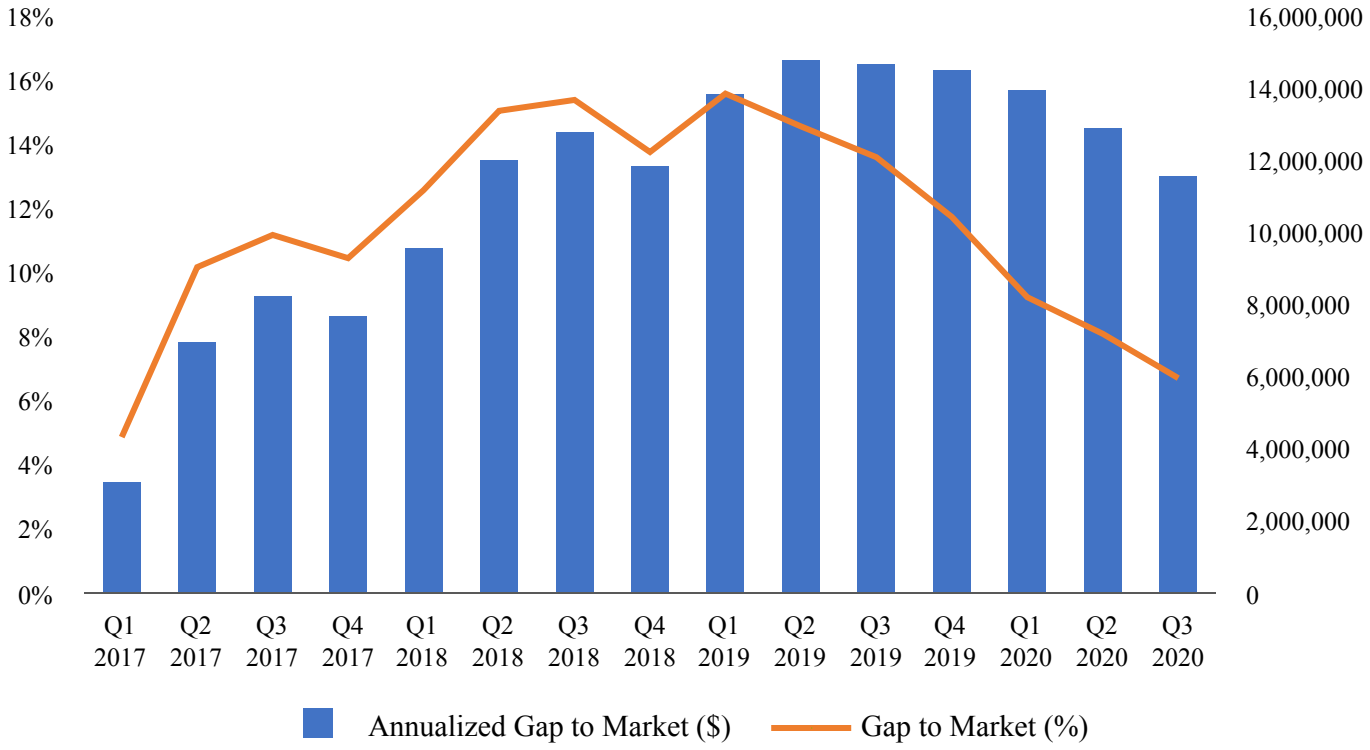
Q3 2019 vs Q3 2020 Renewal and Turnover Analysis

By Stabilization - Canadian Apartments			
Status	Market Rent Increase	Renewals	New Tenants (Including Unit Transfers)
Stabilized	0.16 %	2.74 %	14.37 %
Repositioning	— %	3.60 %	3.29 %
Unstabilized	0.90 %	1.18 %	0.64 %
Overall	1.06 %	7.52 %	18.30 %

By Stabilization - Student			
Status	Market Rent Increase	Renewals	New Tenants (Including Unit Transfers)
Stabilized	1.97 %	1.27 %	4.45 %
Repositioning	— %	— %	— %
Unstabilized	— %	— %	— %
Overall	1.97 %	1.27 %	4.45 %

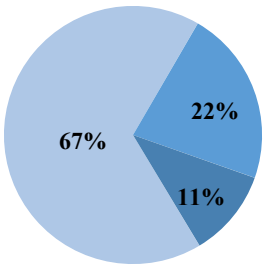
By Stabilization - US Apartments			
Status	Market Rent Increase	Renewals	New Tenants (Including Unit Transfers)
Stabilized	(0.58)%	2.49 %	0.14 %
Repositioning	— %	— %	— %
Unstabilized	11.74 %	4.37 %	17.35 %
Overall	11.16 %	6.86 %	17.49 %

Gap to Market



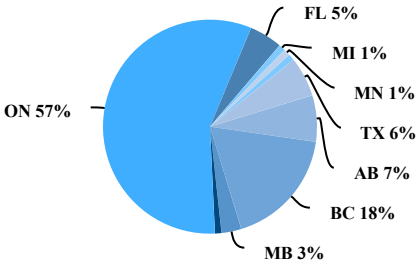
MORTGAGE INVESTMENT STRATEGY

BY PARTICIPATION

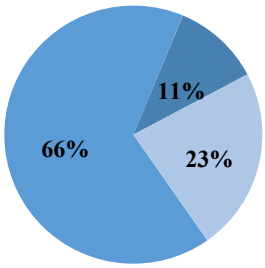


- Mortgage Investment
- Participating Loan Interests
- Equity Accounted Investments

BY PROVINCE/ STATE

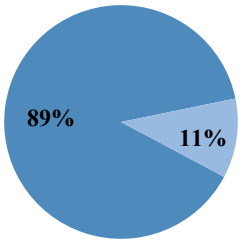


BY PURCHASE OPTIONS



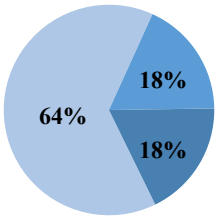
- With
- Without
- Equity Accounted Investments

BY LOAN TYPE



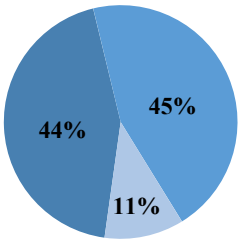
- Commercial
- Residential

BY DEVELOPMENT STAGE



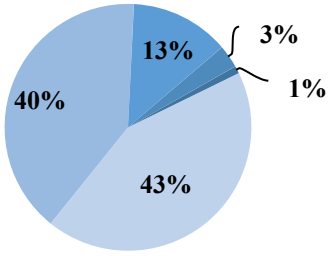
- Construction
- Pre Construction
- Term

BY RANK



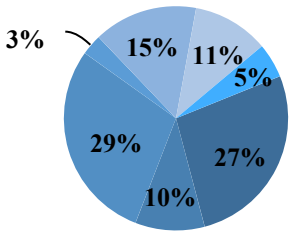
- 1st
- 2nd
- Equity Accounted Investment

BY MATURITY



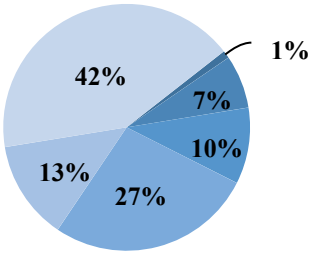
- 2020
- 2021
- 2022
- 2023
- 2025

BY UNDERLYING SECURITY



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

BY INVESTMENT SIZE

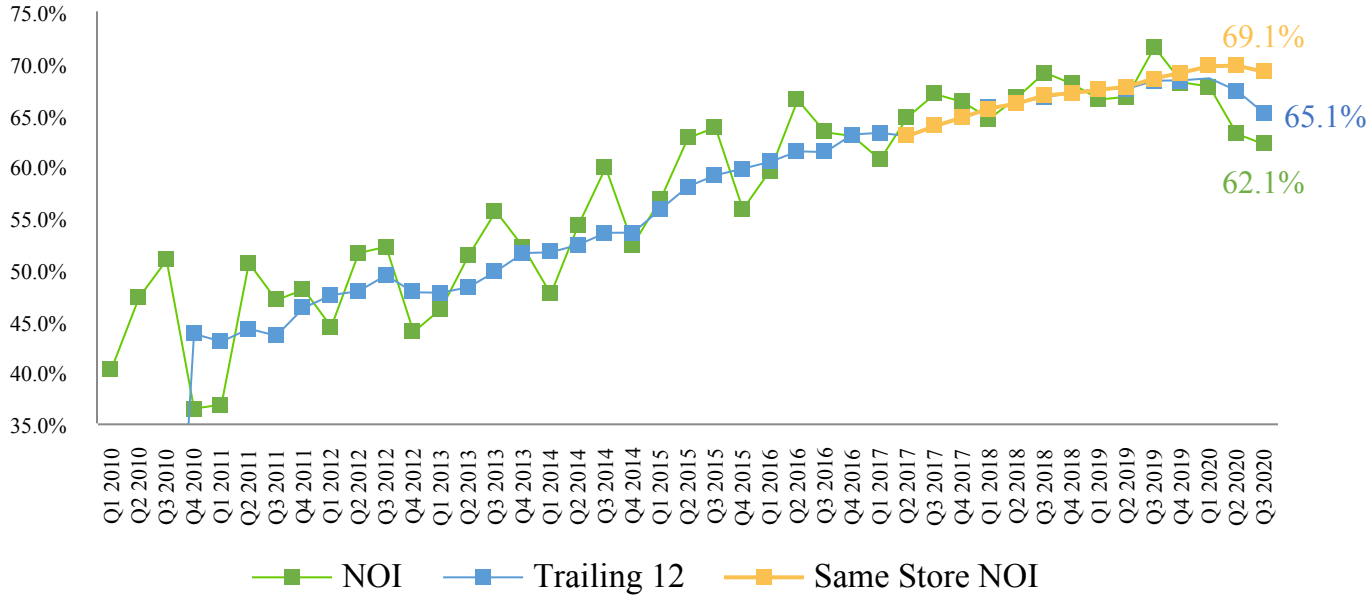


- $1m or less
- > $1m - $3m
- > $3m - $5m
- > $5m - $10m
- > $10m - $15m
- > $15m

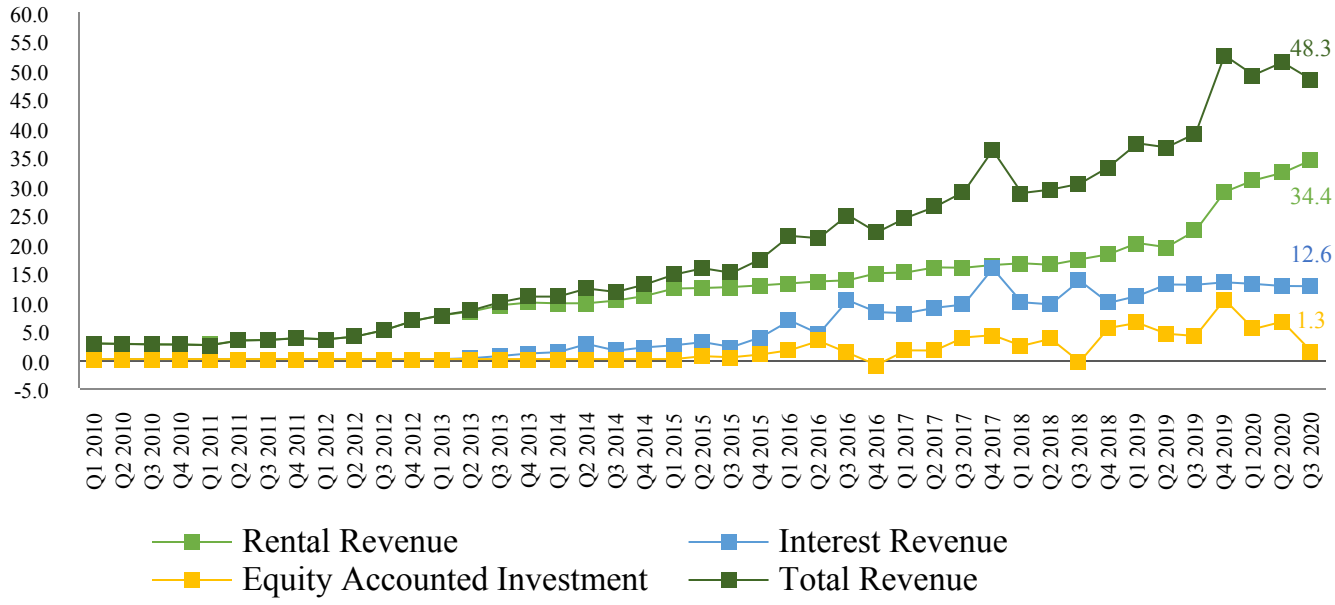
Please refer to Appendix B for Summary Information on the Mortgage Investment Portfolio.

NOI AND REVENUE GROWTH

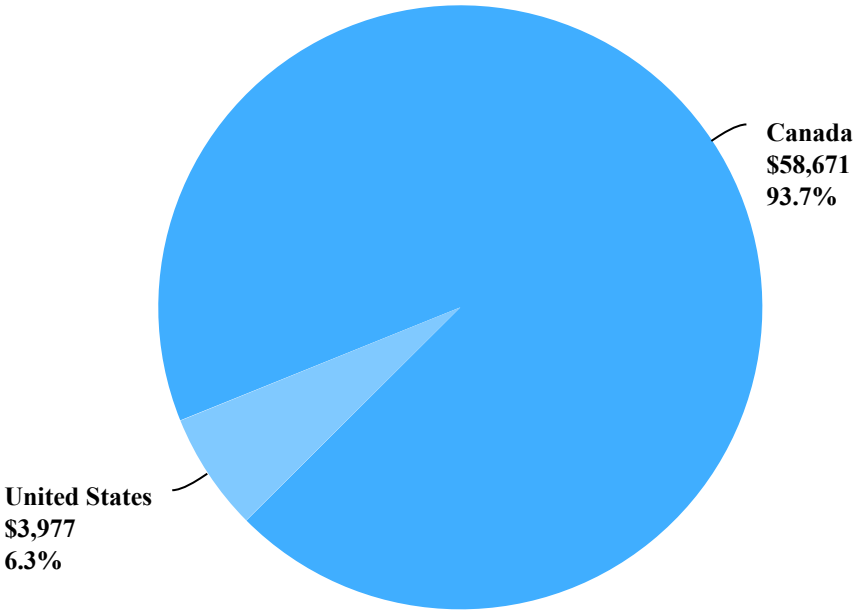
Quarterly NOI Growth Trend



Quarterly Revenue Growth
(in millions)



Net Operating Income (NOI) by Country



SAME STORE ANALYSIS[1]

Asset Type	Stable (expressed in thousands of Canadian dollars)			Repositioning (expressed in thousands of Canadian dollars)		
Year	**Q3 2020**	**Q3 2019**	**Change**	**Q3 2020**	**Q3 2019**	**Change**
Income						
Total Operating Revenue	$72,405	$69,483	4.21%	$ 1,971	$ 1,957	0.71%
Total NOI	$50,239	$47,821	5.06%	$ 1,182	$ 1,254	(5.71)%
NOI Ratio	69.39%	68.82%	0.56%	59.98%	64.07%	(4.09)%
Average Rent/unit as per End of Period Rent Roll	$1,072	$1,004	6.78 %	$1,304	$1,299	0.37 %
Expense Ratio (%)						
Taxes	10.86%	11.52%	(0.66)%	13.37%	13.11%	0.25%
R&M	4.50%	4.94%	(0.44)%	5.10%	4.93%	0.17%
Wages	3.30%	2.94%	0.36%	4.59%	4.06%	0.54%
Insurance	1.16%	1.05%	0.11%	0.87%	1.01%	(0.13)%
Utilities	7.75%	8.11%	(0.36)%	9.24%	9.00%	0.24%
G&A	2.65%	2.10%	0.55%	6.84%	3.82%	3.03%
Expense Dollars ($)						
Taxes	($7,861)	($8,002)	($140)	($263)	($257)	$7
R&M	($3,259)	($3,436)	($177)	($100)	($96)	$4
Wages	($2,390)	($2,044)	$346	($91)	($79)	$11
Insurance	($840)	($730)	$110	($17)	($20)	($3)
Utilities	($5,609)	($5,632)	($23)	($182)	($176)	$6
G&A	($1,918)	($1,458)	$460	($135)	($75)	$60

Asset Type	Unstabilized			Total - Same Store (expressed in thousands of Canadian dollars)		
Year	**Q3 2020**	**Q3 2019**	**Change**	**Q3 2020**	**Q3 2019**	**Change**
Income						
Total Operating Revenue				$74,376	$71,440	4.11 %
Total NOI	—	—	—	$51,422	$49,075	4.78 %
NOI Ratio	—	—	—	69.14%	68.69%	0.44 %
Average Rent/unit as per End of Period Rent Roll	—	—	—	$1,077	$1,010	6.64 %
Expense Ratio (%)						
Taxes	—	—	—	10.92%	11.56%	(0.64)%
R&M	—	—	—	4.52%	4.94%	(0.43)%
Wages	—	—	—	3.33%	2.97%	0.36 %
Insurance	—	—	—	1.15%	1.05%	0.10 %
Utilities	—	—	—	7.79%	8.13%	(0.34)%
G&A	—	—	—	2.76%	2.15%	0.62 %
Expense Dollars ($)						
Taxes	—	—	—	($8,125)	($8,258)	($134)
R&M	—	—	—	($3,360)	($3,532)	($172)
Wages	—	—	—	($2,480)	($2,123)	$357
Insurance	—	—	—	($857)	($749)	$107
Utilities	—	—	—	($5,791)	($5,808)	($17)
G&A	—	—	—	($2,053)	($1,533)	$520

[1] *Same store analysis includes the results for all properties that were owned throughout the period from September 30, 2019 to September 30, 2020.*

"FFO" AND "NFFO"

Funds From Operations and Normalized Funds From Operations

	Trailing 12-Months		Three Months Ending		Nine Months Ending	
(expressed in thousands of Canadian dollars except per unit amounts)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
FFO (Funds From Operations)						
Net Income and Comprehensive Income	$228,815	$253,641	$31,118	$70,514	$116,187	$182,952
Less: FV gains on investment properties	(135,404)	(165,097)	(8,024)	(46,866)	(46,991)	(116,307)
Less: Minority Interest [1]	(18,724)	(19,225)	(5,108)	(5,392)	(14,543)	(14,654)
Plus: Allowance for expected credit losses	126	2,604	(79)	518	405	758
Plus: Amortizations	2,881	1,876	890	915	2,319	1,618
Plus: Capital raising costs expensed through G&A	1,049	215	257	176	833	508
Plus: Deferred Income Tax Expense	5,258	0	936	0	1,150	0
FFO	**$84,001**	**$74,014**	**$19,990**	**$19,865**	**$59,360**	**$54,875**
NFFO (Normalized Funds From Operations)						
FFO	$84,001	$74,014	$19,990	$19,865	$59,360	$54,875
Plus: Unlevered cash	8,070	5,359	1,133	2,301	6,221	4,846
Plus: Gap to market rents	12,680	13,574	2,893	3,679	8,679	10,509
NFFO	**$104,751**	**$92,947**	**$24,016**	**$25,845**	**$74,260**	**$70,230**
Average Number of Outstanding Units	94,848,760	73,470,595	98,897,463	81,149,678	97,606,257	76,018,415
Per Unit Statistics (Per Adjusted Number of Outstanding Units)						
Net Income and Comprehensive Income	$2.41	$3.45	$0.31	$0.87	$1.19	$2.41
FFO	$0.89	$1.01	$0.20	$0.24	$0.61	$0.72
NFFO	$1.10	$1.27	$0.24	$0.32	$0.76	$0.92

Notes:

[1] *Represents the Non-Controlling Interest*

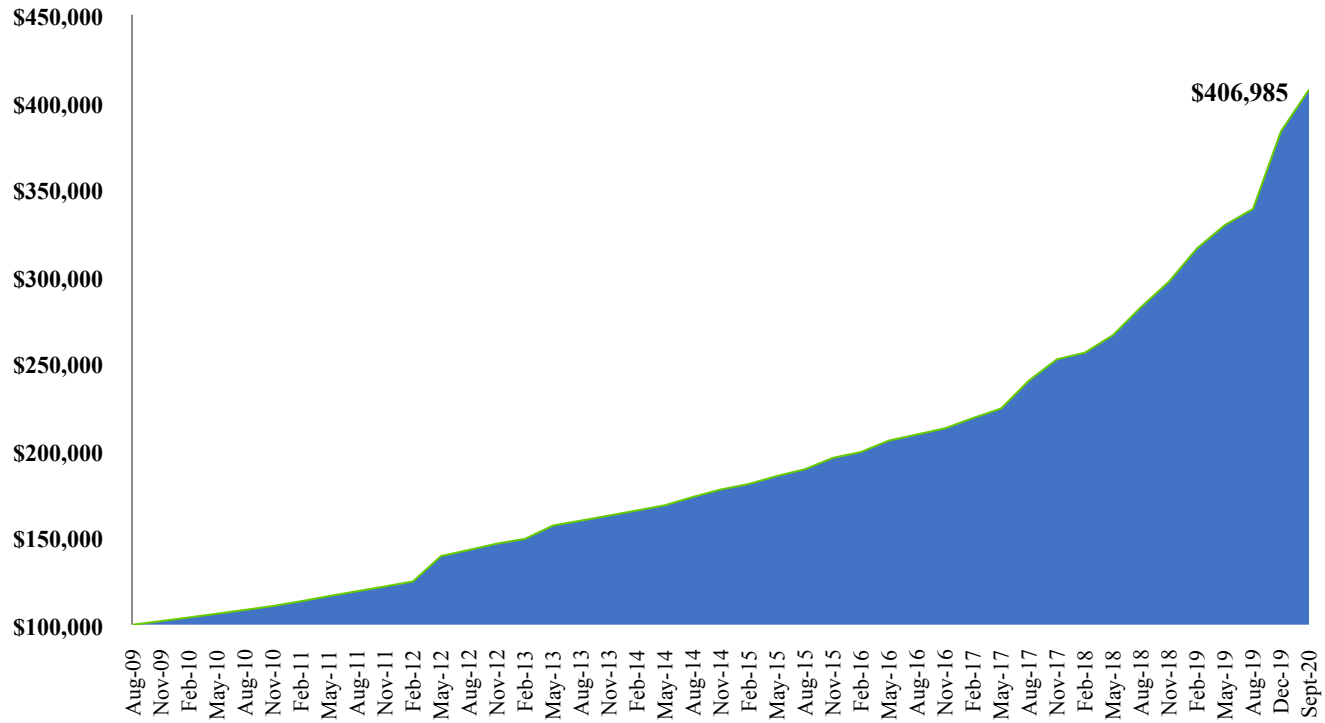
TOTAL RETURNS

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

Calendar Returns	2009 [1]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Centurion CAPLP/REIT TR	2.75%	8.48%	10.21%	20.01%	10.95%	9.21%	10.82%	9.80%	17.24%	23.44%	21.79%	6.24%

Compound Returns (%)	1-Year	2-year	3-Year	4-Year	5-Year	Since Inception of REIT
Centurion CAPLP/REIT TR	19.24%	19.52%	18.82%	17.78%	16.42%	13.50%

Centurion Apartment REIT Growth of $100,000 Invested [2]



Notes:

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

[2]Class "A" Units

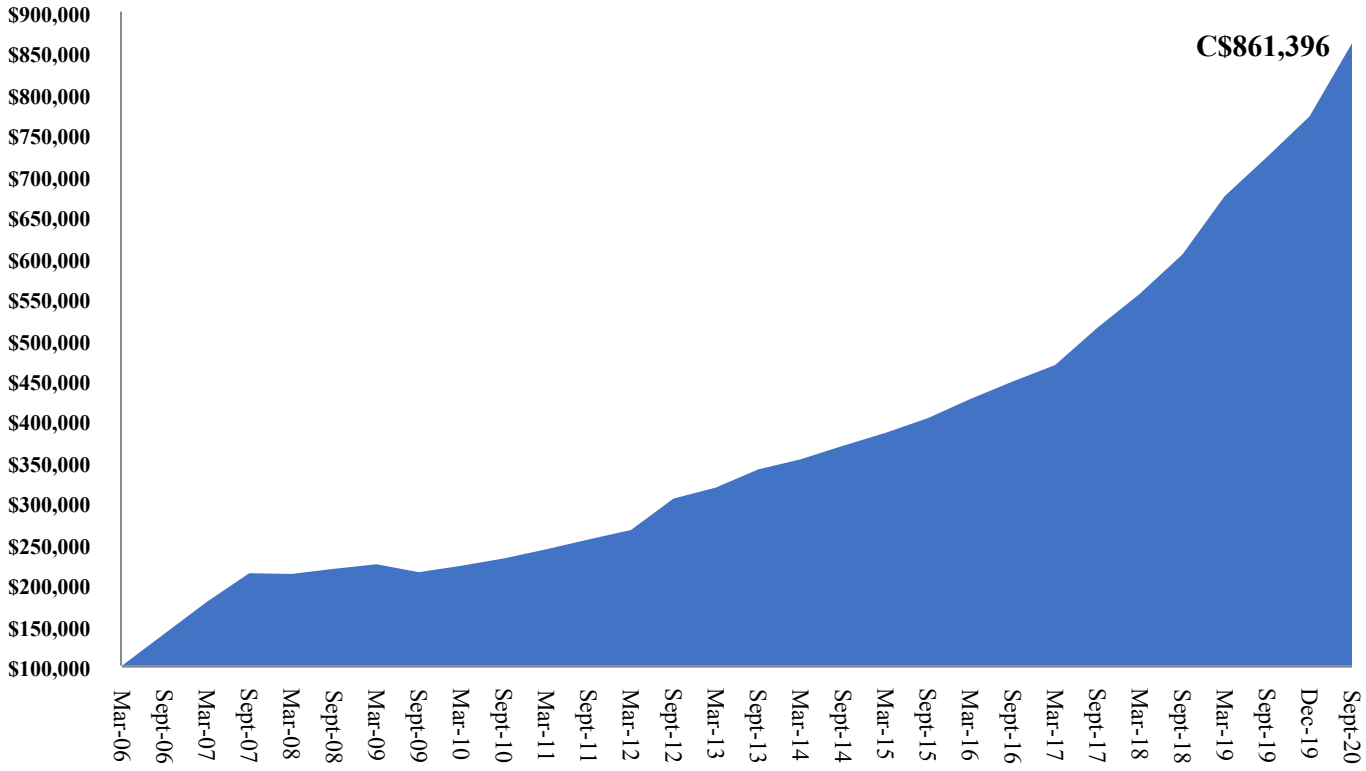
TOTAL RETURNS

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	YTD2020
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%	6.24%

Compound Returns	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	Since Inception
Centurion CAPLP/ REIT TR	19.24%	19.52%	18.82%	17.78%	16.42%	15.18%	14.20%	13.89%	14.51%	14.06%	15.91%

CAPLP Growth of $100,000 Invested



Notes:

[1]For partial year from Mar 06 to 31 Dec 09

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 Suit 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	7	23				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%	3	13	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 Suit 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 and 2569 Chemin des Quatre-Bourgeois and 931 and 941 Samuel-King Street [6]	Apt	100%	301	228	131	24			684	684	684	684
Total			**579**	**3,535**	**4,252**	**470**	**236**	**265**	**9,337**	**8,378**	**11,498**	**10,232**

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 September 30, 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	0.4%	33	0.4%	33	0.29%	33	0.32%
Barrie	2	43	0.5%	43	0.5%	43	0.37%	43	0.42%
Brighton	2	59	0.6%	59	0.7%	59	0.51%	59	0.58%
Calgary	1	348	3.7%	243	2.9%	486	4.23%	340	3.32%
Cambridge	5	679	7.3%	679	8.1%	679	5.91%	679	6.64%
Dartmouth	1	114	1.2%	114	1.4%	114	0.99%	114	1.11%
Edmonton	8	1378	14.8%	1378	16.4%	1378	11.98%	1378	13.47%
Gravenhurst	1	39	0.4%	39	0.5%	39	0.34%	39	0.38%
Guelph	1	66	0.7%	66	0.8%	66	0.57%	66	0.65%
Huntsville	1	25	0.3%	25	0.3%	25	0.22%	25	0.24%
Kelowna	1	175	1.9%	175	2.1%	175	1.52%	175	1.71%
Kitchener	6	668	7.2%	668	8.0%	668	5.81%	668	6.53%
Langford	8	382	4.1%	382	4.6%	382	3.32%	382	3.73%
London	4	327	3.5%	286	3.4%	955	8.31%	796	7.78%
Mississauga	3	269	2.9%	269	3.2%	269	2.34%	269	2.63%
Montreal	1	100	1.1%	100	1.2%	440	3.83%	440	4.30%
Oshawa	2	71	0.8%	71	0.8%	71	0.62%	71	0.69%
Quebec City	1	684	7.3%	684	8.2%	684	5.95%	684	6.68%
Regina	5	571	6.1%	400	4.8%	571	4.97%	400	3.91%
Surrey	1	146	1.6%	146	1.7%	146	1.27%	146	1.43%
Toronto	11	1138	12.2%	1138	13.6%	1138	9.90%	1138	11.12%
Victoria	2	229	2.5%	162	1.9%	229	1.99%	162	1.58%
Waterloo	5	301	3.2%	264	3.2%	1356	11.79%	1171	11.44%
Whitby	1	36	0.4%	36	0.4%	36	0.31%	36	0.35%
Winnipeg	3	800	8.6%	381	4.5%	800	6.96%	381	3.72%
Athens (U.S.)	1	204	2.2%	153	1.8%	204	1.77%	153	1.50%
Baytown (U.S)	1	228	2.4%	194	2.3%	228	1.98%	194	1.90%
Waller (U.S.)	1	224	2.4%	190	2.3%	224	1.95%	190	1.86%
28 Cities	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	45	3754	40%	3676	44%	5437	47%	5093	50%
Nova Scotia	1	114	1%	114	1%	114	1%	114	1%
Alberta	9	1726	18%	1621	19%	1864	16%	1718	17%
British Columbia	12	932	10%	865	10%	932	8%	865	8%
Manitoba	3	800	9%	381	5%	800	7%	381	4%
Saskatchewan	5	571	6%	400	5%	571	5%	400	4%
Quebec	2	784	8%	784	9%	1124	10%	1124	11%
USA Georgia	1	204	2%	153	2%	204	2%	153	1%
USA Texas	2	452	6%	384	5%	452	4%	384	4%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	2%	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	17%	1,547	18%	1,547	13%	1,547	15%
Montreal	1	100	1%	100	1%	440	4%	440	4%
Quebec City	1	684	7%	684	8%	684	6%	684	7%
Kitchener-Waterloo-Cambridge	17	1,714	18%	1,677	20%	2,769	24%	2,584	25%
London Area	4	327	4%	286	3%	955	8%	796	8%
Halifax Regional Municipality	1	114	1%	114	1%	114	1%	114	1%
Greater Edmonton Area	8	1,378	15%	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	7%	690	7%
Winnipeg Capital Region	3	800	9%	381	5%	800	7%	381	4%
Georgia (U.S.)	1	204	2%	153	2%	204	2%	153	1%
Texas (U.S.)	2	452	4%	384	6%	452	3%	384	4%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	52	6,926	74%	6,096	73%	7,404	64%	6,532	64%
Secondary	24	2,288	25%	2,159	26%	3,971	35%	3,577	35%
Tertiary	4	123	1%	123	1%	123	1%	123	1%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**100%**

APPENDIX A

Summary Information About The Properties

Summary Asset by 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 RUs**
Canadian Apartments	66	7,605	81%	6,948	83%	7,605	66%	6,948	68%
U.S. Apartments	3	656	7%	537	6%	656	6%	537	5%
Student Housing	11	1,076	12%	893	11%	3,237	28%	2,747	27%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**100%**

APPENDIX A

Summary Information About The Properties

Student Housing by City						
City	Type of Building	# of Complexes	# of Suites (Undiluted)	# of Suites (Diluted)	# of Beds (Undiluted)	# of Beds (Diluted)
Calgary	Student Housing	1	348	243	486	340
Montreal	Student Housing	1	100	100	440	440
London	Student Housing	4	327	286	955	797
Waterloo	Student Housing	5	301	264	1,356	1,171
Total		**11**	**1,076**	**893**	**3,237**	**2,748**

Average Rents (undiluted basis)		
	Total Rental Units	Revenue/ Unit/Month
Apartment	**8,261**	$1,366.40
Student Residences	**3,237**	$733.92
Total	**11,498**	

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	55%	4,611	55%	5,523	48%	5,037	49%
Non Rent Controlled	27	4,240	45%	3,767	45%	5,975	52%	5,195	51%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	49%	4,458	53%	4,509	39%	4,458	44%
Luxury	22	3,752	40%	3,027	36%	3,752	33%	3,027	30%
Apartment Subtotal	69	8,261	89%	7,485	89%	8,261	72%	7,485	74%
Student Housing									
Affordable	—	—	—	—	—	—	—	—	—
Mid-Tier	3	581	6%	476	6%	1,097	10%	951	9%
Luxury	8	495	5%	417	5%	2,140	18%	1,796	17%
Student Housing Subtotal	11	1,076	11%	893	11%	3,237	28%	2,747	26%
Summary By Affordability									
Affordable	—	—	—	—	—	—	—	—	—
Mid-Tier	50	5,090	55%	4,934	59%	5,606	49%	5,409	53%
Luxury	30	4,247	45%	3,444	41%	5,892	51%	4,823	47%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	33	4662	50%	3795	45%	5400	47%	4344	42%
2000-2009	6	588	6%	547	7%	1422	12%	1263	12%
1990-1999	2	260	3%	209	2%	423	4%	372	4%
1980-1989	10	1094	12%	1094	13%	1180	10%	1180	12%
1970-1979	11	1017	11%	1017	12%	1357	12%	1357	13%
1960-1969	12	1071	11%	1071	13%	1071	9%	1071	11%
1950-1959	6	645	7%	645	8%	645	6%	645	6%
Pre 1950	0	0	—%	0	—%	0	—%	0	—%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	30%	2,682	32%	2,801	24%	2,682	26%
Mid-Rise	27	2,854	31%	2,264	27%	2,854	25%	2,264	22%
High-Rise	13	2,527	26%	2,460	29%	2,527	22%	2,460	24%
Apartment Subtotal	69	8,261	88%	7,485	89%	8,261	72%	7,485	73%
Student Housing									
Townhouses	2	51	1%	44	1%	231	2%	197	2%
Garden Style	—	—	—%	—	—%	—	—%	—	—%
Mid-Rise	—	—	—%	—	—%	—	—%	—	—%
High-Rise	9	1,025	11%	849	10%	3,006	26%	2,550	25%
Student Housing Subtotal	11	1,076	12%	893	11%	3,237	28%	2,747	27%
Summary by Building Style									
Townhouses	5	130	2%	123	2%	310	3%	276	3%
Garden Style	26	2,801	30%	2,682	32%	2,801	24%	2,682	26%
Mid-Rise	27	2,854	31%	2,264	27%	2,854	25%	2,264	22%
High-Rise	22	3,552	37%	3,309	39%	5,533	48%	5,010	49%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	22%
Steel and Wood	1	416	4%	208	2%	416	4%	208	2%
Concrete	51	6,400	69%	6,069	73%	8,381	73%	7,770	76%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**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	28%	2624	23%	2471	24%
Elevatored	54	6893	74%	6,060	72%	8874	77%	7761	76%
Total	**80**	**9,337**	**100%**	**8,378**	**100%**	**11,498**	**100%**	**10,232**	**100%**

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (September 30, 2020)

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

REIT Consolidated								
Investments Segregation (excl. Foreclosed Properties)	**Funded**				**Committed**			
	$	**#**	**% ($)**	**Wt.-Avg. Rate**	**$**	**#**	**% ($)**	
By Participation								
Mortgage Investments	$ 496,534	75	67%	9.52%	$ 608,442	76	76%	
Participating Loan Interests	$ 162,251	17	22%	9.36%	$ 122,461	17	15%	
Equity Accounted Investments	$ 80,199	7	11%	0.00%	$ 73,466	8	9%	
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,369**	**101**	**100%**	
By Rank								
1st	$ 321,712	42	44%	9.05%	$ 415,251	43	52%	
2nd	$ 337,073	50	45%	9.97%	$ 315,652	50	39%	
Equity Accounted Investments	$ 80,199	7	11%	0.00%	$ 73,466	8	9%	
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,369**	**101**	**100%**	
By Loan Type								
Commercial	$ 82,182	15	11%	9.25%	$ 102,458	15	13%	
Residential	$ 653,280	83	89%	9.52%	$ 697,456	85	86%	
Term	$ 3,522	1	0%	8.00%	$ 4,455	1	1%	
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,369**	**101**	**100%**	
By Province/State								
Canada								
AB	$ 49,426	8	7%	8.70%	$ 59,738	9	7%	
BC	$ 133,649	15	18%	10.17%	$ 126,728	15	16%	
MB	$ 22,149	4	3%	11.51%	$ 29,431	4	4%	
NS	$ 4,235	1	1%	10.00%	$ 4,235	1	1%	
ON	$ 418,278	63	57%	9.33%	$ 490,416	64	61%	
Subtotal (A)	**$ 627,737**	**91**	**86%**	**9.51%**	**$ 710,548**	**93**	**89%**	
United States								
FL	$ 36,011	2	5%	9.00%	$ 27,550	2	3%	
MI	$ 8,907	1	1%	10.00%	$ 10,071	1	1%	
MN	$ 8,865	1	1%	8.00%	$ 11,318	1	1%	
MO	$ 10,919	2	1%	8.00%	$ 7,548	2	1%	
TX	$ 46,545	2	6%	10.00%	$ 37,336	2	5%	
Subtotal (B)	**$ 111,247**	**8**	**14%**	**9.36%**	**$ 93,823**	**8**	**11%**	
Grand Total (A + B)	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,371**	**101**	**100%**	

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (September 30, 2020)

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated						
	Funded				Committed		
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)
By City							
Greater Toronto Area							
Ajax	$ 13,463	2	1.82%	9.12%	$ 20,994	2	2.61%
Burlington	$ 7,765	1	1.05%	8.50%	$ 12,000	1	1.49%
Clarington	$ 4,707	1	0.64%	10.00%	$ 4,425	1	0.55%
Etobicoke	$ 10,223	1	1.38%	10.00%	$ 10,498	1	1.31%
Markham	$ 37,787	3	5.11%	9.43%	$ 41,577	3	5.17%
Mississauga	$ 26,583	2	3.60%	9.95%	$ 29,900	2	3.72%
Newcastle	$ 994	2	0.13%	12.52%	$ 4,565	2	0.57%
Oakville	$ 10,202	1	1.38%	9.25%	$ 10,202	1	1.27%
Pickering	$ 7,093	1	0.96%	8.00%	$ 7,093	1	0.88%
Richmond Hill	$ 0	0	0.00%	0.00%	$ 0	0	0.00%
Scarborough	$ 49,680	6	6.72%	8.88%	$ 58,115	7	7.22%
Toronto	$ 43,689	8	5.91%	9.52%	$ 45,413	8	5.65%
Subtotal (A)	**$ 212,186**	**28**	**28.70%**	**9.33%**	**$ 244,782**	**29**	**30.44%**
Greater Vancouver Area							
Delta	$ 9,089	2	1.23%	14.00%	$ 8,604	2	1.07%
Langley	$ 3,524	1	0.48%	8.50%	$ 23,150	1	2.88%
Surrey	$ 61,560	5	8.33%	9.51%	$ 64,552	5	8.03%
Subtotal (B)	**$ 74,173**	**8**	**10.04%**	**9.98%**	**$ 96,306**	**8**	**11.98%**
Vancouver Island							
Sooke	$ 5,776	1	0.78%	9.50%	$ 8,800	1	1.09%
Victoria	$ 27,071	4	3.66%	13.85%	$ 12,848	4	1.60%
Subtotal (C)	**$ 32,847**	**5**	**4.44%**	**12.50%**	**$ 21,648**	**5**	**2.69%**
Guelph-Waterloo Area							
Guelph	$ 28,120	9	3.81%	9.96%	$ 28,120	9	3.50%
Waterloo	$ 69,685	10	9.43%	9.93%	$ 66,362	10	8.25%
Subtotal (D)	**$ 97,805**	**19**	**13.24%**	**9.94%**	**$ 94,482**	**19**	**11.75%**

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (September 30, 2020)

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated						
	Funded				Committed		
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)
By City (cont'd)							
Other Canadian Cities							
Abbotsford	$ 25,611	2	3.47%	8.55%	$ 27,208	2	3.38%
Barrie	$ 12,232	3	1.66%	9.45%	$ 12,232	3	1.52%
Calgary	$ 46,793	5	6.33%	8.46%	$ 66,315	6	8.24%
Cochrane	$ 8,327	1	1.13%	8.00%	$ 9,900	1	1.23%
Dartmouth	$ 4,235	1	0.57%	10.00%	$ 4,235	1	0.53%
Edmonton	$ 6,443	2	0.87%	6.75%	$ 7,926	2	0.99%
Grimsby	$ 1,413	1	0.19%	10.00%	$ 1,550	1	0.19%
Hamilton	$ 49,854	2	6.75%	8.67%	$ 53,122	2	6.60%
Minett	$ 8,237	2	1.11%	9.22%	$ 12,546	2	1.56%
Orillia	$ 7,772	3	1.05%	9.44%	$ 10,891	3	1.35%
Ottawa	$ 7,219	1	0.98%	10.00%	$ 7,219	1	0.90%
Squamish	$ 4,542	1	0.61%	11.50%	$ 4,715	1	0.59%
St. Albert	$ 1,043	1	0.14%	9.00%	$ 1,185	1	0.15%
Timmins	$ 4,855	2	0.66%	10.00%	$ 4,855	2	0.60%
Winnipeg	$ 22,149	4	3.00%	11.51%	$ 29,431	4	3.66%
Subtotal (E)	**$ 210,725**	**31**	**28.52%**	**8.90%**	**$ 253,330**	**32**	**31.49%**
United States							
Austin	$ 18,587	1	2.52%	10.00%	$ 15,782	1	1.96%
Detroit	$ 8,907	1	1.21%	10.00%	$ 10,071	1	1.25%
Estero	$ 19,211	1	2.60%	9.00%	$ 13,251	1	1.65%
Irving	$ 27,961	1	3.78%	10.00%	$ 21,553	1	2.68%
Kansas City	$ 10,919	2	1.48%	8.00%	$ 7,548	2	0.94%
Minneapolis	$ 8,865	1	1.20%	8.00%	$ 11,318	1	1.41%
West Palm Beach	$ 16,798	1	2.27%	9.00%	$ 14,299	1	1.78%
Subtotal (F)	**$ 111,248**	**8**	**15.06%**	**9.36%**	**$ 93,822**	**8**	**11.67%**
Grand Total (SUM A to F)	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,370**	**101**	**100.02%**

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (September 30, 2020)

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated						
	Funded				Committed		
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)
By Purchase Options							
With	$ 166,768	17	23.00%	9.45%	$ 139,223	17	17.00%
Without	$ 492,017	75	66.00%	9.50%	$ 591,681	76	74.00%
Equity Accounted Investments	$ 80,199	7	11.00%	0.00%	$ 73,466	8	9.00%
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,370**	**101**	**100%**
By Development Stage							
Construction	$ 471,914	56	64.00%	9.30%	$ 540,583	58	67.00%
Pre-Construction	$ 130,968	19	18.00%	9.43%	$ 135,412	19	17.00%
Term	$ 136,102	24	18.00%	10.21%	$ 128,374	24	16.00%
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,369**	**101**	100%
By Underlying Security							
Multi Family Apartments	$ 197,000	20	27.00%	9.49%	$ 169,667	20	21.00%
Land	$ 71,157	9	10.00%	9.41%	$ 73,493	9	9.00%
Low-Rise Residential	$ 219,441	30	29.00%	9.29%	$ 275,153	30	34.00%
Industrial	$ 21,900	4	3.00%	11.30%	$ 25,650	4	3.00%
High-Rise Condominium	$ 111,804	18	15.00%	9.49%	$ 117,403	19	15.00%
Commercial/Mixed Use	$ 80,155	15	11.00%	9.48%	$ 111,027	16	14.00%
Multi Student Housing	$ 37,527	3	5.00%	10.00%	$ 31,976	3	4.00%
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,369**	**101**	**100%**
By Investment Size							
$1m or less	$ 6,862	8	1.00%	11.06%	$ 30,729	10	4.00%
> $1m - $3m	$ 48,583	23	7.00%	10.82%	$ 62,130	23	8.00%
> $3m - $5m	$ 71,679	19	10.00%	10.00%	$ 104,754	19	13.00%
> $5m - $10m	$ 199,468	28	27.00%	9.53%	$ 216,352	28	27.00%
> $10m - $15m	$ 93,582	7	13.00%	9.17%	$ 87,227	7	11.00%
> $15m	$ 318,810	14	42.00%	9.14%	$ 303,178	14	37.00%
Total	**$ 738,984**	**99**	**100%**	**9.49%**	**$ 804,370**	**101**	**100%**

APPENDIX B

Summary Information About The Mortgage Investment Portfolio of REIT (September 30, 2020)

REIT Consolidated								
Investments Segregation (excl. Foreclosed Properties)	**Funded**				**Committed**			
	$	**#**	**% ($)**	**Wt.-Avg. Rate**	**$**	**#**	**% ($)**	
By Maturity (excl. Equity & FV Adj.)								
2020	$ 265,074	41	43.00%	9.46%	$ 299,282	41	41.00%	
2021	$ 244,925	39	40.00%	9.29%	$ 305,005	39	42.00%	
2022	$ 78,996	7	13.00%	10.02%	$ 97,716	8	13.00%	
2023	$ 16,872	4	3.00%	8.29%	$ 21,288	4	3.00%	
2024	$ 0	0	0.00%	0.00%	$ 0	0	0.00%	
2025	$ 7,613	1	1.00%	14.00%	$ 7,613	1	1.00%	
Total	**$ 613,480**	**92**	**100%**	**9.49%**	**$ 730,904**	**93**	**100%**	
By Interest/Pref Rate (excl. Equity & FV Adj.)								
8% or less	$ 93,547	13	15.00%	7.83%	$ 131,158	13	18.00%	
> 8.0% - 8.5%	$ 98,295	10	16.00%	8.43%	$ 132,829	10	18.00%	
> 8.5% - 9.0%	$ 93,368	9	15.00%	8.98%	$ 110,573	10	15.00%	
> 9.0% - 9.5%	$ 30,507	5	5.00%	9.40%	$ 33,531	5	5.00%	
> 9.5% - 10.0%	$ 237,620	39	39.00%	10.00%	$ 246,821	39	34.00%	
> 10.0% - 10.5%	$ 28,531	3	5.00%	10.43%	$ 35,987	3	5.00%	
> 10.5% - 11.0%	$ 5,662	2	1.00%	11.00%	$ 7,721	2	1.00%	
> 11.0% - 11.5%	$ 4,542	1	1.00%	11.50%	$ 4,715	1	1.00%	
> 11.5% - 12.0%	$ 1,691	1	0.00%	12.00%	$ 6,000	1	1.00%	
> 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%	$ 10,074	3	2.00%	13.94%	$ 10,074	3	1.00%	
> 14.0% - 14.5%	$ 0	0	0.00%	0.00%	$ 0	0	0.00%	
> 14.5% - 15.0%	$ 1,598	2	0.00%	15.00%	$ 3,450	2	0.00%	
> 15.0%	$ 8,045	4	1.00%	20.00%	$ 8,045	4	1.00%	
Total	**$ 613,480**	**92**	**100%**	**9.49%**	**$ 730,904**	**93**	**100%**	
By Committed LTV - Mortgage Investments								
50% or less	$ 33,465	6	7.00%	9.63%	$ 36,711	6	6.00%	
> 50% - 60%	$ 56,688	7	11.00%	9.12%	$ 63,184	7	10.00%	
> 60% - 70%	$ 141,013	17	28.00%	9.25%	$ 183,580	17	30.00%	
> 70% - 80%	$ 164,167	24	33.00%	9.88%	$ 196,900	25	33.00%	
> 80% - 90%	$ 73,201	14	15.00%	9.39%	$ 99,136	14	16.00%	
> 90%	$ 28,000	7	6.00%	9.75%	$ 28,931	7	5.00%	
Total	**$ 496,534**	**75**	**100%**	**9.52%**	**$ 608,442**	**76**	**100%**	
By Payment Method - Mortgage Investments								
Interest Accrue	$ 235,025	42	48.00%	9.97%	$ 288,920	43	48.00%	
Interest Reserve Payment	$ 37,281	3	6.00%	9.74%	$ 37,281	3	6.00%	
Periodic Cheques	$ 37,674	4	6.00%	8.25%	$ 39,271	4	6.00%	
Pre Authorized Payment	$ 186,554	26	40.00%	9.16%	$ 242,971	26	40.00%	
Total	**$ 496,534**	**75**	**100%**	**9.52%**	**$ 608,443**	**76**	**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	$ 930,315	14	61.00%		$ 650,189	14	61.00%	
Equity Accounted Investments	$ 483,813	7	32.00%		$ 308,751	7	29.00%	
Total	**$ 1,523,508**	**25**	**100%**		**$ 1,064,438**	**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%	2020
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	143		50%	2022
CCA Minneapolis [1]	Minneapolis, Minnesota	307	4,500	46%	2021
Sage Creek [2]	Winnipeg, Manitoba	398	11,500	50%	2022
Kansas [2]	Kansas City, Missouri	283		35%	2021
1411 - 26 A street SW [2]	Calgary, Alberta	73	10,342	100%	2021
The Block [4]	Waterloo, Ontario	111		45%	2021
ME Living Condo [2]	Toronto, Ontario	327	5,000	75%	2020
The Block Phase 2 [4]	Waterloo, Ontario	379		45%	2020
Madison Avenue [2]	Calgary, Alberta	62		50%	2022
Simon Fraser University Residences [1]	Burnaby, British Columbia	480		100%	2021
Scott Road - Phase I and II [1]	Surrey, BC	514	11,867	100%	2021
5509 Dundas S West [2]	Toronto, Ontario	270	13,000	80%	2024
Bridgewater 3 [2]	Winnipeg, Manitoba	270		45%	2022
TOTAL		**5,424**	**60,169**		

[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's ownership interest, and the year of the estimated closing date.

Property Name	Property Location	Number of Units	Ownership %	Estimated Year of Closing
18 James St.	Waterloo, Ontario	30 units/150 beds	100%	2020
Le Art	Montreal, Québec	138	100%	2020
Scott Road	Surrey, British Columbia	514	100%	2021
Canadian Student Housing Residence	British Columbia	480	100%	2021
Paisley	Guelph, Ontario	757	100%	2021 - 2024

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.

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 REITs 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.

APPENDIX E
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.

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

APPENDIX E
Risks and Uncertainties

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.

APPENDIX E
Risks and Uncertainties

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 61.65% 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 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

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

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

Unaudited Condensed Consolidated Interim Financial Statements

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Financial Statements (Unaudited)
For the Three and Nine Months Ended September 30, 2020

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

As at	Note	September 30, 2020	December 31, 2019
Assets			
Cash		**$ 28,017**	$ 70,555
Restricted cash	11	**3,598**	13,617
Receivable and other assets	9	**65,671**	42,583
Investment properties held for sale	4	**—**	14,500
Investment properties	4	**2,418,933**	1,788,169
Mortgage investments	6	**436,226**	454,725
Participating loan interests	7	**110,064**	127,550
Equity accounted investments	5	**190,869**	170,521
Foreclosed property	8	**33,036**	20,435
Total Assets		**$ 3,286,414**	$ 2,702,655
Liabilities			
Unit subscriptions in trust	11	**$ 3,598**	$ 13,617
Accounts payable and other liabilities	13	**31,597**	25,916
Syndicated mortgage investment liabilities	6	**30,910**	28,520
Mortgages payable and credit facilities	12	**1,186,173**	737,678
Deferred income tax liabilities	21	**5,417**	4,108
Total Liabilities excluding net assets attributable to Unitholders		**1,257,695**	809,839
Net assets attributable to Unitholders		**$ 2,028,719**	$ 1,892,816
Represented by:			
Net assets attributable to unitholders of the Trust		**$ 1,772,503**	$ 1,641,277
Net assets attributable to non-controlling interest		**$ 256,216**	$ 251,539

Commitments and contingencies (Notes 6, 8,10, 14, 18 and 19)

Subsequent events (Note 27)

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

		Three Months Ended September 30		Nine Months Ended September 30	
For the period ended	Note	**2020**	2019	**2020**	2019
Revenue from investment properties	15	**$ 34,435**	$ 22,204	**$ 97,582**	$ 61,602
Property operating costs		**(13,056)**	(6,325)	**(34,934)**	(19,496)
Net rental income		**21,379**	15,879	**62,648**	42,106
Fair value gains on investment properties	4	**8,024**	46,866	**46,991**	116,307
Interest income	6	**12,553**	12,847	**38,180**	36,662
Interest expense on syndicated mortgage liabilities	6	**(493)**	(312)	**(1,388)**	(864)
Fair value gains on participating loan interests	7	**1,537**	2,949	**(2,298)**	3,251
Impairment on foreclosed property	8	**883**	—	**(181)**	—
Income from equity accounted investments	5	**1,310**	3,993	**12,935**	14,635
Other income		**425**	98	**2,087**	1077
General and administrative expenses	17	**(5,024)**	(5,017)	**(17,873)**	(13,301)
(Allowance) recovery for expected credit losses	6	**79**	(518)	**(405)**	(758)
Income from operations		**40,673**	76,785	**140,696**	199,115
Loss on disposal of investment properties	4	**—**	(149)	**(317)**	(149)
Finance costs	16	**(8,676)**	(5,943)	**(24,169)**	(15,072)
Income before income taxes		**31,997**	70,693	**116,210**	183,894
Current and deferred income tax recovery	21	**(936)**	—	**(1,150)**	—
Net Income		**31,061**	70,693	**115,060**	183,894
Currency translation adjustment		**57**	(179)	**1,127**	(942)
Net Income and Comprehensive Income		**$ 31,118**	$ 70,514	**$ 116,187**	$ 182,952
Attributable to:					
Unitholders of the Trust		**$ 26,010**	$ 65,122	**$ 101,644**	$ 168,298
Non-controlling interest		**$ 5,108**	$ 5,392	**$ 14,543**	$ 14,654

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

For the period ended September 30, 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 period	**$ 1,641,276**	**$ 251,540**	**$ 1,892,816**
Net Income and Comprehensive Income	**101,644**	**14,543**	**116,187**
Redeemable unit transactions			
Proceeds from Units issued (net of issuance costs)	228,183	21,070	249,253
Contributions from Non-Controlling Interest	—	1,954	1,954
Reinvestments of distributions by Unitholders	33,681	5,521	39,202
Redemption of Units	(168,235)	(25,042)	(193,277)
Distributions to Unitholders	(64,046)	(13,370)	(77,416)
Net increase from Unit transactions	29,583	(9,867)	19,716
Net increase in net assets attributable to Unitholders	**131,227**	**4,676**	**135,903**
Net assets attributable to Unitholders at end of the period	**$ 1,772,503**	**$ 256,216**	**$ 2,028,719**

For the period ended September 30, 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 period	**$ 1,034,355**	**$ 201,226**	**$ 1,235,581**
	—	—	
Net Income and Comprehensive Income	**168,297**	**14,654**	**182,951**
Redeemable unit transactions			
Proceeds from Units issued (net of issuance costs)	220,732	41,322	262,054
Reinvestments of distributions by Unitholders	24,621	4,495	29,116
Redemption of Units	(26,518)	(2,418)	(28,936)
Distributions to Unitholders	(50,294)	(10,946)	(61,240)
Net increase from Unit transactions	**168,541**	**32,453**	**200,994**
Net increase in net assets attributable to Unitholders	**336,838**	**47,107**	**383,945**
Net assets attributable to Unitholders at end of the period	**$ 1,371,193**	**$ 248,333**	**$ 1,619,526**

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS

		Three Months Ended September 30		Nine Months Ended September 30	
For the period ended	Note	**2020**	2019	**2020**	2019
Operating activities					
Net income		**$ 31,061**	$ 70,693	**$ 115,060**	$ 183,894
Adjustments for:					
Interest income		**(12,553)**	(12,847)	**(38,180)**	(36,662)
Interest received on mortgage investments		**8,163**	10,566	**29,859**	30,537
(Recovery of) allowance for expected credit losses	6	**(79)**	518	**405**	758
Fair value gains on investment properties	4	**(8,024)**	(46,866)	**(46,991)**	(116,307)
Non-cash portion of income from equity accounted investments	5	**(1,310)**	(3,994)	**(12,935)**	(14,636)
Fair value gains on participating loan interests	8	**(1,537)**	(2,948)	**2,298**	(3,251)
Impairment on foreclosed property		**(883)**	—	**181**	—
Finance costs	16	**8,676**	5,943	**24,169**	15,072
Amortization of property and equipment	17	**229**	682	**654**	805
Gain (Loss) on disposal of investment properties		**—**	149	**(317)**	149
Realized fair value gains on participating loan interests and equity accounted investments		**(262)**	3,299	**(754)**	20,065
Current and deferred income tax expense (recovery)	21	**936**	—	**1,150**	—
Changes in non-cash operating account balances		**224**	1,000	**2,113**	(3,145)
Net cash from operating activities		**24,641**	26,195	**76,712**	77,279
Financing activities					
Proceeds from Units issued		**73,846**	55,028	**258,789**	269,983
Unit issue costs		**(2,056)**	20	**(7,582)**	(7,928)
Cash distributions to Unitholders		**(12,986)**	(11,520)	**(38,214)**	(32,124)
Redemption of Units		**(61,606)**	(9,455)	**(193,277)**	(28,936)
Capitalized financing fees		**874**	(633)	**(773)**	(2,717)
Mortgage advances and refinancing	25	**144,851**	123,998	**449,373**	213,358
Mortgage repayments and discharges	25	**(25,280)**	(24,434)	**(46,770)**	(36,695)
Credit facility advances (repayments)		**45,000**	3,970	**45,000**	15,450
Finance costs paid		**(7,911)**	(5,709)	**(22,144)**	(14,298)
Net cash from financing activities		**154,732**	131,265	**444,402**	376,093
Investing activities					
Investment property acquisitions	4	**(229,991)**	(151,451)	**(551,608)**	(297,756)
Non cash Investment property acquisitions	4	**—**	—	**2,000**	—
Investment property dispositions		**—**	9,950	**14,500**	9,950
Investment property acquisition costs	4	**(5,566)**	(7,874)	**(10,840)**	(11,835)
Investment property improvements	4	**(12,258)**	(6,615)	**(23,013)**	(14,655)
Investment property acquisition deposits	9	**8,948**	3,652	**(11,186)**	(2,943)
Acquisition of property and equipment	9	**(14)**	373	**49**	(2,347)
Capital improvements on foreclosed properties	8	**(5,102)**	—	**(12,782)**	—
Participating loan interests funded	7	**(4,087)**	(1,622)	**(20,264)**	(13,090)
Participating loan interests repaid	7	**(1)**	19	**39,755**	12,680
Equity accounted investment funded	5	**(5,438)**	(15,974)	**(17,125)**	(32,758)
Equity accounted investment repaid	5	**—**	4,521	**6,490**	15,067
Mortgage investments principal repaid, net of syndication		**28,555**	58,763	**136,572**	80,268
Mortgage investments principal funded, net of syndication		**(36,685)**	(23,296)	**(116,200)**	(137,611)
Net cash used in investing activities		**(261,639)**	(129,554)	**(563,652)**	(395,030)
Net (decrease) increase in cash		**(82,266)**	27,906	**(42,538)**	58,342
Cash, beginning of period		**110,283**	66,742	**70,555**	36,306
Cash, end of period		**$ 28,017**	$ 94,648	**$ 28,017**	$ 94,648

See accompanying notes to the unaudited condensed consolidated interim 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 interim condensed consolidated financial statements for the three and nine months ended September 30, 2020, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated interim financial statements have been approved for issue by the Board of Trustees on December 3rd, 2020.

b) Basis of Measurement

The condensed interim consolidated interim financial statements have been prepared on a historical cost basis except for investment properties, real estate held in equity accounted investments, foreclosed property, one investment in a joint arrangement elected to be accounted for as a portfolio investment, 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 condensed interim consolidated interim 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 September 30, 2020, the Trust owns an 85% interest in Oxford Ranch Apartments, LLC which owns a multi-residential property located in Waller, Texas comprising of 224 suites and a 75% interest in Clarke-Timothy, LLC which owns a multi-residential community located in Athens, Georgia comprising of 204 suites. On March 12, 2020 the Trust purchased an 85% interest in Oxford at Country Club Apartments, LLC which owns a multi-residential property located in Baytown, Texas comprising of 228 suites As at September 30, 2020, the Trust also maintains a 61.65% (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	**September 30, 2020**	December 31, 2019
Total assets	**$ 776,577**	$ 820,478
Total liabilities	**$ 113,319**	$ 86,646
Net assets attributable to Unitholders of the Trust	**$ 407,042**	$ 482,293
Net assets attributable to Non-Controlling Interest	**$ 256,216**	$ 251,539

For the three months ended		September 30, 2020		September 30, 2019
Revenue and Net interest income	**$**	**40,984**	$	32,641
Fair value and equity income		**9,981**		14,581
Expenses		**(10,503)**		(4,734)
Net Income and Comprehensive Income attributable to unitholders of the Trust	**$**	**25,919**	$	27,834
Net Income and Comprehensive Income attributable to non-controlling interest	**$**	**14,543**	$	14,654

The financial statements of the subsidiaries included in the condensed consolidated interim 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 condensed interim consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 fair value is included in the following notes:

Note 4:	Investment properties
Note 5:	Equity accounted investments
Note 7:	Participating loan interests
Note 8:	Foreclosed property
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 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.

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 condensed interim 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.

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 condensed interim 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 condensed interim consolidated balance sheets 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 lifetime 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	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 unlikeliness 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. 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.

An impairment loss is calculated as the difference between the carrying amount of the mortgage investment and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are charged to the condensed condensed consolidated interim 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 condensed consolidated interim 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 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 condensed consolidated interim 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 condensed 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) Foreclosed Property

When the Trust obtains the legal title of the underlying security of a default mortgage investment, the carrying value of the mortgage investment, which comprises principal, accrued interest, the related provision for mortgage investment loss and costs incurred, if any, are reclassified to foreclosed properties at fair value. At each reporting date, foreclosed properties are measured at fair value, with changes in fair value included in the condensed consolidated interim statement of net income and comprehensive income in the period they arise.

The Trust uses management's best estimate to determine the fair value of the foreclosed properties; which may involve frequent inspections, engaging realtors to assess market conditions based on previous property transactions, costs consultants to estimate completion costs on development or construction projects, or retaining professional appraisers to provide independent valuations. Contractual interest on the mortgage investment is discontinued from the date of transfer from the mortgage investments to foreclosed properties. Any net income or loss generated from foreclosed properties is recorded as net operating gain (loss) from foreclosed properties and recorded separately from fair value adjustments on foreclosed properties.

i) 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 condensed consolidated interim 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.

j) 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. 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.

k) 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.

l) Borrowing Costs and Interest on Mortgages Payable

Mortgage expenses include mortgage interest, which is expensed at the effective interest rate and transaction costs incurred in connection with the revolving credit facilities which are amortized.

m) 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 condensed interim consolidated statement of financial position.

n) 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.

o) 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.

p) 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 that 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 condensed interim 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 condensed interim 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.

q) Changes in Accounting Policies

Amendments to IFRS 3 - Business Combinations

Effective January 1, 2020 the Trust adopted the IASB's amendment to IFRS 3. In this amendment the IASB provides clarification on the requirements of IFRS 3 concerning whether a transaction meets the definition of a business combination. The amendments narrowed and clarified the definition of a business and provide additional illustrative examples. A significant change in the amendment is the option for an entity to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This will be relevant where the value of the acquired entity is concentrated in one property or a group of similar properties.

The amendment was applied prospectively in accordance with the IASB's requirements and the trust applied this amendment to all acquisitions subsequent to January 1, 2020.

4. Investment Properties

Investment properties are measured at fair value as at the condensed consolidated interim statement of financial position date. Any changes in the fair value are included in the condensed consolidated interim 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. The techniques used comprise the capitalized net operating income method and include estimating, among other things (all considered Level 3 inputs), future stabilized net operating income, capitalization rates, discount 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 Trust investment properties consist of the following:

		September 30, 2020		December 31, 2019
Balance, beginning of period	**$**	**1,788,169**	$	1,109,421
Property acquisitions		**551,608**		450,088
Increase in property valuation		**80,844**		247,709
Foreign currency translation		**(1,688)**		(4,549)
Transfer to investment properties held for sale		**—**		(14,500)
Balance, end of period	**$**	**2,418,933**	$	1,788,169

		September 30, 2020		December 31, 2019
Increase in property valuation	**$**	**80,844**	$	247,709
Less: Acquisition costs		**(10,840)**		(13,288)
Less: Property improvements		**(23,013)**		(23,993)
Less: Other Changes		**—**		(5,708)
Fair value adjustment on investment properties	**$**	**46,991**	$	204,720

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 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.

As 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 valuators, 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 September 30, 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 5.75% to 3.25% at September 30, 2020 (December 31, 2019 – 5.75% and 3.25%) with a weighted average capitalization rate across the total portfolio of 4.29% (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 proportionate investment property	Fair value variance	% change
(0.75)%	3.54%	$ 2,931,419	$ 512,486	21.2%
(0.50)%	3.79%	$ 2,738,053	$ 319,120	13.2%
(0.25)%	4.04%	$ 2,568,619	$ 149,686	6.2%
—%	4.29%	$ 2,418,933	—	—
0.25%	4.54%	$ 2,285,732	$ (133,201)	5.5%
0.50%	4.79%	$ 2,166,435	$ (252,498)	10.4%
0.75%	5.04%	$ 2,058,973	$ (359,960)	14.9%

Acquisitions

During the nine months ended September 30, 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, 2020	176	50 %	18,150	13,801	2.51%	June 1, 2030
March 12, 2020	228	85 %	35,942	25,433	4.60%	February 6, 2051
March 19, 2020[(1)]	93	100 %	30,525	20,083	1.81%	July 1, 2030
June 4, 2020	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	—	—	—
			$ 551,608	**$ 307,161**		

(1) The acquisition was partially purchased through issuance of 314,323 Class C LP Units for a total of $5,939.

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:

	September 30, 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 condensed interim consolidated interim financial statements are as follows:

For the period ended	September 30, 2020	December 31, 2019
Non-current assets	**$ 227,794**	$ 195,574
Current assets	**(38,975)**	(13,206)
Total assets	**$ 188,819**	$ 182,368
Non-current liabilities	**142,643**	115,426
Current liabilities	**3,362**	(2,626)
Total liabilities	**$ 146,005**	$ 112,800
Revenues	**$ 12,013**	$ 10,251
Expenses	**(7,638)**	(6,146)
Fair value adjustment on investment properties	**2,855**	13,625
Net income	**$ 7,230**	$ 17,730

Dispositions

During the nine months ended September 30, 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 are measured at fair value as at the condensed interim consolidated statement of financial position dates. Any changes in the fair value are included in the condensed interim 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 and include estimating, among other things, future stabilized net operating income, capitalization rates, discount 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	September 30, 2020
ME Living Phase 1 LP (2)	75 %	$ 17,632	$ 662	$ 498	$ —	$ —	$ 18,792
No. 21 Apartments LP [2]	50 %	7,165	—	90	—	(7,255)	—
4Square LP	70 %	19,127	1,848	1,094	—	—	22,069
CCA CBD Minneapolis LLC	46 %	13,471	(4,371)	(580)	346	—	8,866
Trillium Mountain Ridge Inc	50 %	7,977	523	(173)	—	—	8,327
CCA Crossroad Kansas City LLC	35 %	9,287	—	1,427	205	—	10,919
Sage Apartments LP	50 %	12,124	—	1,278	—	—	13,402
ACRON ARG Lake Carolyn Residential LLC	75 %	27,572	—	(305)	693	—	27,960
9 Dawes LP [2]	21 %	4,672	—	(152)	—	(4,520)	—
Lee-Tamiami LLC	75 %	16,810	—	1,995	405	—	19,210
Centurion Rise (520 Ellesmere) LP	75 %	8,955	(768)	2,349	—	—	10,536
ACRON ARG Belterra Austin LLC	71 %	15,367	—	2,914	306	—	18,587
The View at Charlesworth LP	50 %	2,050	230	—	—	—	2,280
Warehouse District Flats LLC	80 %	8,312	5,879	2,500	108	—	16,799
Bridgewater Trails III Apartments LLP	45 %	—	6,318	—	—	—	6,318
Centurion Rise (Royal Court Barrie) LP	25 %	—	6,804	—	—	—	6,804
		$ 170,521	**$ 17,125**	**$ 12,935**	**$ 2,063**	**$ (11,775)**	**$ 190,869**

[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.

Entity	Ownership	December 31, 2018	Net Contributions/ (Distributions)	Income and Fair Value adjustment	Currency Translation Adjustment	Disposition	September 30, 2019
The Residences of Seasons LP (1)	50%	$ 19,554	$ 350	$ (1,471)	$ —	$ (18,433)	$ —
ME Living Phase 1 LP (2)	75%	15,744	—	1,328	—	—	17,072
Bridgewater Trails Apartments LP (1)	45%	8,154	—	(334)	—	(7,820)	—
No. 21 Apartments LP	50%	5,041	—	1,844	—	—	6,885
Bridgewater Trails 2 Apartments LP (1)	45%	6,334	—	1,634	—	—	7,968
4Square LP	70%	10,954	3,668	2,056	—	—	16,678
CCA CBD Minneapolis LLC	47%	12,336	—	1,408	(360)	—	13,384
Trillium Mountain Ridge Inc	50%	7,360	—	458	—	—	7,818
CCA Crossroad Kansas City LLC	35%	1,793	6,129	1,067	(85)	—	8,904
Sage Apartments LP	50%	7,107	3,603	943	—	—	11,653
ACRON ARG Lake Carolyn Residential LLC	75%	23,656	—	2,454	(690)	—	25,420
9 Dawes LP	21%	2,778	—	—	—	—	2,778
Lee-Tamiami LLC	75%	10,277	3,193	3,245	(318)	—	16,397
		$ 131,088	**$ 32,758**	**$ 14,635**	**$ (1,349)**	**$ (26,253)**	**$ 150,879**

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

The Trust's portion of income and fair value adjustments for the three and nine months ended September 30, 2020 was $1,310 and $12,935 (three and nine months ended September 30, 2019: $3,993 and $14,635), which includes a currency translation adjustment of $2,063.

As at September 30, 2020, the Trust has additional commitments for equity accounted investments of $5,485 (December 31, 2019: $17,762).

The following is the summarized financial information of the above investments:

As at September 30, 2020	ME Living Phase 1 LP (1)	ACRON ARG Lake Carolyn Residential LLC	Lee-Tamiami LLC	4Square LP	Other	Total
Non-current assets	$ 93,412	$ 84,096	$ 51,797	$ 77,910	$ 105,585	**$ 412,800**
Current assets	2,495	223	99	536	52,709	**56,062**
Total assets	$ 95,907	$ 84,319	$ 51,896	$ 78,446	$ 158,294	**$ 468,862**
Non-current liabilities	$ (59,052)	$ (68,609)	$ (30,409)	$ (53,861)	$ (8,691)	**(220,622)**
Current liabilities	(21,456)	(5,003)	(4,921)	(7,714)	(15,794)	**(54,888)**
Total liabilities	$ (80,508)	$ (73,612)	$ (35,330)	$ (61,575)	$ (24,485)	**$ (275,510)**
Total revenue	$ —	$ 48	$ —	$ —	$ 694	**$ 742**
Total expenses	—	(490)	—	(30)	(601)	**(1,121)**
Total fair value gains	664	(407)	2,660	1,565	15,489	**19,971**
Net income	$ 664	$ (849)	$ 2,660	$ 1,535	$ 15,582	**$ 19,592**

(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.

During the nine months ended September 30, 2020 the Trust completed the following acquisitions from Centurion Real Estate Opportunities 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 nine months ended September 30, 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 completed the following acquisitions from Centurion Real Estate Opportunities 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. The weighted average effective interest rate on mortgage investments maturing between 2020 and 2025 is 9.45% (December 31, 2019: 9.34%). Interest income for the three and nine months ended September 30, 2020 was $12,553 and $38,180 (three and nine months ended September 30,2019: $12,847 and $36,662).

		Three Months Ended September 30, 2020		Nine Months Ended September 30, 2020	
	Note	2020	2019	2020	2019
Interest income from mortgage investments		**$ 10,452**	$ 9,995	**$ 30,668**	$ 28,066
Interest income from participating loan interests	7	**2,101**	2,852	**7,512**	8,596
Total interest income		**$ 12,553**	$ 12,847	**$ 38,180**	$ 36,662
Allowance for expected credit losses (ECL)		**$ 79**	$ (518)	**$ (405)**	$ (758)

As at September 30, 2020, mortgage investments and syndicated mortgage investment liabilities are as follows:

As at September 30, 2020	Gross Mortgage Investments	Syndicated Mortgage Investments	Net Mortgage Investments
Non-current mortgage investments	$ 86,427	$ —	$ 86,427
Current mortgage investments	351,624	(30,910)	320,714
	438,051	(30,910)	407,141
Allowance for ECL	(1,825)	—	(1,825)
Total mortgage investments	**$ 436,226**	**$ (30,910)**	**$ 405,316**

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 September 30, 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 condensed interim consolidated statement of net income and comprehensive income.

Interest paid to syndicate participants for the three and nine months ended September 30, 2020 was $493 and $1,388 (three and nine months ended September 30, 2019: $312 and $864). As at September 30, 2020, the Trust has additional mortgage investment commitments of approximately $108,034 (December 31, 2019: $180,329).

As at September 30, 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	$ 30,436	$ 456,367
Funding / remeasurement	131,006	18,299	4,549	153,854
Repayment	(143,067)	(9,553)	(19,550)	(172,170)
Transfers to (from)	(34,207)	13,649	20,558	—
Gross mortgage investments, end of the period	$ 355,038	$ 47,020	$ 35,993	$ 438,051
Allowance for ECL, beginning of the period	$ 703	$ 280	$ 659	$ 1,642
Funding / remeasurement	(144)	513	4	373
Repayment	(40)	—	(150)	(190)
Transfers to (from)	(20)	(267)	287	—
Allowance for ECL, end of the period	$ 499	$ 526	$ 800	$ 1,825
Total mortgage investments	**$ 354,539**	**$ 46,494**	**$ 35,193**	**$ 436,226**

As at September 30, 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	$ 3,581	$ 342,840
Funding / remeasurement	158,974	1,364	(2,515)	157,823
Repayment	(79,815)	(6,278)	(2,078)	(88,171)
Transfers to (from)	(1,900)	(6,559)	8,459	—
Gross mortgage investments, end of the period	$ 383,238	$ 21,807	$ 7,447	$ 412,492
Allowance for ECL, beginning of the period	$ 475	$ 608	$ 80	$ 1,163
Funding / remeasurement	170	137	636	943
Repayment	(50)	(125)	(10)	(185)
Transfers to (from)	(10)	(142)	152	—
Allowance for ECL, end of the period	$ 585	$ 478	$ 858	$ 1,921
Total mortgage investments	**$ 382,653**	**$ 21,329**	**$ 6,589**	**$ 410,571**

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

		September 30, 2020		December 31, 2019
Within 1 year	**$**	**351,624**	$	388,294
1 to 2 years		**64,483**		33,233
2 to 3 years		**14,331**		32,824
3 to 4 years		**—**		2,016
Thereafter		**7,613**		—
Total repayments	**$**	**438,051**	$	456,367

The nature of the underlying assets for the Trust's mortgage investments as at September 30, 2020, is as follows:

	September 30, 2020	December 31, 2019
Low-Rise Residential	**35 %**	38 %
Land	**16 %**	23 %
Commercial/Mixed Use	**12 %**	16 %
High-Rise Condominium	**15 %**	12 %
Multi Family Apartments	**13 %**	4 %
Industrial	**5 %**	4 %
Student Housing	**4 %**	3 %
	100 %	100 %

As at September 30, 2020, the Trust's mortgage investments are comprised of an 73% interest (December 31, 2019: 82%) in first mortgages and an 27% interest (December 31, 2019: 18%) in second mortgages.

7. Participating Loan Interests

During the three and nine months ended September 30, 2020, interest income was $2,101 and $7,512 (three and nine months ended September 30, 2019: $2,848 and $8,596) and fair value loss (gain) recognized was $(1,537) and $2,298 (September 30, 2019: fair value gain of $2,949 and $3,251). 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, which is based on the conversion of future normalized earnings directly into an expression of market value.

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

	September 30, 2020	September 30, 2019
Balance, beginning of period	**$ 127,550**	$ 137,123
Advances	**20,264**	13,090
Interest income	**7,512**	8,596
Fair value gains (loss)	**(2,298)**	3,251
Realized Fair Value (Gain) Loss on Disposition	**6,039**	(8,879)
Repayment of principal	**(39,755)**	(12,680)
Repayment of interest	**(9,248)**	(2,686)
Balance, end of period	**$ 110,064**	$ 137,815

As at September 30, 2020, the Trust has additional contractual commitments of approximately $14,063 for participating loan interests (December 31, 2019: $22,086).

During the six months ended September 30, 2020, the Trust acquired the underlying investment property secured by the participated loan interest from REOT:

Property	Disposition Date	% of Holding	Disposition Proceeds	Original Purchase Price	Prior Years Cumulative Fair Value Losses	Gain (Loss) Recognized in 2020
Trax	June 4, 2020	100%	$32,000	$37,777	$(4,093)	$(1,684)

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 Purchase Price	Prior Years Cumulative Fair Value Gains	Gain (Loss) Recognized in 2019
Pandora	May 31, 2019	50%	$13,366	$4,487	$8,452	$427

8. Foreclosed Property

When the Trust receives title to real estate properties from foreclosure activities management will engage resources for short-term construction or redevelopment activity to support the best future disposition value. As at September 30, 2020, there is one foreclosed property (December 31, 2019: one foreclosed property), which is recorded at a fair value of $33,036 (December 31, 2019: $20,435). The fair value has been categorized as a level 3 fair value, based on a direct comparison approach.

The changes in the foreclosed properties held for sale during the nine months ended September 30, 2020 are as follows:

For the period ended	**September 30, 2020**	December 31, 2019
Balance beginning of year	**$ 20,435**	$ 17,000
Fair value gain (loss)	**(181)**	(134)
Capital improvements	**12,782**	3,569
Balance, end of period	**$ 33,036**	$ 20,435

9. Receivables and Other Assets

Receivable and other assets consist of the following:

	Note	September 30, 2020	December 31, 2019
Net rent receivables		**$ 1,018**	$ 624
Prepaid CMHC premiums, net		**26,306**	10,622
Other current assets		**15,868**	6,781
Acquisition deposits		**11,186**	12,332
Property and equipment		**3,132**	3,181
Leased assets	10	**3,001**	3,261
Prepaid expenses		**5,160**	1,687
Foreign currency futures contracts		**—**	4,095
		$ 65,671	$ 42,583

Prepaid CMHC premiums, net represents CMHC premiums on mortgages payable net of accumulated amortization of $1,209 (December 31, 2019: $697).

Net rent receivables consist of the following:

	September 30, 2020	December 31, 2019
Rent receivables	**$ 1,358**	$ 801
Less: Allowance for expected credit loss	**(340)**	(177)
Net rent receivables	**$ 1,018**	$ 624

The following is an aging analysis of receivables:

	September 30, 2020	December 31, 2019
Current	**$ 721**	$ 626
31-60 days	**183**	56
61-90 days	**124**	45
Over 90 days	**330**	74
Allowance for expected credit loss	**(340)**	(177)
	$ 1,018	$ 624

10. 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 September 30, 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:

	September 30, 2020	December 31, 2019
Right-of-Use Asset, beginning of year	$ 3,261	$ —
Additions	—	3,463
Depreciation	(260)	(202)
Total right-of-use asset	$ 3,001	$ 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.

	September 30, 2020	September 30, 2019
Lease expense recognized in general and administrative expenses	$ 523	$ 291
Depreciation of leased assets	260	115
Interest on lease liabilities	134	43
Total expenses associated with leased assets	$ 917	$ 449

	September 30, 2020	September 30, 2019
Cash payments for the interest on lease liabilities	$ 134	$ 43
Cash payments for leases not included in the measurement of lease liabilities	523	291
Cash outflows from operating activities	657	334
Cash payments for the principal portion of lease liabilities in financing activities	354	99
Total cash outflows for leases	$ 1,011	$ 433

	September 30, 2020	December 31, 2019
Maturity analysis - contractual undiscounted cash flows		
Less than one year	$ 843	$ 760
One to five years	2,227	2,000
More than 5 years	1,214	2,011
Total	$ 4,284	$ 4,771
Total lease liability	$ 3,534	$ 3,883
Current	684	580
Non-Current	$ 2,850	$ 3,303

11. Restricted Cash / Unit Subscriptions in Trust

As at September 30, 2020, restricted cash consists of cash not available for use of $3,598 (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 September 30, 2020, is current in nature.

12. Mortgages Payable and Credit Facilities

Mortgages payable and credit facilities consist of the following:

		September 30, 2020		December 31, 2019
Current	**$**	**157,566**	$	45,478
Non-current		**1,028,607**		692,200
	$	**1,186,173**	$	737,678

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

		September 30, 2020		December 31, 2019
First mortgages on investment properties, bearing interest between 1.33% and 4.99% (December 31, 2019: 1.33% and 4.99%), with a weighted average interest rate of 2.69% (December 31, 2019: 3.02%), and a weighted average maturity of 6.86 years (December 31, 2019 : 6.82 years), secured by related investment properties	**$**	**1,003,411**	$	611,833
Second mortgage on investment properties, bearing interest of 4.03% (December 31, 2019:4.03%) and weighted average maturity of 4.09 years (December 31, 2019: 4.84 years), secured by related investment properties		**923**		947
Line of credit facilities, bearing interest rate of 3.10% (December 31, 2019: 4.62%) secured by assets of REIT and/or its subsidiaries		**45,000**		—
REIT proportion of mortgages held through joint arrangement, bearing interest between 0% and 5.45%% (December 31, 2019: 0% and 5.45%), with a weighted average interest rate of 2.73% (December 31, 2019: 2.73%) and a weighted average maturity of 6.99 years (December 31, 2019: 7.46 years), secured by related investment properties in the joint venture		**142,964**		131,915
	$	**1,192,298**	$	744,695
Less: Unamortized portion of financing fees		**(6,125)**		(7,017)
	$	**1,186,173**	$	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 September 30, 2020, was 2.71% (December 31, 2019: 2.97%).

Mortgages payable at September 30, 2020, are due as follows:

	Principal Repayments	Balance due at Maturity	Total
September 30, 2021	$ 69,827	$ 87,739	$ 157,566
September 30, 2022	23,775	45,998	69,773
September 30, 2023	22,225	98,210	120,435
September 30, 2024	20,913	77,712	98,625
September 30, 2025	18,125	85,874	103,999
Thereafter	60,979	580,921	641,900
	$ 215,844	$ 976,454	$ 1,192,298
Less: Unamortized portion of financing fees			(6,125)
			$ 1,186,173

13. Accounts Payable and Other Liabilities

Accounts payable and other liabilities consist of the following:

	Note	September 30, 2020	December 31, 2019
Accrued expenses		**$ 14,661**	$ 10,022
Prepaid rent		**1,947**	2,349
Tenant deposits		**7,519**	7,007
Accounts payable		**2,148**	1,586
Lease liability	10	**3,534**	3,883
Deferred trust units		**1,788**	1,069
		$ 31,597	$ 25,916

14. 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 0.95 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)

	September 30, 2020	December 31, 2019
Class A Trust Units		
Units as at January 1,	**59,208**	50,483
New units issued	**4,422**	9,609
Distribution reinvestment plan	**1,042**	1,383
Redemption of units	**(2,932)**	(2,267)
	61,740	59,208
Class F Trust Units		
Units as at January 1,	**28,800**	15,871
New units issued	**6,893**	12,966
Distribution reinvestment plan	**724**	687
Redemption of units	**(2,497)**	(724)
	33,920	28,800
Exchangeable LP units		
Units as at January 1,	**481**	478
New units issued	**314**	—
Distribution reinvestment plan	**9**	3
	804	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	**1,025**	2,377
Distribution reinvestment plan	**40**	9
Redemption of units	**(485)**	—
	3,610	3,030

15. Revenue Recognition

Revenue from investment properties is comprised of the following:

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	**2020**	2019
Rental income	**$ 32,632**	$ 21,293	**$ 92,572**	$ 59,100
Ancillary income	**1,361**	877	**3,967**	2,375
Expense recoveries	**442**	34	**1,043**	127
	$ 34,435	$ 22,204	**$ 97,582**	$ 61,602

16. Finance Costs

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	**2020**	2019
Interest on mortgages payable and credit facilities	**$ 8,015**	$ 5,710	**$ 22,504**	$ 14,259
Amortization of financing fees	**387**	213	**1,153**	657
Amortization on CMHC Insurance	**274**	20	**512**	156
	$ 8,676	$ 5,943	**$ 24,169**	$ 15,072

17. General and Administrative Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	**2020**	2019
Salaries and wages	**$ 2,866**	$ 2,819	**$ 11,068**	$ 7,912
Communications & IT	**499**	325	**1,460**	1,229
Office expenses	**495**	425	**1,733**	1,178
Fund administration costs	**257**	176	**833**	508
Professional fees	**319**	198	**1,024**	773
Advertising	**359**	392	**1,101**	896
Amortization of property and equipment	**229**	682	**654**	805
	$ 5,024	$ 5,017	**$ 17,873**	$ 13,301

18. Commitments

The Trust is committed to asset management services under an asset management agreement with Centurion Asset Management Inc. ("CAMI"), 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 equal to 1.0% of the gross purchase price of each investment property acquired.

19. 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 are without merit and does not consider the Trust's exposure to such litigation to have a material impact on these unaudited condensed consolidated interim financial statements.

20. Related Party Transactions

As at September 30, 2020, a related party of the Trust holds 19,124 Class M Trust units. On April 1, 2020, 15,531 Class M units were redeemed and 15,345 Class M units were redeemed on September 1, 2020. The distributions in cash for the three and nine months ended September 30, 2020, for these units were $793 and $3,016 ($1,032 and $2,895 for the three and nine months ended September 30, 2019).

The Trust incurred expenses payable to Centurion Asset Management GP Inc. ("CAMGPI") related to payroll expenses of $1,353 and $5,119 for the three and nine months ended September 30, 2020 ($1,625 and $4,283 for the three and nine months ended September 30, 2019) and administrative expenses of $210 and $688 for the three and nine months ended September 30, 2020 ($1,010 and $1,290 for the three and nine months ended September 30, 2019).

During the year, the Trust was charged acquisition fees under an agreement described in Note 18 of $4,705 (September 30, 2019: $2,705).

21. 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

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Current income tax expense	**(509)**	**—**	**(259)**	—
Deferred income tax expense	**1,445**	**—**	**1,409**	—
Income tax expense	**$ 936**	**$ —**	**$ 1,150**	$ —

d) The Major Components of Deferred Income Tax Liabilities

	September 30, 2020	December 31, 2019
Investment properties	**$ 498**	$ (434)
Equity accounted investments	**4,919**	4,542
Total net deferred income tax liabilities	**$ 5,417**	$ 4,108

22. 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 based on its assessment of the current lending market for mortgage investment assets and syndicated mortgage investment liabilities 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 as at September 30, 2020, is $436,226 (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 September 30, 2020, is $1,228,548 (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 condensed interim consolidated statement of financial position, by the levels in the fair value hierarchy, which are defined as follows:

September 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment properties	**$ —**	**$ —**	**$ 2,418,933**	**$ 2,418,933**
Participating loan interests	**—**	**—**	**110,064**	**110,064**
Foreclosed properties	**—**	**—**	**33,036**	**33,036**
Futures and forward currency contracts	**—**	**—**	**—**	**—**
Measured at fair value through profit and loss	**$ —**	**$ —**	**$ 2,562,033**	**$ 2,562,033**
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**

23. 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 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 12) require compliance with certain financial covenants, throughout the year. The Trust complied with all covenants in both DOT and all existing debt facilities.

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:

	September 30, 2020	December 31, 2019
Total unrestricted assets	**$3,251,906**	$2,660,518
Mortgages payable and credit facilities	**1,186,173**	737,678
Ratio of Debt to GBV	**36.48%**	27.73%

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

	September 30, 2020	December 31, 2019
Mortgages payable and credit facilities	**$1,186,173**	$737,678
Net assets attributable to Unitholders	**2,028,719**	1,892,816
Total Capital Structure	**$3,214,892**	$2,630,494

24. 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 flow from operations, credit facility, 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 September 30, 2020, the Trust had cash of $28,017 (December 31, 2019: $70,555) and credit facilities as follows:

	September 30, 2020	December 31, 2019
Credit facilities agreed	**$180,000**	$180,000
Available for use	**$157,200**	$158,500
Available as undrawn	**$111,027**	$158,500

As at September 30, 2020, the Trust has contractual obligations totaling $356,670 (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 commitment (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 September 30, 2020, the Trust had mortgage investments and participating loans of $308,188 (December 31, 2019: $225,094) and a credit facility with a balance of $0 (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	$ 308,188	$ (3,082)	(3,082)	$ 3,082	3,082
Financial liabilities					
Variable rate debt due to mature in a year	$ 45,000	$ 450	450	$ (450)	(450)

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 condensed interim consolidated statement of comprehensive income and subsequent recoveries of amounts previously written off are credited in the condensed interim consolidated statement of comprehensive income.

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.

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 a 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 September 30, 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 September 30, 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 $0.76 and a weighted average maturity of December 10, 2020 (Note 22).

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

For the period ended	September 30, 2020	December 31, 2019
Cash	**$ 2,018**	$ 3,513
Other Current Assets	**619**	668
Mortgage investments	**6,677**	6,196
Equity accounted investments	**76,724**	69,924
Investment properties	**85,171**	55,104
Total assets held in USD	**171,209**	135,405
Other Current Liabilities	**$ (2,096)**	$ (1,218)
Mortgages payable	**(56,234)**	(37,825)
Net assets held in USD	**112,879**	96,362
USD currency derivatives (notional value)	**(38,000)**	(61,328)
Net exposure	**$ 74,879**	$ 35,034

25. Supplemental Cash Flow Information

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

	September 30, 2020	September 30, 2019
Long-Term Debt		
Balance, beginning of year	**$ 737,678**	$ 507,748
New or Refinanced	**449,373**	213,357
Mortgage repayments	**(21,679)**	(10,105)
Mortgages discharged	**(25,091)**	(26,590)
Capitalized Financing Fees	**(261)**	(2,560)
Amortization of financing fees	**1,153**	657
Balance, end of period	**1,141,173**	682,507
Credit Facilities		
Balance, beginning of year	**$ —**	$ 18,641
Credit Facility advances/(repayments)	**45,000**	15,449
Net, Credit Facilities	**45,000**	34,090
Balance, end of period	**$ 1,186,173**	$ 716,597

26. 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:

For the nine-months ended September 30, 2020	Investment properties	Mortgage investments	Total
Revenue / interest income on mortgage investments	$ 97,582	$ 38,180	**$ 135,762**
Interest paid on syndicated mortgage investments	—	(1,388)	**(1,388)**
Operating costs	(34,934)	—	**(34,934)**
	62,648	36,792	**99,440**
Fair value gains on investment properties	46,991	—	**46,991**
Fair value gains on participating loan interests	—	(2,298)	**(2,298)**
Impairment on foreclosed properties	—	(181)	**(181)**
Income from equity accounted investments	—	12,935	**12,935**
Other income	1,823	264	**2,087**
General and administrative expenses	(14,456)	(3,417)	**(17,873)**
Allowance for expected credit losses	—	(405)	**(405)**
Income from operations	$ 97,006	$ 43,690	**$ 140,696**

For the nine-months ended September 30, 2019	Investment properties	Mortgage investments	Total
Revenue / interest income on mortgage investments	$ 61,602	$ 36,662	**$ 98,264**
Interest paid on syndicated mortgage investments	—	(864)	**$ (864)**
Operating costs	(19,496)	—	**(19,496)**
	42,106	35,798	**77,904**
Fair value gains on investment properties	116,307	—	**116,307**
Fair value gains on participating loan interests	—	3,251	**3,251**
Writedown on foreclosed properties	—	—	**—**
Income from equity accounted investments	—	14,635	**14,635**
Other income	844	233	**1,077**
General and administrative expenses	(10,413)	(2,888)	**(13,301)**
Allowance for expected credit losses	—	(758)	**(758)**
Income from operations	$ 148,844	$ 50,271	**$ 199,115**

27. Subsequent Events

Subsequent to the reporting date, the Trust completed the following transactions:

a) Cash distributions paid totaled approximately $8,176.

b) Total redemptions paid were $10,600.

c) On November 30, 2020 the Trust completed the acquisition of a multi-residential apartment complex located in Montreal, Quebec consisting of 138 rental units for $72,425. As part of the acquisition the Trust assumed a mortgage of $44,109.

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