



CENTURION
ASSET MANAGEMENT INC

Q3 2024 Centurion Apartment Real Estate Investment Trust

As at September 30, 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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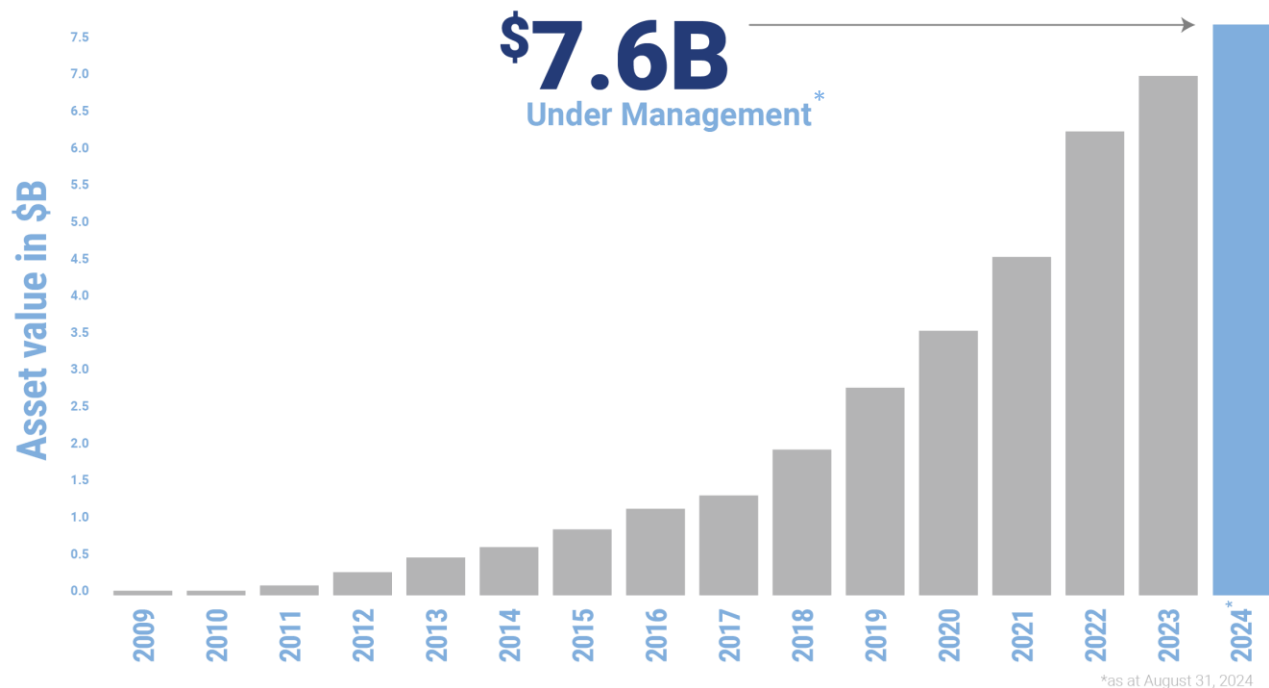


Centurion Asset Management Inc.

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



21
years
of experience
2003





Key Investment Officers



Greg Romundt **President and CEO**

- Over 30 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 25 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

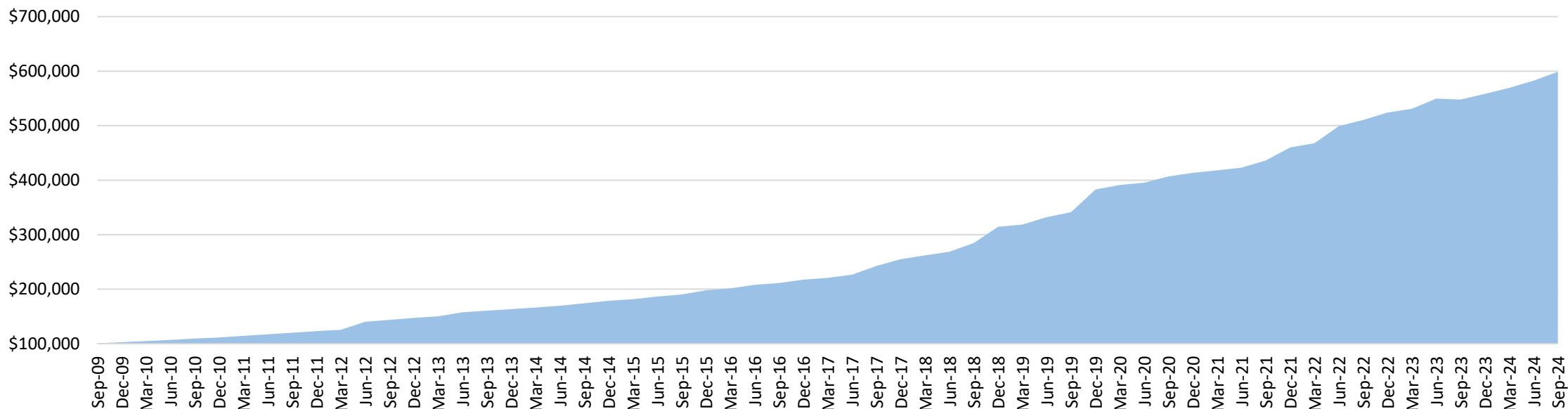
7% - 12%
Targeted Annual Total Returns



Centurion Apartment REIT

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

September 30, 2024
\$598,958



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%	7.31%
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	9.29%	8.31%	11.17%	10.14%	11.90%	13.18%	13.78%	13.90%	13.59%	13.14%	12.60%					

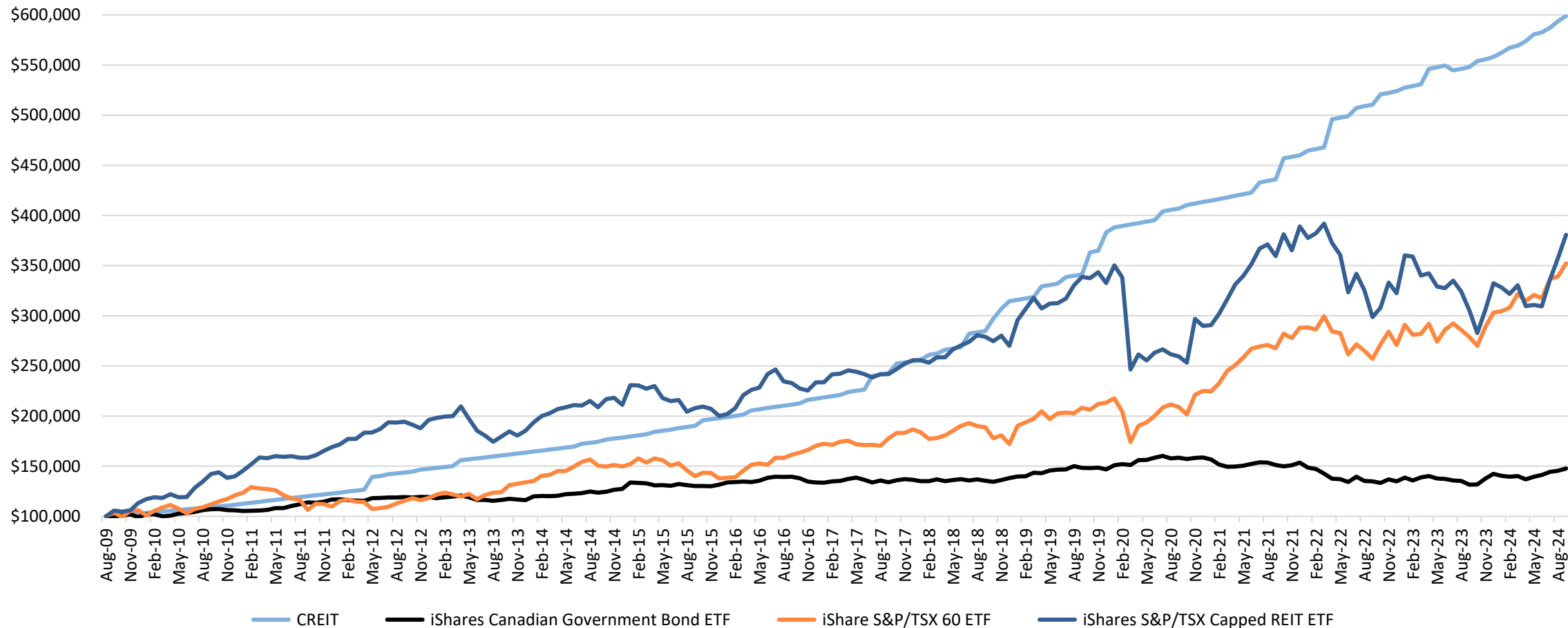
¹ For partial year August 31, 2009, to December 31, 2009

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.



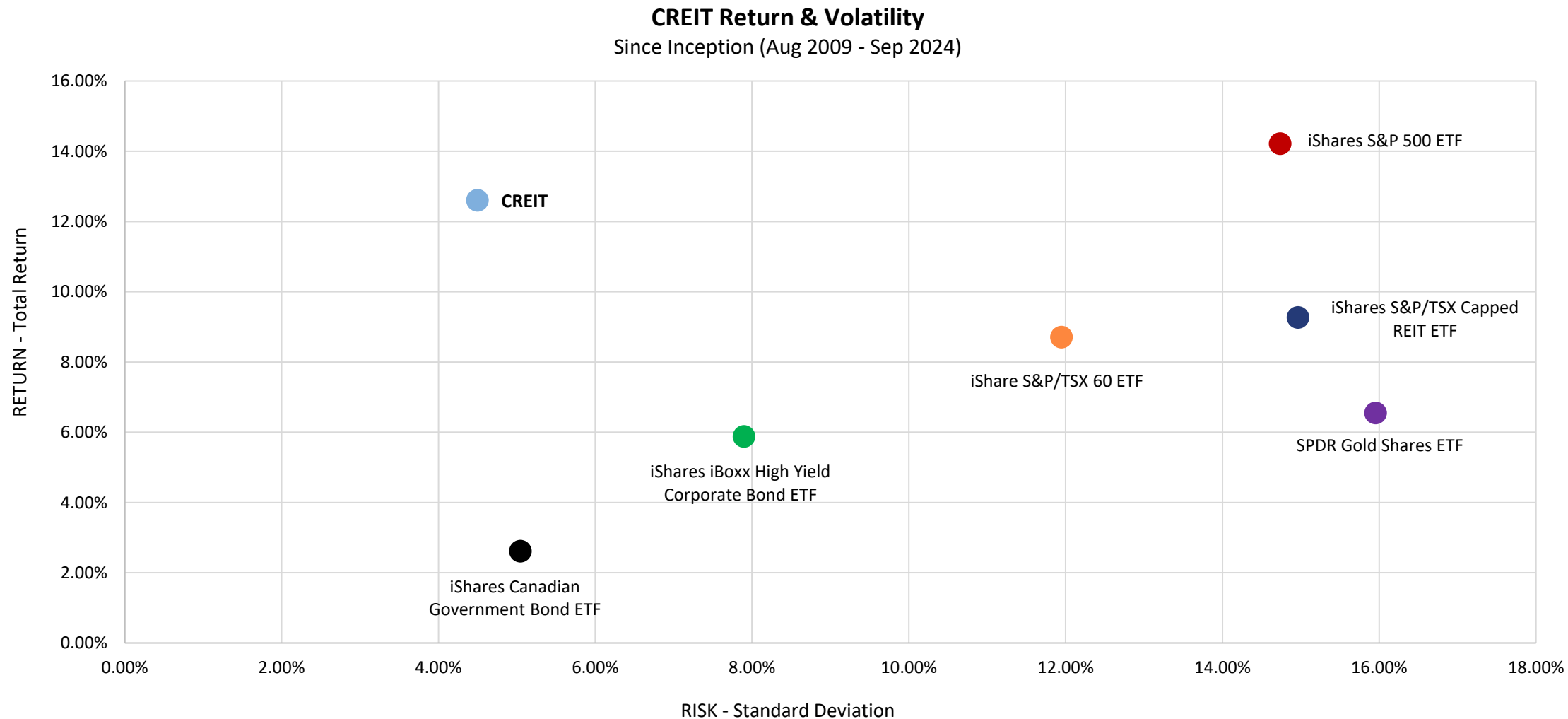
Centurion REIT Performance vs. Investment Indices

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	0.09779	1.00000					
iShares Canadian Government Bond ETF	-0.12142	0.11657	1.00000				
iShares iBoxx High Yield Corporate Bond ETF	0.06020	0.82823	0.29487	1.00000			
iShare S&P/TSX 60 ETF	0.06922	0.85616	0.07875	0.79693	1.00000		
iShares S&P/TSX Capped REIT ETF	0.14760	0.60810	0.33198	0.74362	0.72277	1.00000	
SPDR Gold Shares ETF	0.02965	0.10053	0.46907	0.23744	0.19870	0.26641	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 surpassed 41 million in Q1 2024, with 99.3% of this growth attributed to immigration. This milestone was reached less than a year after the population hit 40 million¹.
- In 2023, Canada's growth was **5x higher** than the OECD average².
- 471,771 permanent immigrants and 804,901 non-permanent residents arrived in 2023³.
- Canada ranks as one of the top desired immigration destinations, followed by Australia and New Zealand⁴.

Housing Affordability Obstacles

- Average monthly mortgage payments based on current median home prices in Canada would take up ~58% of pre-tax median household income currently⁵.
- Payments would take up ~81% of pre-tax median income in Toronto and ~95% in Vancouver, based on current median home prices⁵.
- 2 of the top 10 "Most Unaffordable International Housing Markets" are Canadian⁶.
- Only 45% of Canadian households can afford a condo, and even fewer, 26%, can afford a single-detached home at current prices, down from 61% and 49%, respectively, two decades ago⁷.
- Canadian renters now make up 33% of households, with 28 out of 50 cities having above-average renter proportions⁸.

Sources:

¹ Statistics Canada (June 19, 2024) Canada's population estimates, first quarter 2024

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

³ Statistics Canada (March 27, 2024) Canada's population estimates: Strong population growth in 2023

⁴ The Economic Times (July 5, 2024) Why does Canada top global list of most desired migration destinations? Know about other choices for migration

⁵ National Bank of Canada (August 15, 2024) Housing affordability monitor publication

⁶ CNN (June 14, 2023) These cities are now so expensive they're considered 'impossibly unaffordable'

⁷ Royal Bank of Canada (April 8, 2024) Building A Way Out: Seven ways to fix Canada's housing shortage

⁸ Financial Post (June 11, 2024) Number of tenants in Canada hits unprecedented heights



Driving Forces of Canadian Apartment Real Estate Sector - Supply

Canada's Housing Supply

- As per the CMHC, Canada needs to build 6 million housing units by 2030 to reach housing affordability¹.
- Canada has the lowest housing supply per capita in the G7, with 424 units per 1,000 residents. An additional 1.8 million dwellings are needed to accommodate the 1.25 million newcomers from 2023 and reach the G7 average².
- Currently, there's only one housing start for every 4.2 people entering the workforce, down from 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.
- Despite a decrease from Q2 2022 highs, the construction industry still has nearly 70,000 vacancies, or 5.3% of the workforce, surpassing the 4% rate for the overall Canadian economy⁵.
- New immigrants make up only 2.4% of the construction workforce. Canada may need over 500,000 additional construction workers⁶.
- Canadian Home Builders' Association estimated 22% of residential construction workers are set to retire over the next decade⁷.
- Canada could need more than 500,000 additional construction workers on average to build all the homes that will be needed by 2030⁷.

Sources:

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

² Benefits Canada (June 10, 2022) 2024 Global Investment Conference: Canadian real estate pressures increasing demand for rental market investments

³ Financial Post (January 16, 2024) Posthaste: Canada caught in population trap for first time in modern history, economists warn

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

⁵ Real Estate Institute of Canada (March 28, 2024) Labour Crisis Plaguing the Real Estate Sector Across the Spectrum

⁶ Financial Post (April 8, 2024) RBC urges Canada to prioritize construction skills in immigrants to tackle housing crisis

⁷ CityNews (April 18, 2024) Solving shortage of construction workers key to housing growth: experts



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 may be 1.2 million short of Canada's 2023 population².
- Factoring in a 2% population growth, the bank cautions that the shortfall may be as high as 5 million homes².
- Canada would need ~700,000 housing starts per year³. In July, housing starts reached 279.5k on an annualized basis, still below the multi-decade highs seen in 2021 and 2022⁴.
- Building 400,000 housing units annually in Canada would be a 270% increase from 2023's pace⁵.

Historic Low Vacancy Rates and Surging Asking Rents

- Due to high demand and limited supply, Canada's rental vacancy rate is at a 30 year low of 1.5%, down from an average of 3%⁶.
- Average asking rents in Canada surged over 4.7% from August 2023, driven by a 6.2% 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 TD Economics (August 16, 2024) Canadian Housing Starts (July 2024)

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 (September 2024) August 2024 rentals.ca Report



Housing Capital Required vs Federal Government Housing Commitments

The Need for New Housing Units and Doubts Over Budget Impact

- As per CMHC, Canada needs 6 million new housing units by 2030, requiring an approximate investment of \$2T to \$3T, assuming an average unit cost of \$400K to \$500K¹.
- However, according to a recent government report on housing, since 2017, government housing programs have only pledged to invest ~\$115 billion over the next 10+ years².

The Apartment Construction Loan Program at now \$55 Billion³

- Launched 7 years ago with a goal to finance 71K new rentals units⁴.
- Only 12,683 built to date².

The Affordable Housing Fund created in 2018 at \$13.1 Billion²

- Goal to create 60K housing units².
- Only 16,247 built to date².

2024 Federal Budget Housing Commitments

- \$8.5 billion for housing affordability⁵.
- \$3.9 billion for housing expansion, infrastructure & rentals⁵.
- 5-year commitment of which \$1 billion is pledged to be spent in 2024⁵.

Sources:

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

² Progress on the National Housing Strategy Report (June 2024) National Housing Strategy Quarterly Progress Report

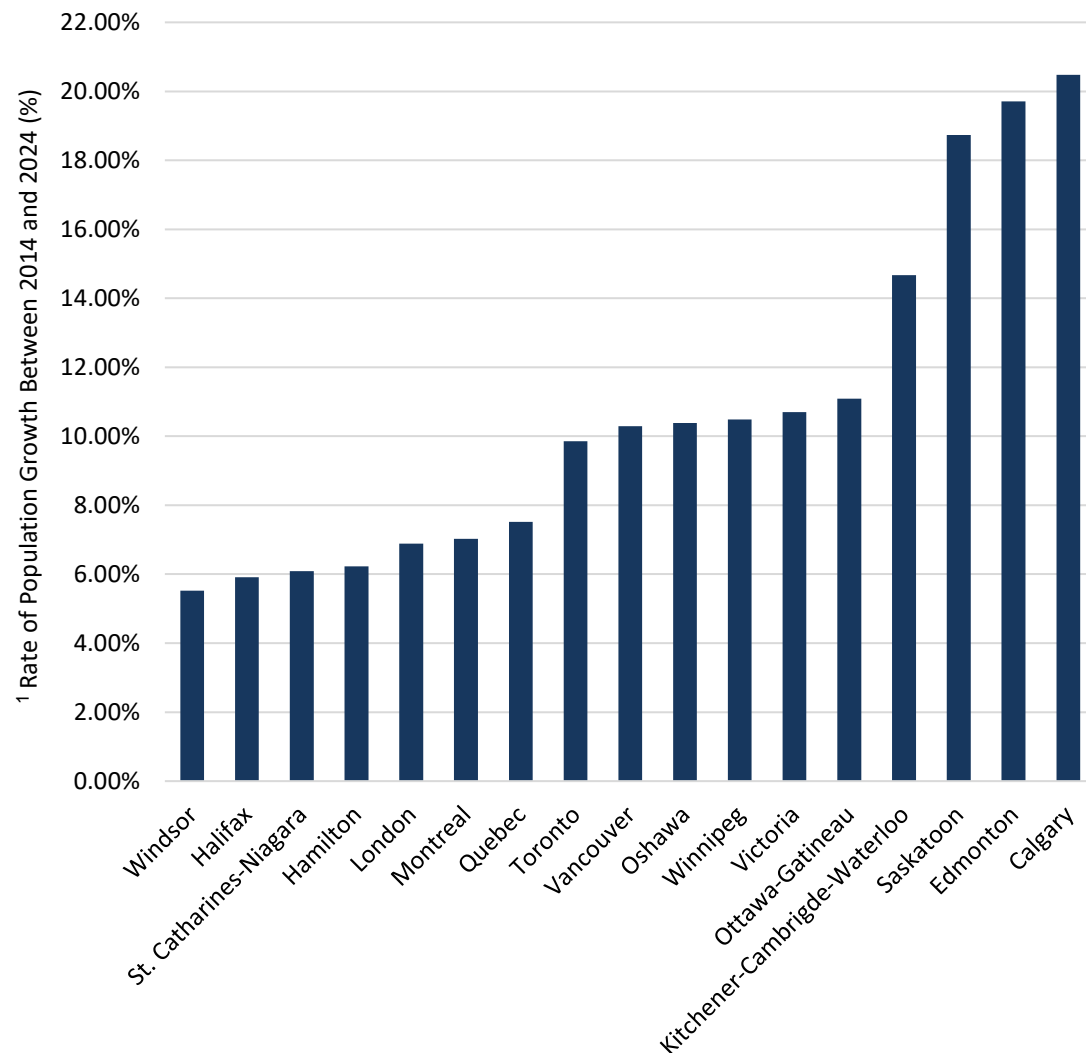
³ The Globe and Mail (April 3, 2024) Federal budget will include \$15-billion boost to apartment construction loan program

⁴ PMO Canada's Housing Plan (April 12, 2024) Canada's Housing Plan

⁵ RBC Budget Analysis (April 16, 2024) Federal Budget 2024: Lack of spending restraint offset by revenue surprise and tax hikes



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 August 2024 rent for 2-bedroom apartment:

Vancouver, BC:	\$ 3,632 ²
Toronto, ON:	\$ 3,158 ²
Montreal, QC:	\$ 2,276 ²
- Avg. monthly August 2024 rents and YOY rent growth for 2-bedroom apartment in some of Canada's "ex-urb" cities:

Regina, SK	\$ 1,536 (+16.1% YOY) ²
Nanaimo, BC	\$ 2,459 (+13.9% YOY) ²
Kingston, ON	\$ 2,252 (+13.8% YOY) ²

Sources:

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

² rentals.ca (September 2024) September 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
- Strategic neighbourhoods 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



159

PROPERTIES

133 multi-residential apartments
 16 student communities
 10 medical offices

22,031

RENTAL UNITS

45

CITIES



Centurion Apartment REIT Portfolio Summary

Multi-Residential



133 multi-residential apartments

As at September 30, 2024

Student Residences



16 student communities

Medical Offices



10 medical offices

Equity Investments & Mortgages



43 funded investments

As at August 31, 2024

% of Portfolio

82.6%

10.0%

2.0%

5.4%

As at August 31, 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



Things to Consider

Return: Trailing 12-month Class A return of 9.29%

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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