Centurion Apartment
Real Estate Investment Trust

Updated May 2020
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- Disclaimer
Based in Toronto, Centurion Asset Management Inc. is a respected alternative asset manager that offers a growing portfolio of private investment products including multi-residential apartments, student housing, mortgage financing, and corporate financing.

Centurion owns and manages over $3.0 billion in total assets.

GROWING PORTFOLIO OF THREE PRIVATE INVESTMENT PRODUCTS:

- **Centurion Apartment Real Estate Investment Trust** – 76 quality multi-residential and student housing rental properties across Canada and the United States

- **Centurion Real Estate Opportunities Trust** – diversified portfolio of mortgages and opportunistic real estate developments

- **Centurion Financial Trust** – private debt investments, including but not limited to mortgages, opportunistic real estate developments, and corporate debt

Centurion is a respected alternative investment manager committed to helping Canadian investors grow and protect their wealth.
Management – Focused, Experienced, Disciplined

FOCUSED
• Fully integrated asset and property management company
• Private investments

EXPERIENCED
• Established in 2003 by founder and current President, Greg Romundt
• 25+ years in financial markets and residential real estate
• Supported by solid senior management and majority independent boards

DISCIPLINED
• Structured investment/operations due-diligence process to manage risk, maximize income, and add value
• Controlled approach to capital expenditures and capital raising
Important considerations:

• Capital preservation
• Moderate growth
• Steady monthly distributions
Centurion Apartment Real Estate Investment Trust (the “REIT”) is an income-producing, diversified real estate investment trust. It provides the opportunity for investors to invest in a diversified portfolio of rental apartments and student housing properties in Canada and United States and participate in the profits derived from them.

The REIT has stable, rational pricing with lower volatility and low correlation to the public equity markets.
Solution: Centurion Apartment REIT

WE PROVIDE:

• **Capital preservation**: Fundamental staple with downside protection
• **Investment growth**: A hard asset that appreciates over time
• **Income**: Provides the foundation for monthly income
• **Lower volatility**: Not impacted by as many short-term market forces as other asset classes
• **Inflation hedge**: Real estate has a history of protecting against the destruction of wealth caused by inflation

Investing in Apartments for Income and Stability

A timely opportunity to invest in **one of the safest sectors** within the real estate market – income producing apartment properties in Canada and United States
Investment Strategy

Centurion Apartment REIT always looks for opportunities using a strict due diligence process to ensure investments are responsible and beneficial for its valued investors. We concentrate on communities with low vacancy levels and growing population demographics.

Three primary strategies:

1. Purchase undervalued properties with untapped potential, low vacancy, and stable tenant base. Investing in the properties, performing upgrades to reduce operating costs, and maximize income.

2. Investing in newer, stabilized buildings in desirable neighbourhoods that do not require upgrades allows the REIT to realize maximum income quickly.

3. Centurion Apartment REIT leverages on its strategic relationship with Centurion Real Estate Opportunities Trust to proactively create a pipeline of new investment opportunities. Having the Centurion network involved throughout the development process of new multi-residential and student housing properties ensures these potential acquisitions of Centurion Apartment REIT are familiar, having performed due diligence throughout the build and stabilization phases.
Portfolio Summary (% of Assets)

- Apartments – Canada: 65.1%
- Apartments – U.S.: 15.3%
- Student Residences: 11.0%
- Investment in Centurion REOT: 4.1%
- Direct Mortgage and Equity Accounts: 4.5%

*As at March 31, 2020
Geographically Diverse Portfolio

76 PROPERTIES
66 multi-residential apartments
10 student communities

10,053 RENTAL UNITS

25 CITIES

*As at March 31, 2020
## Portfolio Composition

### 25 cities / 76 properties / 10,053 rental units

<table>
<thead>
<tr>
<th>City</th>
<th>Properties</th>
<th>Rental Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Apartment</td>
<td>Student Housing</td>
</tr>
<tr>
<td>Acton</td>
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<tr>
<td>Barrie</td>
<td>2</td>
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<tr>
<td>Brighton</td>
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<td></td>
</tr>
<tr>
<td>Cambridge</td>
<td>5</td>
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<tr>
<td>Dartmouth</td>
<td>1</td>
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<tr>
<td>Edmonton</td>
<td>7</td>
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<tr>
<td>Gravenhurst</td>
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<tr>
<td>Guelph</td>
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<td>Huntsville</td>
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<td>Kitchener</td>
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<td>Langford</td>
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<td>London</td>
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<td>Mississauga</td>
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<td>Winnipeg</td>
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<td>Athens (Georgia, USA)</td>
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<td>Baytown (Texas, USA)</td>
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<tr>
<td>Waller (Texas, USA)</td>
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</table>

25 cities 76 properties 10 properties 7,302 units 2,751 units

*As at March 31, 2020*
Annual NOI Ratio Growth

As at December 31, 2019

40.68%, 44.87%, 47.72%, 51.53%, 53.52%, 59.40%, 63.05%, 64.69%, 67.11%, 68.28%

*As at December 31, 2019
Centurion vs. Inflation and Market Rents

*As at December 31, 2019
Total Operating Revenues Growth Rate

*As at March 31, 2020*
Same Store NOI Growth Rate

*As at March 31, 2020
Gap to Market

*As at March 31, 2020

Annualized Gap to Market ($)  Gap to Market (%)
GROWTH OF $100,000 INVESTED IN CENTURION APARTMENT REIT (Class A Units)
(since inception, August 31, 2009)

Calendar Returns

<table>
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<tr>
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<tbody>
<tr>
<td>Centurion Apartment REIT</td>
<td>2.7%</td>
<td>8.5%</td>
<td>10.2%</td>
<td>20.0%</td>
<td>11.0%</td>
<td>9.2%</td>
<td>10.2%</td>
<td>9.8%</td>
<td>17.2%</td>
<td>23.4%</td>
<td>21.8%</td>
<td>2.1%</td>
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Compound Trailing Returns

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<tr>
<th>Period</th>
<th>1-Year</th>
<th>2-Year</th>
<th>3-Year</th>
<th>4-Year</th>
<th>5-Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centurion Apartment REIT</td>
<td>22.7%</td>
<td>22.1%</td>
<td>21.0%</td>
<td>18.0%</td>
<td>16.2%</td>
<td>13.6%</td>
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</table>

(1) For partial year August 31, 2009 to December 31, 2009
(2) As at March 31, 2020

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.
GROWTH OF $100,000 INVESTED IN CAPLP/CENTURION APARTMENT REIT (Class A Units)  
(since inception, March 7, 2006)

<table>
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<td>CAPLP</td>
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<td></td>
<td></td>
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<td>$827,539</td>
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</table>

- **Linear Returns**:  
  (1) For partial year March 7, 2006 to December 31, 2006  
  (2) As at March 31, 2020

- **Compound Returns**:  
  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.**
Comparing Asset Class Performance

MSCI/REALPAC Canada Annual Property Index

“Positive calendar year Total Returns every year over past 34 years”

Source: MSCI/REALPAC Canada Annual Property Index

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.
Comparing Asset Class Performance

Private Apartment Property Index exhibits steady growth

Growth of $100,000 invested: past 34-year period as at December 31, 2019 (annual update)

“Consistently positive growth over the past 34 years”

Source: MSCI/REALPAC Canada Annual Property Index

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.
Publicly traded REITs tend to exhibit stock market volatility and may be correlated.

Growth of $100,000 invested: from January 31, 2008 to April 30, 2020

Source: S&P Dow Jones Indices LLC. as at April 30, 2020
Comparing Asset Class Performance

Growth of $100,000 invested (2010-2019)

Centurion Apartment REIT
MSCI/REALPAC Property Index TR
S&P/TSX Composite Index TR
S&P/TSX Capped REIT Index TR

Source: MSCI/REALPAC Canada Annual Property Index / S&P Dow Jones Indices LLC. as at April 30, 2020
**Centurion Apartment REIT Return & Volatility**

**CREIT Return & Volatility**
Since Inception (Aug 2009 - Mar 2020)

Source: Prepared by Centurion Asset Management Inc.
*As at March 31, 2020*
<table>
<thead>
<tr>
<th></th>
<th>Centurion REIT</th>
<th>iShares S&amp;P 500 ETF</th>
<th>iShares Canadian Government Bond ETF</th>
<th>iShares iBoxx High Yield Corporate Bond ETF</th>
<th>iShare S&amp;P/TSX 60 ETF</th>
<th>iShares S&amp;P/TSX Capped REIT ETF</th>
<th>SPDR Gold Shares ETF</th>
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<tr>
<td>Centurion REIT</td>
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<td>iShares S&amp;P 500 ETF</td>
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<td>iShares Canadian Government Bond ETF</td>
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<td>iShares iBoxx High Yield Corporate Bond ETF</td>
<td>-0.12479</td>
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<td>iShare S&amp;P/TSX 60 ETF</td>
<td>-0.24678</td>
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<td>iShares S&amp;P/TSX Capped REIT ETF</td>
<td>-0.12900</td>
<td>0.55150</td>
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Source: Prepared by Centurion Asset Management Inc.
*As at March 31, 2020*
<table>
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<tr>
<th></th>
<th>Centurion REIT</th>
<th>iShares S&amp;P 500 ETF</th>
<th>iShares Canadian Government Bond ETF</th>
<th>iShares iBoxx High Yield Corporate Bond ETF</th>
<th>iShare S&amp;P/TSX 60 ETF</th>
<th>iShares S&amp;P/TSX Capped REIT ETF</th>
<th>SPDR Gold Shares ETF</th>
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<tr>
<td>Centurion REIT</td>
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<td>iShares S&amp;P 500 ETF</td>
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<td>iShares Canadian</td>
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<td>-0.26498</td>
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<td>Government Bond ETF</td>
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<tr>
<td>iShares iBoxx High</td>
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<td>0.73706</td>
<td>0.06230</td>
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<td>Yield Corporate Bond</td>
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<td>ETF</td>
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<tr>
<td>iShare S&amp;P/TSX 60 ETF</td>
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<td>0.78566</td>
<td>-0.09713</td>
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<tr>
<td>iShares S&amp;P/TSX Capped</td>
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<td>0.64326</td>
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<tr>
<td>REIT ETF</td>
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<tr>
<td>SPDR Gold Shares ETF</td>
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<td>0.13173</td>
<td>0.08656</td>
<td>0.29007</td>
<td>1.00000</td>
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</table>

Source: Prepared by Centurion Asset Management Inc.

*As at March 31, 2020
Risks

**Risk-Adjusted Return:** 12-month trailing return as at March 31, 2020 was 22.70% (Class A)

**Portfolio Positioning:** Focus on multi-unit housing in Canada and the United States

**Currency Exposure:** USD – Immaterial

**Liquidity Exposure:** Position could be liquidated over time

**Leverage Exposure:** The Debt to Gross Book Value is approximately 30% as at March 31, 2020

**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. 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.

**Additional Risk Factors** are disclosed in the Offering Memorandum.
Investment Solution

- A trust that provides qualified investors with a diversified portfolio of income-producing, multi-residential apartments and student housing properties

Benefits for Investors

- Generates monthly income
- Potential for growth
- Focus on capital preservation
- Tax efficient (1)
- Diversifies investor’s portfolio
- Re-investment options

Centurion Strength

People

- Experienced and dedicated team

Processes

- Relative value-oriented strategy
- A majority independent Board of Trustees provide oversight

Performance

- Track record of strong total returns since 2006

Portfolio

- Helps to diversify portfolios overweight in equities with rational pricing with low volatility and low correlation to major equity markets (2)
Executives and Board of Trustees

Depth of experience and expertise
The Board of Trustees is responsible for the general control and direction of Centurion Apartment REIT.

Greg Romundt
President, CEO, and Trustee

Ross Amos
Chairman of the Board | Independent Trustee

Andrew Jones
Independent Trustee

John Mills
Independent Trustee

Laetitia Pacaud
Independent Trustee

Paula Gasparro
Independent Trustee

Stephen Sender
Independent Trustee
(1) “Tax-Efficient” and “Tax-Advantaged” Income means that due to the general ability of real estate owners (like Centurion Apartment REIT) to deduct capital cost allowances against income, current taxes can often be reduced and/or deferred; whereas with an interest bearing instrument, such as a bond or deposit, no such offset from capital cost allowances are available. In 2009, 2010, 2011, and 2012, 100% of Centurion Apartment REIT’s distributions were treated as return of capital (Box 42 on a T3 Form) for tax purposes. There is no guarantee that this will be the case in the future.

(2) “Rational pricing with lower volatility” means that property values are based on a methodical process involving a number of highly skilled professionals that must opine on and thus impact upon value including a) knowledgeable and professional buyers and sellers, b) third-party appraisers, and c) financial institutions (that will be restricted in loan-to-value ratios and debt service ratios and other financial covenants). Valuation methods would follow standard valuation guidelines used in the industry and third-party appraisers would be accredited professionals. Further, buyers and sellers are not casual participants in the marketplace and are risking substantial capital in a transaction given that the average equity required for a purchase would be substantially larger than that required to buy a few shares of stock in a publicly listed company. Whereas regular stock market investors need to have no specific skills, industry knowledge, infrastructure, substantial capital, substantial capital at risk in a single investment, and relationships that would be otherwise serve to exclude them from the marketplace, direct property investors must have these at a minimum. The constraints may not apply on a traded stock. This rational pricing means that in the absence of changes in property net operating income (which ceteris paribus tend to move with inflation) or capitalization rates, valuations tend to move slowly over time in comparison to how stocks can move constantly and with great volatility over the course of the day (or any other investment horizon). As such, rational pricing would tend to be associated with lower volatility.
IMPORTANT INFORMATION: 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 Apartment Real Estate Investment Trust (“REIT”). Investing in Centurion Apartment REIT Units involves risks. There is currently no secondary market through which Centurion Apartment REIT Units may be sold and there can be no assurance that any such market will develop. A return on an investment in Centurion Apartment REIT 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 Apartment REIT 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 Apartment REIT’s financial performance, debt covenants and obligations, interest rates, working capital requirements and future capital requirements. In addition, the market value of Centurion Apartment REIT Units may decline if Centurion Apartment REIT 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 Apartment REIT.

PAST PERFORMANCE MAY NOT BE REPEATED. Investing in Centurion Apartment REIT 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 Apartment REIT 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 Apartment REIT Offering Memorandum for a further discussion of the risks of investing in Centurion Apartment REIT.

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