



CENTURION
ASSET MANAGEMENT INC

Q1 2024 Centurion Apartment Real Estate Investment Trust

As at March 31, 2024



Disclaimer Statement

IMPORTANT INFORMATION: The results shown have been prepared by the asset manager. This communication is for information purposes only and is not, and under no circumstances is to be construed as, an invitation to make an investment in Centurion. Investing in Centurion Units involves risks. There is currently no secondary market through which Centurion Units may be sold and there can be no assurance that any such market will develop. A return on an investment in Centurion Units is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment is at risk, and the anticipated return on such an investment is based on many performance assumptions. Although Centurion intends to make regular distributions of its available cash to Unitholders, such distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including Centurion's financial performance, debt covenants and obligations, interest rates, working capital requirements and future capital requirements. In addition, the market value of Centurion Units may decline if Centurion is unable to meet its cash distribution targets in the future, and that decline may be material. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. 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.

PAST PERFORMANCE MAY NOT BE REPEATED. Investing in Centurion Units can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of performance. An investment in Centurion is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. Only investors who do not require immediate liquidity of their investment should consider a potential purchase of Units. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Centurion Offering Memorandums for a further discussion of the risks of investing in Centurion.

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Centurion Asset Management Inc.

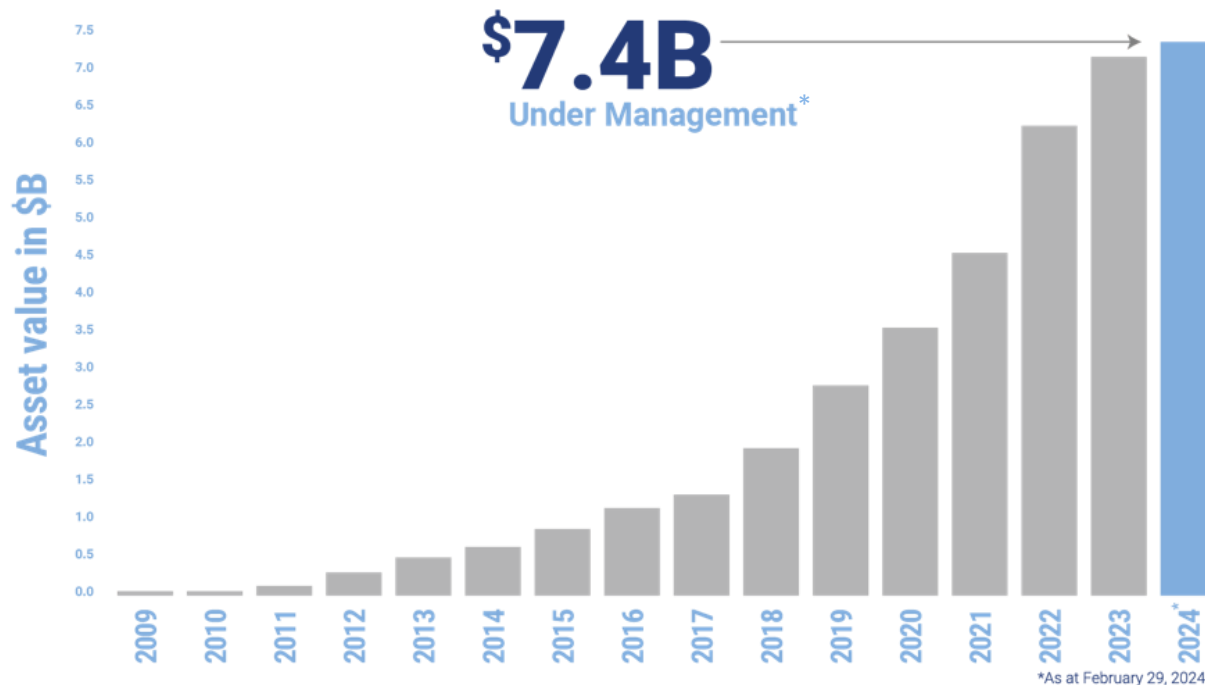
Centurion Asset Management Inc. is an alternative investment manager of private mutual fund trusts and was established in 2003 in Toronto, Canada



20
years
of experience

2003

A large '20' with a calendar icon showing '2003' inside the zero, and the text 'years of experience' below it.





Centurion manages two investment trusts:



Centurion Apartment Real Estate Investment Trust (REIT)

7% - 12%

Targeted Annual Total Returns

Investments in rental apartments, student housing properties, and mortgage and equity investments in property developments across Canada and the United States.



Centurion Financial Trust (CFIT)

7% - 12%

Targeted Annual Total Returns

Debt investments that include, but are not limited to, mortgages, opportunistic real estate developments, and corporate debt.



Key Investment Officers



Greg Romundt
President and CEO

- Over 25 years experience in the financial services and investment industries
- Engaged in investment in residential real estate since 1997, and investments and financial markets since 1991
- Former Financial Derivatives Trader at Citibank in Toronto, New York, and Singapore
- Former Senior Vice President and Partner (Emerging Markets Derivatives) AIG International Group
- Founder, President and Chief Investment Officer of Centurion Asset Management Inc.



Stephen Stewart
Executive Vice President, Mortgage Investments and Joint Ventures

- Over 20 years experience in the financial services and investment industries
- Chief Lending Officer at ING Bank of Canada, overseeing \$20B in commercial & retail lending
- 5 years as CFO at ING Bank of Canada, responsible for finance, accounting, risk management, & credit committee
- Prior to ING, Mr. Stewart was with Hudson Advisors, a PE firm specializing in real estate debt investments



Centurion Apartment Real Estate Investment Trust

Canadian private mutual fund trust

Investments in multi-family apartments, student housing properties, mortgage investments, and equity development projects in Canada and the U.S.

“first-right-of-purchase offer” option for a large percentage of mortgage investment and equity development projects

Majority of properties operated by the REIT

Majority independent Board of Trustees



Chance to invest in income producing apartments and mortgage investments



Real estate ownership without responsibility of management



Long-term growth potential



RRSP, RRIF, and TFSA eligible



Tax-efficient



Stable, rational pricing with lower volatility and low correlation to major equity markets 7-12% targeted annual total returns.



Monthly cash distribution with a Distribution Re-Investment Plan available at 2% discount

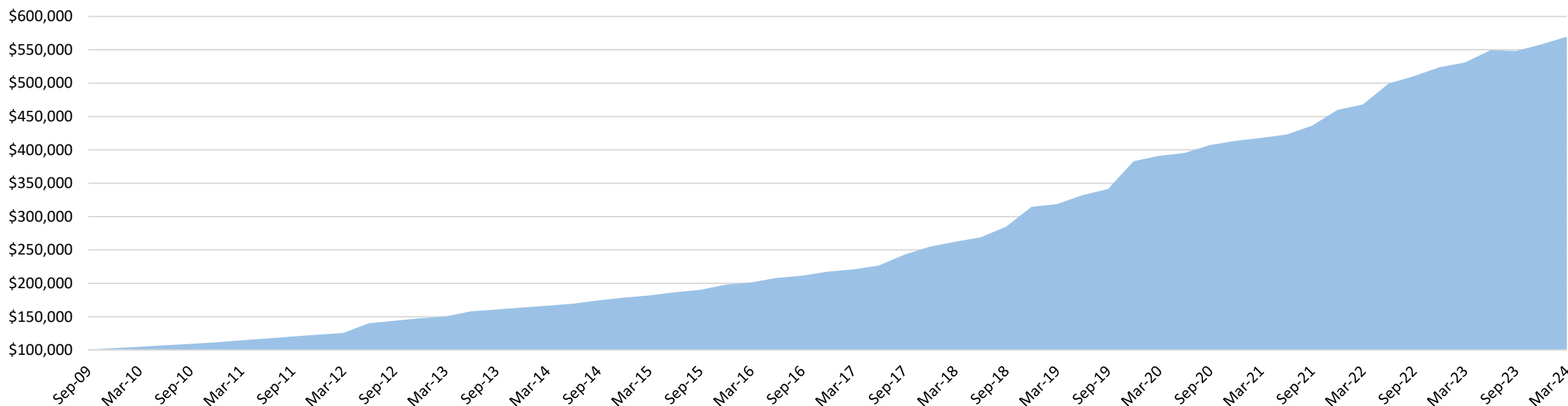
7% - 12%
Targeted Annual Total Returns



Centurion Apartment REIT

GROWTH OF \$100,000 INVESTED IN CENTURION APARTMENT REIT (Class A Units) (since inception, August 31, 2009)

March 31, 2024
\$569,444



Calendar Returns	2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD 2024
REIT	2.75%	8.48%	10.21%	20.01%	10.95%	9.21%	10.82%	9.80%	17.24%	23.44%	21.79%	7.93%	11.27%	13.89%	6.52%	2.02%

Compound Trailing Returns	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	Since Inception
REIT	7.27%	10.32%	10.86%	9.86%	12.31%	13.80%	14.48%	13.88%	13.53%	13.08%	12.67%

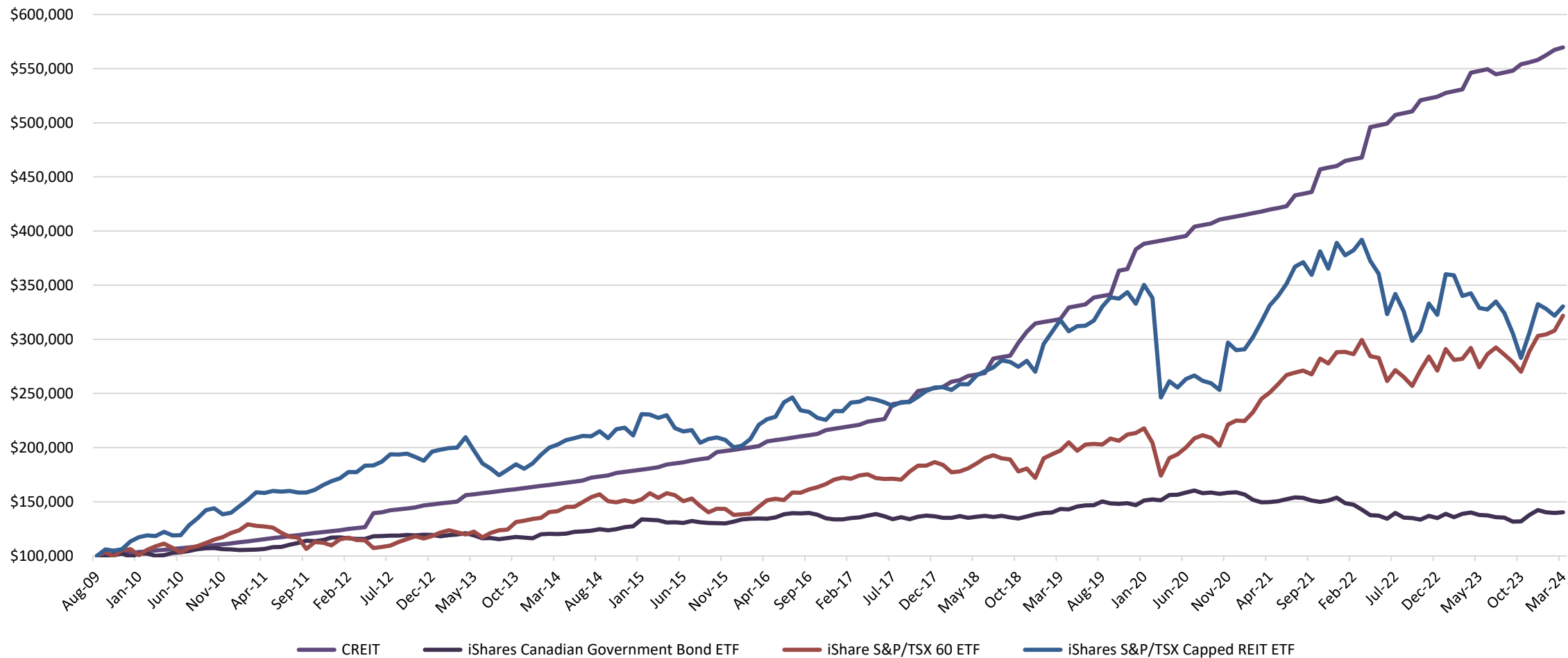
¹ For partial year August 31, 2009, to December 31, 2009

REIT returns are not guaranteed, their values can change frequently, and past performance is no guarantee of future results.
PAST PERFORMANCE MAY NOT BE REPEATED.



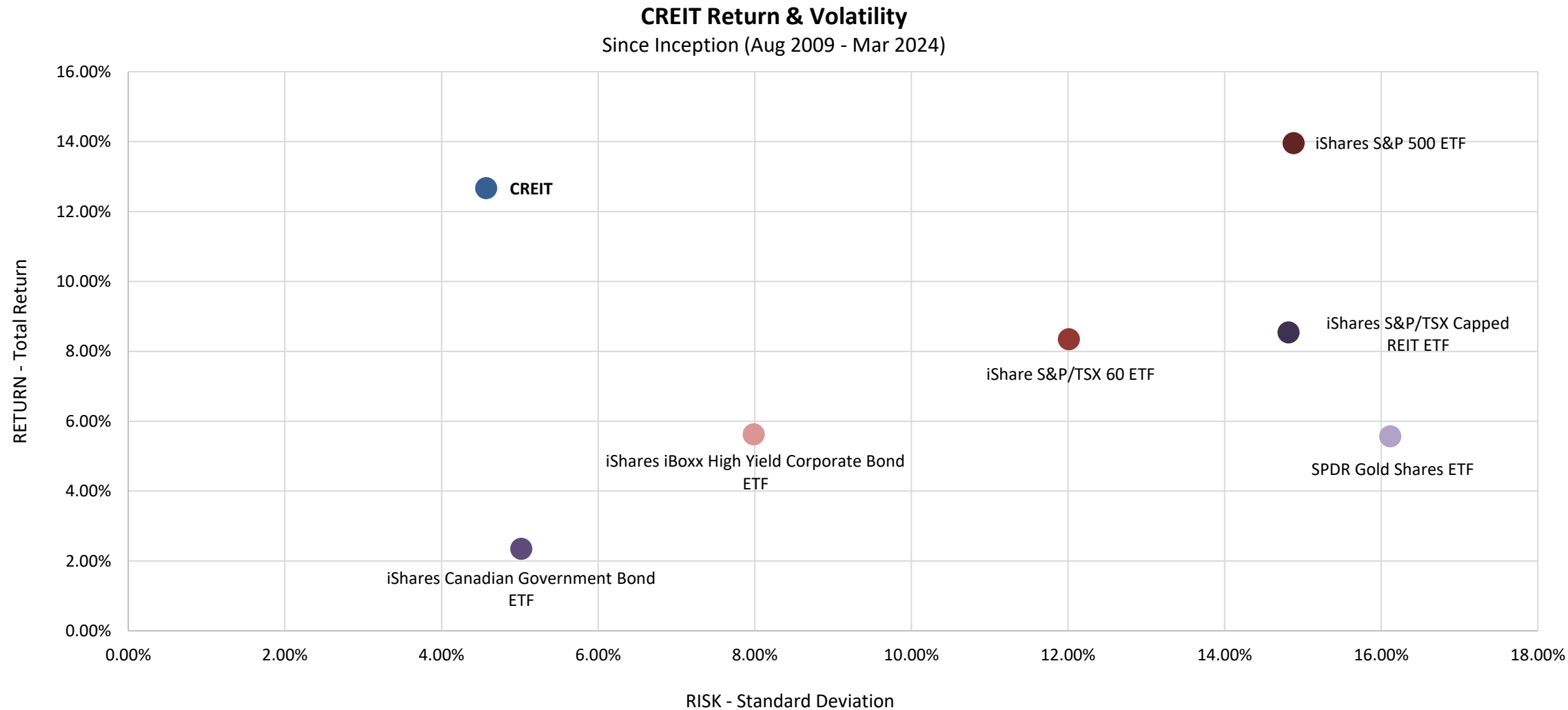
Centurion REIT Performance vs. Investment Indices

Centurion Apartment REIT Growth of \$100,000 Invested Since Inception





Centurion REIT Performance vs. Investment Indices





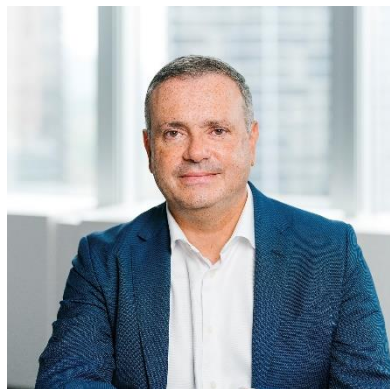
Quarterly Return Serial Correlation Matrix

	<i>Centurion REIT</i>	<i>iShares S&P 500 ETF</i>	<i>iShares Canadian Government Bond ETF</i>	<i>iShares iBoxx High Yield Corporate Bond ETF</i>	<i>iShare S&P/TSX 60 ETF</i>	<i>iShares S&P/TSX Capped REIT ETF</i>	<i>SPDR Gold Shares ETF</i>
Centurion REIT	1.00000						
iShares S&P 500 ETF	0.10378	1.00000					
iShares Canadian Government Bond ETF	-0.12623	0.13029	1.00000				
iShares iBoxx High Yield Corporate Bond ETF	0.06079	0.83276	0.29832	1.00000			
iShare S&P/TSX 60 ETF	0.07228	0.85868	0.08853	0.79947	1.00000		
iShares S&P/TSX Capped REIT ETF	0.14550	0.62892	0.33302	0.75160	0.72997	1.00000	
SPDR Gold Shares ETF	0.03521	0.08752	0.48634	0.23822	0.19575	0.28578	1.00000



Majority Independent Board of Trustees

Depth of Experience and Expertise



Greg Romundt
President, CEO, and Trustee



Robert Orr
EVP (Finance), CFO, CCO, and Trustee



Ross Amos
Chairman of the Board | Independent Trustee



Andrew Jones
Independent Trustee



Stephen Stewart
EVP Mortgage Investment and Joint Ventures, and Trustee



Peter Smith
Independent Trustee



Ken Miller
Chairman of Audit & Credit Committee | Independent Trustee



Driving Forces of Canadian Apartment Real Estate Sector - Demand

Record Population Growth

- Canada's population increased by 3.2% in 2023, an increase of 1.2 million people, highest rate since 1957, with 97.6% of this growth attributed to immigration¹.
- This growth is 5x higher than the OECD average of 0.6%².
- 471,771 permanent immigrants arrived in 2023, with 804,901 non-permanent residents¹.

Housing Affordability Crisis

- Average home ownership costs in Canada amounted to 63% of pre-tax median household income in 2023³.
- In Toronto, this figure was 84%, and in the Vancouver region, 103%³.
- From 2011 to 2021, the growth rate of renter households outpaced homeownership rates, increasing by 21.5% versus 8.4%⁴.
- Canada's home ownership rate of 66.5% is below the 71.5% OECD average, ranking 23rd amongst member countries⁴.
- Only 45% of Canadian households can afford a condo, and even fewer, 26%, can afford a single-detached home at current prices and interest rates, down from 61% and 49% respectively two decades ago⁵.

Sources:

¹ Statistics Canada (March 27, 2024) Canada's population estimates: Strong population growth in 2023

² National Bank of Canada (December 27, 2023) Canada: All provinces grow at least twice as fast as OECD

³ The Globe and Mail (March 20, 2024) Why you can't afford a home, in 10 charts

⁴ Statistics Canada (September 22, 2022) To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home

⁵ Royal Bank of Canada (April 8, 2024) Building A Way Out: Seven ways to fix Canada's housing shortage



Driving Forces of Canadian Apartment Real Estate Sector - Supply

Canada's Housing Supply

- As per the CMHC, Canada needs to build 6 million more homes by 2030 to reach housing affordability¹.
- A report by the Canadian Big Six bank shows Canada has the lowest number of housing units per 1,000 residents among G7 countries².
- There is currently only one housing start for every 4.2 people entering the working-age population, compared to the historical average of 1.8³.

Challenges in Canada's Construction Industry

- Canada ranks 33rd out of 34 countries in the time required to obtain construction permits⁴.
- Bringing residential buildings to market takes an average of about 8 years⁴.
- The construction industry in Canada confronts a significant labor shortage, with around 80,000 job vacancies⁵.
- A notable proportion of workers are over age 55, with around 300,000 workers anticipated to retire in the coming decade⁵.

Sources:

¹ CMHC (September 13, 2023) Estimating how much housing we'll need by 2030

² Yahoo Finance (July 7, 2022) Canadian Housing Now the Worst in Affordability Among G7 Countries

³ National Bank of Canada (January 15, 2024) Special Report: Canada is caught in a population trap

⁴ Storeys (January 31, 2024) Construction Time Grows, Building Quality Slips Amid Canada's Skilled Labour Shortage

⁵ CIBC (June 20, 2023) If they come you will build it — Canada's construction labour shortage



Driving Forces of Canadian Apartment Real Estate Sector - Shortfall

Forecasting the Demand Supply Housing Gap

- While the CMHC forecasts a need for 6 million more housing units by 2030 to tackle affordability, the country is set to build only 2.5 million new housing units, leaving a gap of about 3.5 million (with a high growth scenario predicting 4 million)¹.
- As per a major Canadian bank, the above projection is based on a population estimate that maybe 1.2 million short of the actual 2023 population².
- Factoring in the 2% population growth, the bank cautions that the shortfall maybe 5 million homes².
- Canada needs around 700,000 housing starts per year³, yet in 2023, there were only 242,000 new home starts⁴.
- Building even 400,000 housing units annually in Canada would be a 270% boost in homebuilding efforts, at 2023's construction pace⁵.

Historic Low Vacancy Rates and Surging Asking Rents

- Due to high demand and limited supply, the rental vacancy rate in Canada is at a historic low of 1.5%, down from an average of 3%⁶.
- Average asking rents in Canada surged over 21% from February 2022, last year they grew by 10.5%, led by a 14.4% annual jump in purpose-built rental apartments⁷.

Sources:

¹ CMHC (September 13, 2023) Estimating how much housing we'll need by 2030

² CIBC (February 6, 2024) Economics in Focus : The housing crisis is a planning crisis

³ National Bank of Canada (January 15, 2024) Special Report: Canada is caught in a population trap

⁴ RBC (April 5, 2024) How lowering the number of non-permanent residents will impact Canada's economy

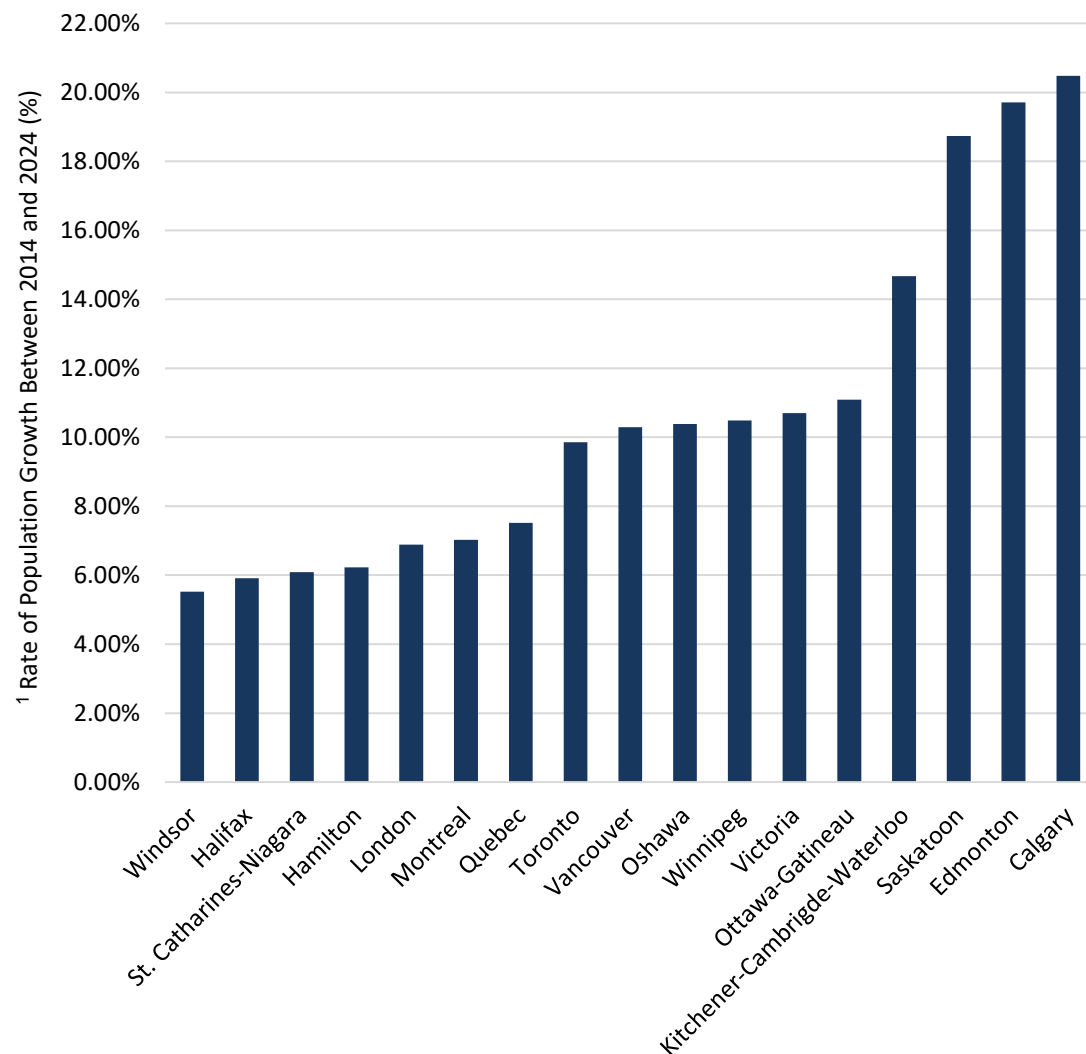
⁵ National Post (February 20, 2024) FIRST READING: What it would look like if Canada was even attempting to build sufficient housing

⁶ CMHC (January 31, 2024) Rental Market Report: Canada's Rental Landscape in 2023 Show Record-Low Vacancies and Affordability Concerns

⁷ rentals.ca (March, 2024) March 2024 rentals.ca Report



Growth of Rental Demand in Canada's "Ex-urb" Cities



- For at least the past decade, the high cost of living / accommodation has prompted many residents of Canada's 3 largest metropolitan centers to move to its outlying commuter "ex-urb" cities in search of cheaper prices
- This has had the effect of pushing up rents in outlying metropolitan areas
- Avg. monthly February 2024 rent for 2-bedroom apartment:
- Avg. monthly February 2024 rents and YOY rent growth for 2-bedroom apartment in some of Canada's "ex-urb" cities:

Vancouver, BC:	\$ 3,541 ²
Toronto, ON:	\$ 3,287 ²
Montreal, QC:	\$ 2,280 ²

Surrey, BC	\$ 2,521 (+9.0% YOY) ²
Kingston, ON	\$ 2,279 (+7.3% YOY) ²
Waterloo, ON	\$ 2,449 (+6.4% YOY) ²

Sources:

¹ Macrotrends (2024) Canada Metro Area Population 1950-2024

² rentals.ca (March, 2024) March 2024 rentals.ca Report



Investment Management Strategy



Target Markets

- Growing Canadian population centers, principally the suburbs and “ex-urbs” of Toronto, Vancouver and Montreal, SW Ontario, Lower BC Mainland, and Vancouver Island
- Pockets in primary or secondary markets where a property can be acquired at an attractive discount

Target Assets

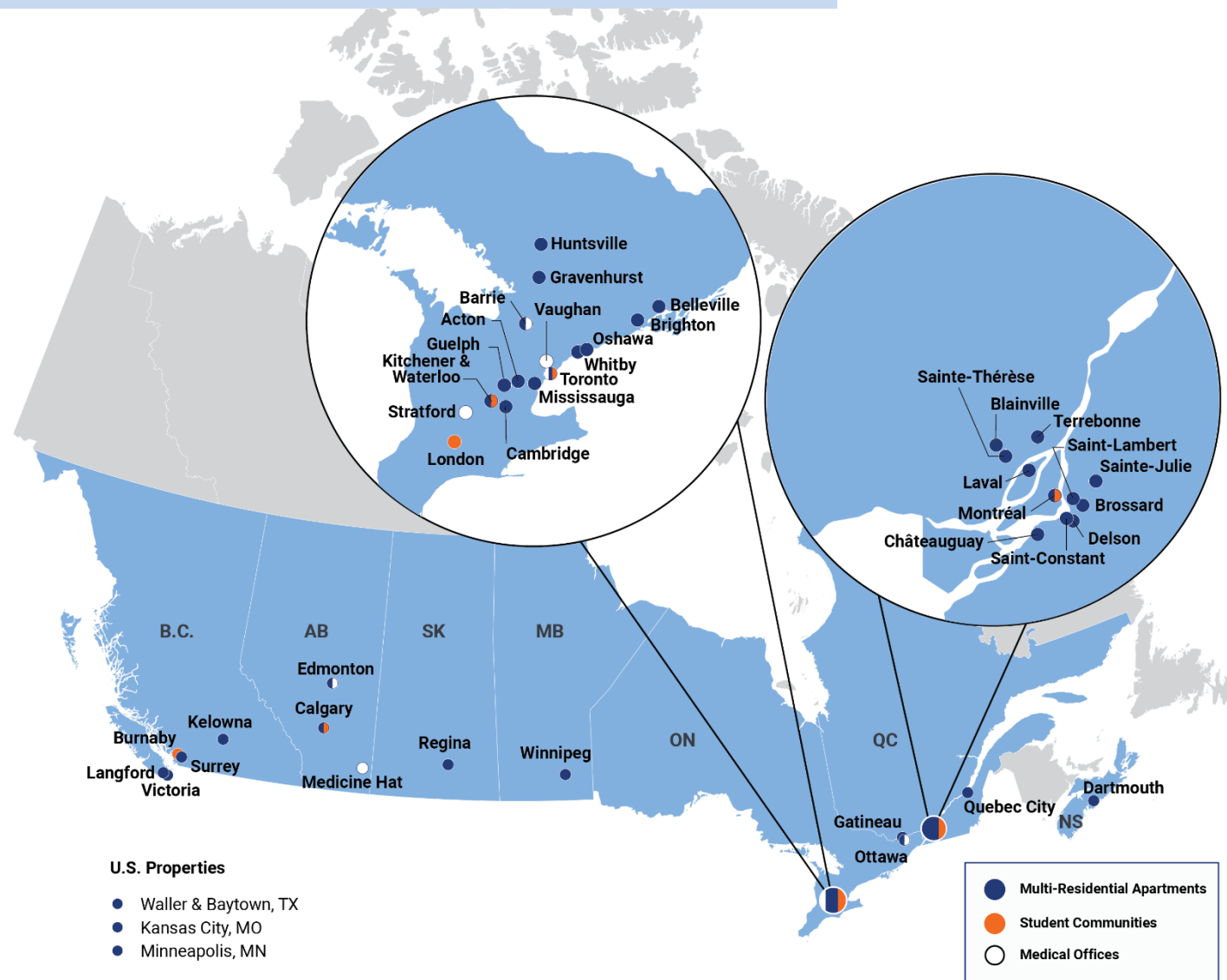
- Multi-family rental apartment buildings and student residences
- New builds as well as unstabilized properties
- Developments financed by Centurion Apartment REIT
- Buildings to be acquired at reasonable cap rates

Asset Management

- Maintain overall high occupancy rates through well developed leasing strategies
- Maintain strong NOI margin through economies of scale and maintenance and repair programs aimed at continually improving property energy efficiency
- Properties managed with a view to for a long-term hold



Property Portfolio



158

PROPERTIES

132 multi-residential apartments
 16 student communities
 10 medical offices

22,108

RENTAL UNITS

46

CITIES



Centurion Apartment REIT Portfolio Summary

Multi-Residential



132 multi-residential apartments

As at March 31, 2024

Student Residences



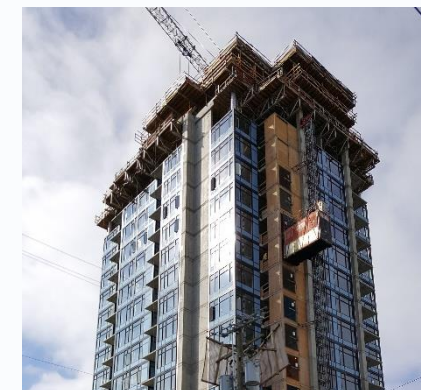
16 student communities

Medical Offices



10 medical offices

Equity Investments & Mortgages



43 funded investments

As at February 29, 2024

% of Portfolio

81.9%

10.0%

2.0%

6.1%

As at February 29, 2024



Property Review and Investment Process



DEAL SOURCING

- Deals are brought to Centurion through multiple channels - real estate brokers, developers, private off-market contacts, Centurion Apartment REIT financing pipeline
- Deep industry relationships provide Centurion with strong deal flow
- First screening: Is the opportunity worthy of consideration based on an investment thesis? If Yes, then:



DEAL UNDERWRITING

- Review and analysis of property documentation: rent rolls, tax bills, utility bills, etc.
- Broad market and neighbourhood analysis: rental demographics, retail amenities in the area, etc.
- Site visit and inspection of a few units: check on building workmanship and maintenance
- Preparation of deal package to include pro-forma returns based on operating and capital assumptions



MANAGEMENT REVIEW

- Deal merits are evaluated by management, taking into consideration such factors as:
- Is the property worth repositioning? What metrics would be considered for a forward sale?
- What are projected vacancy rates and the benefits of the economies of scale?
- What should the terms and the financing of the deal be? If the deal is provisionally approved, then:



DUE DILIGENCE

- An offer letter is submitted with price, terms and conditions to put the property under contract
- Review of additional documentation: apartment leases, city permits, building warranties, floor plans, etc.
- Full property inspection will include a walk-through of a representative sample of the building units
- Third party consultants will conduct building and environmental assessments as well as independent valuation appraisals



CLOSING

- A final proposal package is prepared and presented to the Board for review and approval
- Upon final approval, legal docs are prepared, and contracts signed
- Closings are typically between 30 to 60 days



Mortgage and Joint Venture Investment Portfolio

- The mortgage and joint venture portfolio is originated and managed by Centurion's real estate lending team
- Typical Investment Parameters:
 - Interest Rate: 8.5% - 13%
 - Loan to Value: 50% - 85%
 - Term to Maturity: 1 - 4 years
 - Loan Size: \$5 million - \$25 million
- Focus on 1st, 2nd and joint venture financings to mid-size developers
- Roughly 50% of the investments have equity participation in the financed developments
- The Centurion Apartment REIT has a "first right of purchase offer" on completed projects for roughly half of the portfolio



Risks

Risk Adjusted Return: Trailing 12-month Class A return of 7.27%

Portfolio Positioning: Focus on multi-family rental apartment buildings, student housing, mortgage investments, and equity development projects across Canada and United States

Currency Exposure: USD – Immaterial

Liquidity Exposure: Position could be liquidated over time

Concentration: Southern Ontario focus, but expanding across Canada and the United States

Additional Risk Factors are disclosed in the Offering Memorandum



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