



CENTURION
ASSET MANAGEMENT INC

Q2 2023 Centurion Apartment Real Estate Investment Trust

As at June 30, 2023



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.

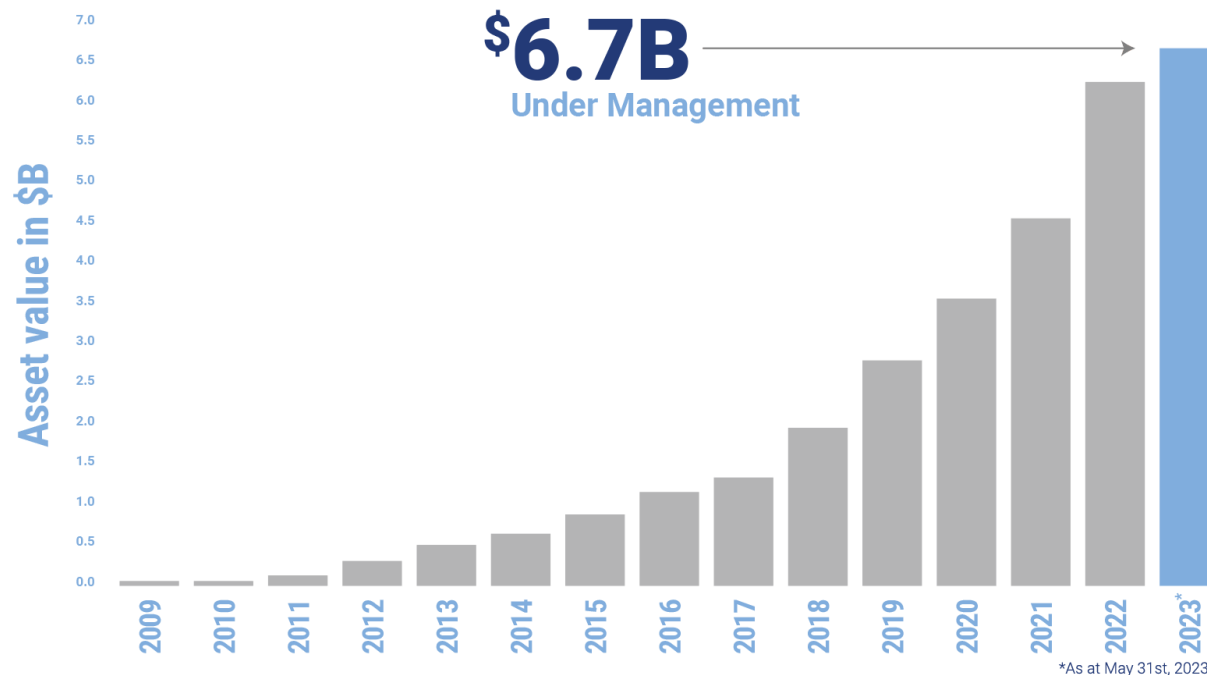
Centurion Asset Management Inc. is an alternative investment manager of private mutual fund trusts and was established in 2003 in Toronto, Canada



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

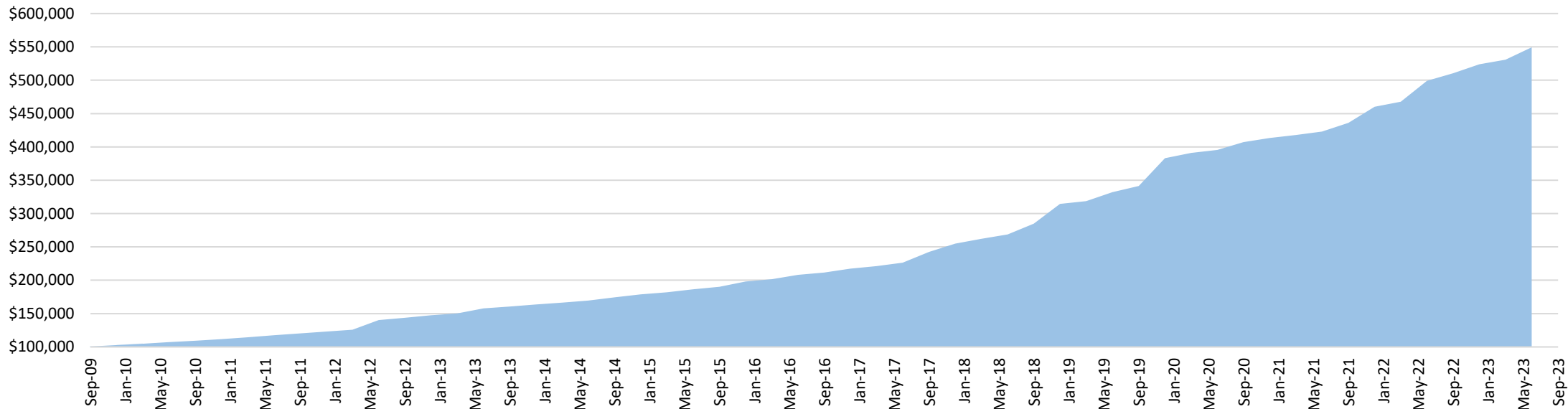
7% - 12%
Targeted Annual Total Returns



Centurion Apartment REIT

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

June 30, 2023
\$549,530



Calendar Returns	2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023
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%	4.88%
Compound Trailing Returns	YTD	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	Since Inception			
REIT	4.88%	10.10%	14.00%	11.60%	13.41%	15.38%	15.92%	14.89%	14.47%	13.96%	13.29%	13.11%			

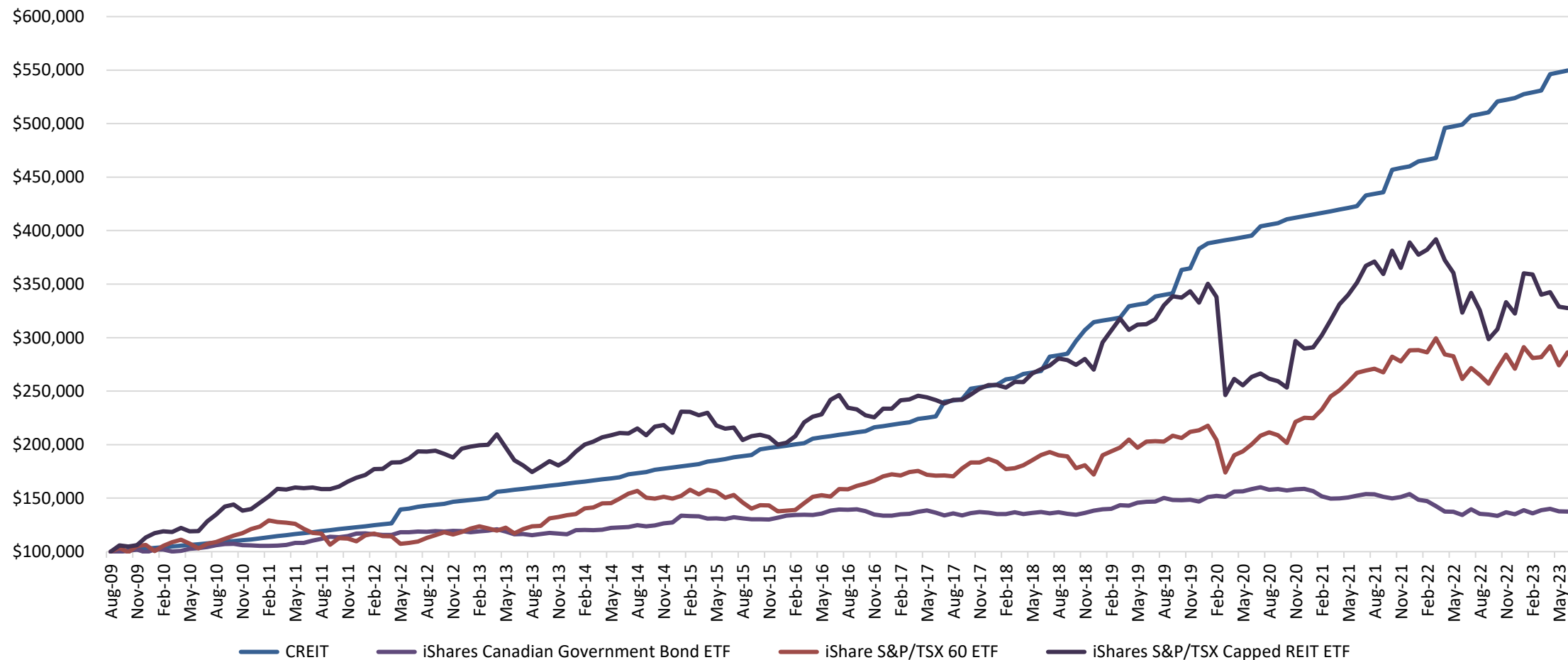
¹ For partial year August 31, 2009, to December 31, 2009

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

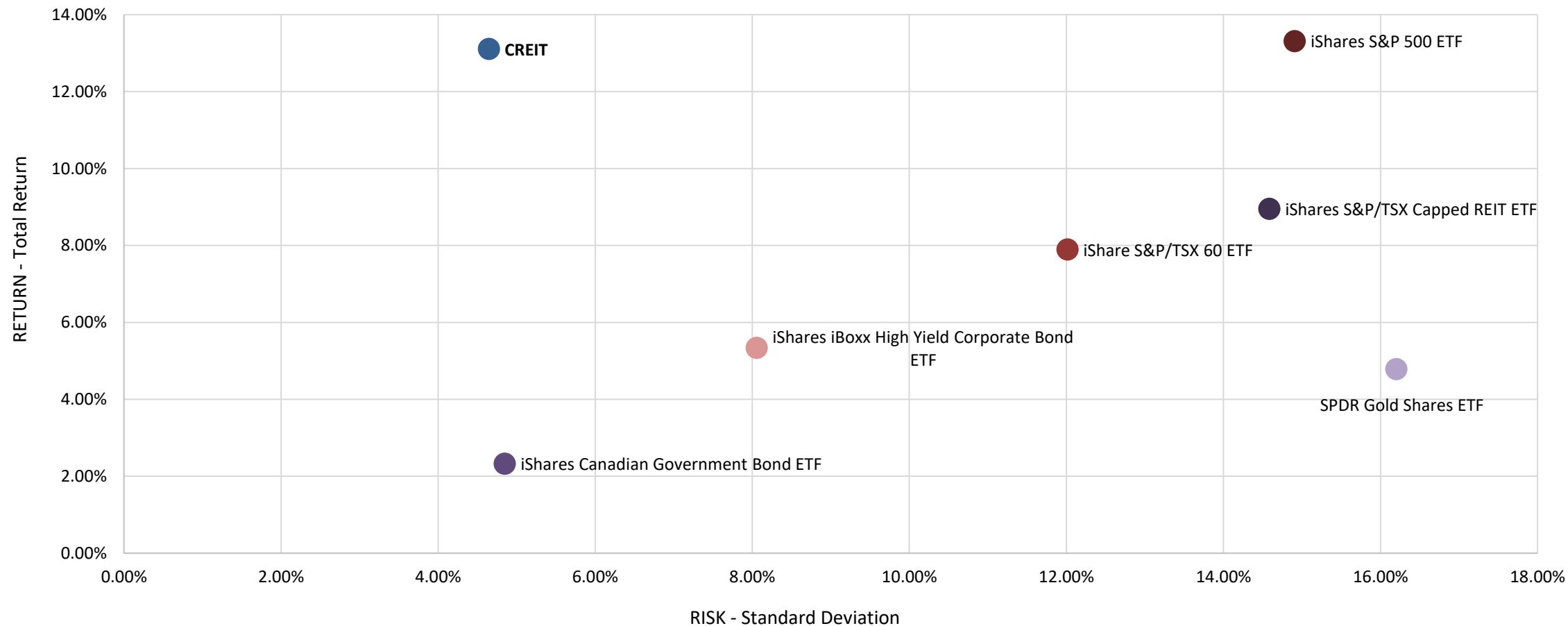
Centurion Apartment REIT Growth of \$100,000 Invested Since Inception





Centurion REIT Performance vs. Investment Indices

CREIT Return & Volatility
Since Inception (Aug 2009 - Jun 2023)





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	0.12772	1.00000					
iShares Canadian Government Bond ETF	-0.15492	0.06610	1.00000				
iShares iBoxx High Yield Corporate Bond ETF	0.06731	0.83476	0.24934	1.00000			
iShare S&P/TSX 60 ETF	0.07448	0.85943	0.01587	0.79453	1.00000		
iShares S&P/TSX Capped REIT ETF	0.12705	0.63365	0.27956	0.75292	0.72606	1.00000	
SPDR Gold Shares ETF	0.02682	0.05947	0.44614	0.20785	0.16629	0.25369	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

1. Unaffordable Housing In Major Urban Areas

- In 2022, average mortgage carrying costs in Canada was 60% of median household income which was the highest in history. Vancouver was 90.2% and Toronto, 83%¹
- Over the past 10 years, homeowners in Canada only grew by 8.4%, whereas the renter population grew by 21.5%²

2. Canada Enjoys Strong Immigration

- In 2022, Canada set a new immigration record by welcoming 431,645 new permanent residents, solidifying its position as the G7 country with the fastest growing proportion of immigrants³
- The Canadian government aims to bring in 1.5 million more immigrants by 2025⁴

3. Rental Apartment Supply Is Not Keeping Pace With Demand

- The rental housing gap in Canada could surpass 120,000 units by 2026, quadrupling the current deficit and exacerbating the housing market imbalance⁵
- Between 2021 and 2022, purpose-built rental apartment units in Canada increased by 55,000 units. The number of occupied units increased by about 79,000 units, driving the national vacancy rate down to 1.9%⁶

Sources:

¹ RBC Economics Research Note (September 29, 2022); Buying a home has never been so unaffordable in Canada

² Statistics Canada (September 21, 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

³ Government of Canada (January 3, 2023); Canada welcomes historic number of newcomers in 2022

⁴ Government of Canada (November 1, 2022); An Immigration Plan to Grow the Economy

⁵ RBC Economics (March 22, 2023); Proof Point: Canada's shortage of rental housing could quadruple by 2026

⁶ CMHC (June 23, 2022); Canada's Housing Supply Shortage: Restoring affordability by 2030



Supply/Demand of the Canadian Multi-residential Apartment Sector

Demand

Canada will require a total of 22 million dwellings by 2030 to achieve affordable accommodation for all Canadians¹

Over the next ten years, Ontario will need to build 1.5 million new homes⁴. Anticipating 30% of Ontarians renting, there will be a resulting demand for 450,000 rental units²

Quebec, B.C. and Ontario will have to build 3.5 million homes by 2030 to reach the CMHC's national affordability target³

Ontario requires 42,000 rental units to be completed every year until 2031 to meet forecast demand⁶

Metro Vancouver's population is expected to grow on average ~44,000 per year between 2023 and 2026⁷



Supply

Canada's housing growth is only expected to grow to 18.5 million thereby leaving a 3.5 million housing gap¹

Net new rental supply in Ontario is projected to total only 242,000 units over the next 10 years, comprised of nearly 143,000 net new purpose rentals and 99,000 net new condominium rentals⁵

It is projected that labour constraints will limit the number of starts by 30% to 50% of the 3.5 million target³

It is expected that only approximately 24,000 units/year will be delivered in Ontario in the next ten years⁶

On average, only 1,500 purpose-built apartments per year are forecast to be built between 2023 and 2026⁷

Sources:

¹ CMHC (June, 2022) Housing Canada's Housing Supply Shortages: Estimating what is needed to solve Canada's housing affordability crisis

² Statistic Canada (2016) Census Profile, Canada

³ The Canadian Press (October 6, 2022) Housing starts will fall below 2030 supply targets in Ont., Que. and B.C.: CMHC

⁴ Smart Prosperity Institute (August, 2022) Ontario's Need for 1.5 Million More Homes

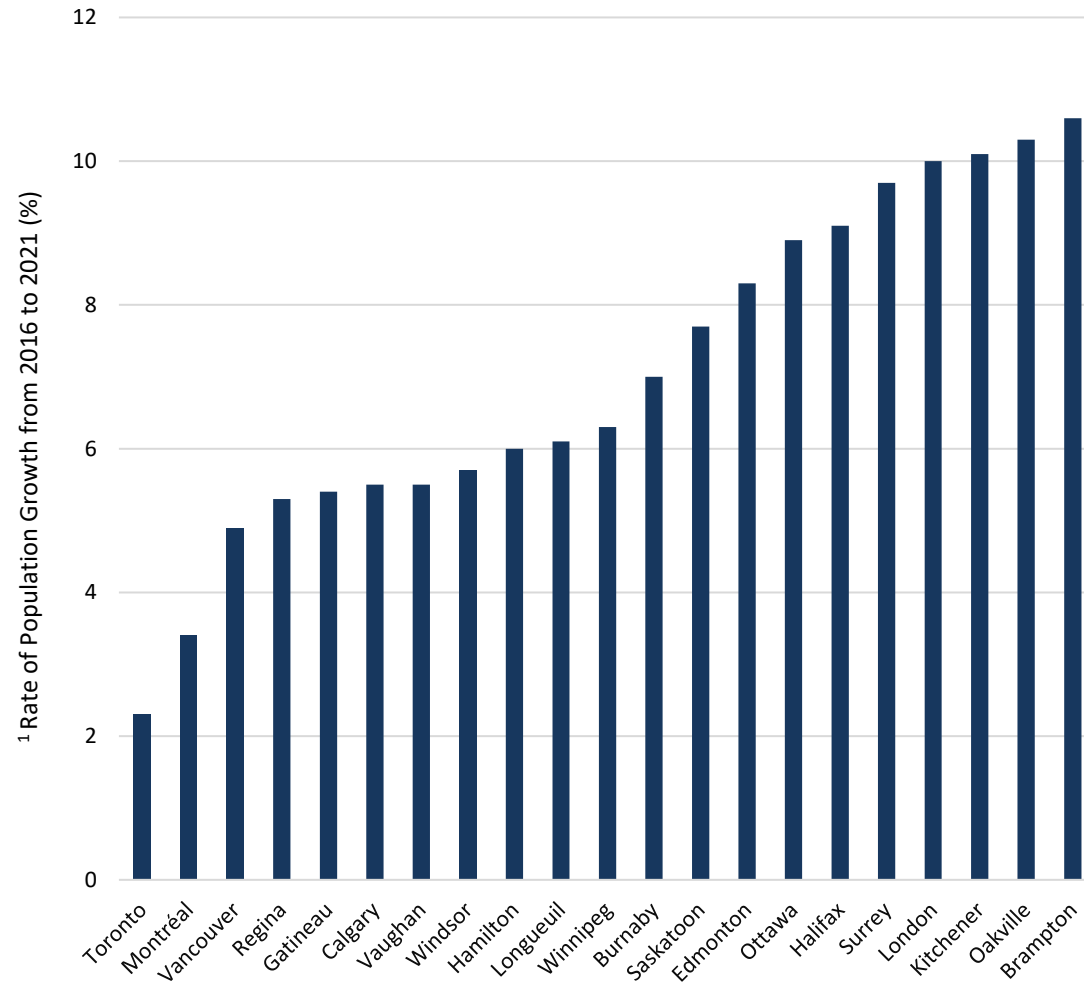
⁵ Urbanation/Federation of Rental-housing Providers of Ontario (May, 2022) Ontario Rental Market Study Update: Revisiting the Rental Demand & Supply Outlook in 2022 and Beyond

⁶ Federation of Rental-housing Providers of Ontario (May, 2020) Purpose-built Rental Housing is the Way of the Future

⁷ Business in Vancouver (January 5, 2023) Next to impossible: B.C. real estate industry faces many roadblocks to completing purpose-built rentals



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 May 2023 rent for 2-bedroom apartment:

Vancouver, BC:	\$ 3,666 ²
Toronto, ON:	\$ 3,286 ²
Montreal, QC:	\$ 2,172 ²
- Avg. monthly May 2023 rents and YOY rent growth for 2-bedroom apartment in some of Canada's "ex-urb" cities:

Brampton, ON:	\$ 2,469 (+26.9% YOY) ²
Vaughan, ON:	\$ 2,650 (+17.1%YOY) ²
Guelph, ON:	\$ 2,454 (+13.8% YOY) ²

Sources:

¹ Statistics Canada (February 9, 2022) [Canada's fastest growing and decreasing municipalities from 2016 to 2021](#)

² rentals.ca (June, 2023) [Rent 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

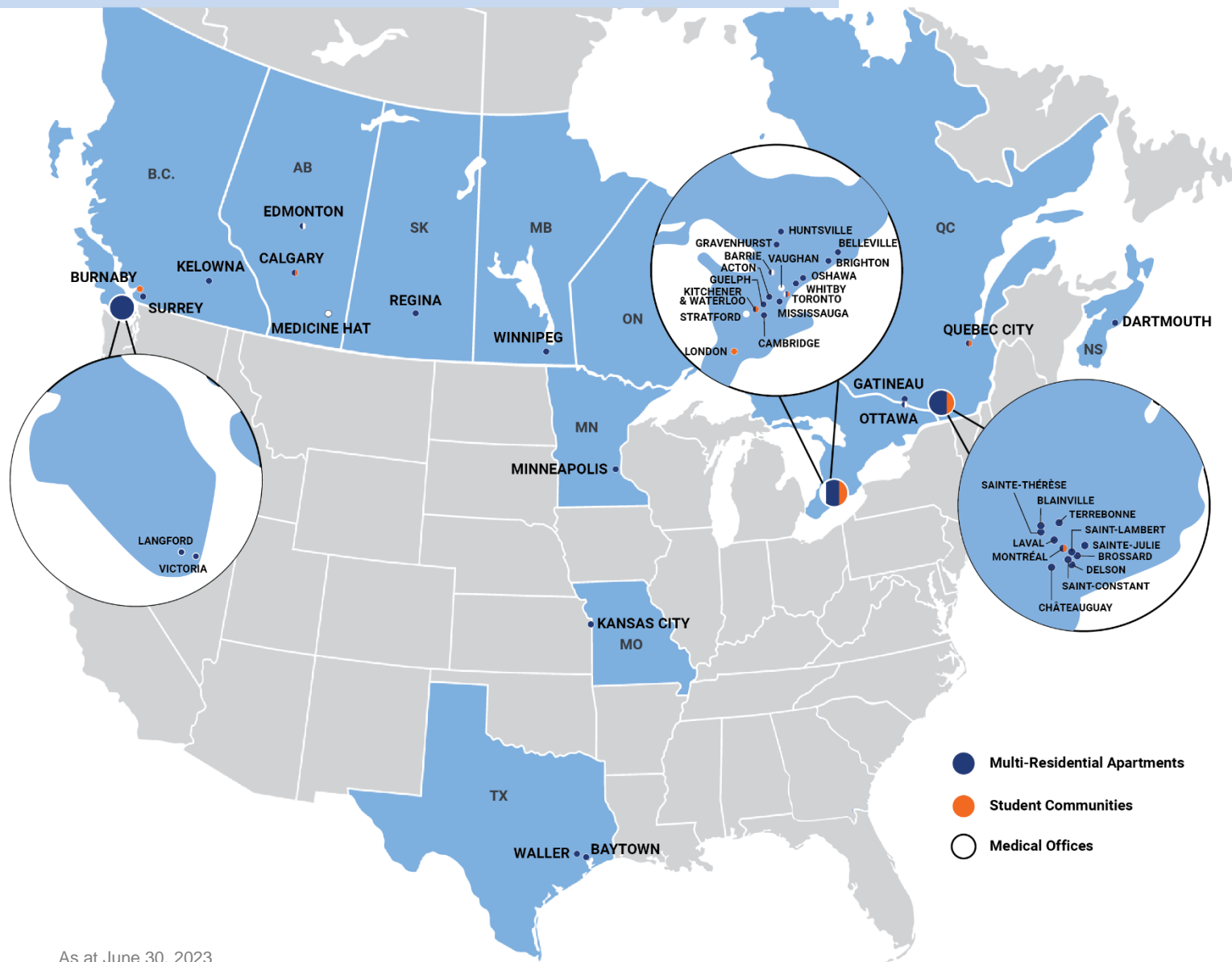
- Multi-family rental apartment buildings and student residences
- New builds as well as unstabilized properties
- Developments financed by Centurion Apartment REIT
- Buildings to be acquired at reasonable cap rates

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



152
PROPERTIES
 126 multi-residential apartments
 16 student communities
 10 medical offices

21,453
RENTAL UNITS

46
CITIES

- Multi-Residential Apartments
- Student Communities
- Medical Offices



Centurion Apartment REIT Portfolio Summary

Multi-Residential



126 multi-residential apartments

As at June 30, 2023

Student Residences



16 student communities

Medical Offices



10 medical offices

Equity Investments & Mortgages



42 funded investments

As at May 31, 2023

% of Portfolio

83.3%

9.9%

2.2%

4.6%

As at May 31, 2023



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: 2022 12-month total return was 13.89% (Class A)

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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