EQUITON®

ANNUAL REPORT 2024

Equiton Residential Income Fund Trust

CONTENTS

On the cover:
17627 63 Street NW, Edmonton, AB
120 Raglan Avenue, Toronto, ON
130 Raglan Avenue, Toronto, ON

FORWARD-LOOKING **INFORMATION**

Certain information in this communication contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may relate to future events or the Trust’s performance. Forward-looking information includes, but is not limited to, information regarding the Trust’s distributions, growth potential and volatility, investor returns, ability to achieve operational efficiencies, objectives, strategies to achieve those objectives, beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, results, circumstances, performance or expectations and other statements that are not historical facts. These statements are based upon assumptions that the Management of the Trust believes are reasonable, but there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking information involves numerous assumptions, known and unknown risks, and uncertainties that contribute to the possibility that the forward-looking statements will not occur and may cause actual results to differ materially from those anticipated in such forward-looking statements. Some of these risks are discussed in the section “Risk Factors” in the Offering Memorandum. These forward-looking statements are made as of the date of this communication and the Trust is not under any duty to update any of the forward-looking statements after the date of this communication other than as otherwise required by applicable legislation.

*200 Edgar Lane,
Sherwood Park, AB*

LETTER FROM THE CEO AND CFO

Jason Roque, CEO and Founder

Looking back, 2024 truly was a year of growth. We are proud to note that the Equiton Residential Income Fund Trust (the Trust) recorded its best year yet for acquisitions, adding nine buildings to the portfolio. Offering a complementary mix of value-add properties and properties nearing stabilization in Toronto, Edmonton, and the Niagara Region, these additions support the Trust's commitment to delivering stable cash flow and long-term growth potential for Investors.

The Trust delivered solid results, building on momentum from the previous year. Despite a challenging macroeconomic environment, the Trust capitalized on strong multifamily fundamentals, enhanced the Resident experience, and drove operational and financial performance. Class F DRIP Unitholders received an 8.01% trailing 12-month total return while Class A Unitholders received 6.95%.

Real estate sentiment received a boost as the Bank of Canada cut interest rates by a total of 175 basis points in 2024, closing out the year with larger reductions that brought rates into its neutral range. These cuts lowered operational and debt costs and helped drive a surge in transactional activity later in the year.

Further rate cuts are expected in early 2025, with stabilization projected in the second half of the year, alongside improvements in cap rates and declines in the cost of capital.

Improved financing conditions have encouraged more purpose-built rental starts in Canada, particularly in key markets in and around Toronto, where completions in 2024 fell just short of 2023's recent high.[1] Even with an influx of new condo supply, rental housing demand continues to outpace availability in major Canadian markets. Per federal immigration targets, Canada's government expects to welcome millions of permanent and temporary residents over the next three years, many of whom are likely to first settle in high-demand metros.

Ottawa remains one of Canada's most resilient rental markets, continuing to post rental growth despite a substantial number of purpose-built rental completions. Leveraging this market's fundamental advantages, the Trust's Maison Riverain rental development project launched marketing at the end of 2024, as construction of the first of three towers neared completion and the lease-up process began with the objective of welcoming the first Residents in Q2'25.

With strong tailwinds supporting it, Canadian multifamily has consistently ranked as a top-performing asset class, and Management expects it to outpace other property types in the year ahead. Amid recent geopolitical uncertainty and stock market volatility, multifamily's track record of delivering consistent returns remains an attractive proposition.

Portfolio performance ended the year on a strong note. Total operating revenues grew 23.2% ($11.0M) Y/Y, reflecting rental growth and the Trust's new acquisitions.

Active leasing and effective asset management throughout the year led to an overall Y/Y net operating income (NOI) growth of 22.8% ($6.1M). The average portfolio cap rate appreciated in the final quarter of 2024 to 4.48% from 4.17% the previous year. Strong operational performance continues to offset these market-driven conditions, with cap rate compression expected to follow as the lagging effects of interest rate cuts take hold.

With 97% of the Trust's portfolio now CMHC insured, Management continues to secure competitive CMHC financing, reinforcing the Trust's commitment to growing capital and maintaining costs at competitive levels. The Trust maintains a healthy loan-to-value (LTV) ratio of 52.2%, aligning with its conservative leverage strategy and ongoing focus on sustainable debt management.

The Trust's diversification across key Ontario and Western Canadian markets with strong underlying fundamentals contributed to a 3.6% Y/Y increase in market rents.

In the 12 months ended December 2024, 18% of the portfolio turned over, yielding an average lease lift of approximately $311. Management continues to leverage the 30.9% gap to market at year-end, reinforcing potential for organic growth through renovations and property enhancements. In the same period, rent collection reached approximately 99%. Portfolio occupancy remains at 97.6%, above the national average of 96.4%.

In line with the Trust's Environmental, Social and Governance (ESG) framework, this year's capital expenditure program included boiler room retrofits, leak-proofing, and appliance upgrades. Through a combination of efficiency initiatives and lower energy costs, the Trust reduced same store utility expenses by 7.2% ($316k).

Property improvements had a positive impact on Resident satisfaction, alongside well-received Management initiatives such as social events. The Trust was recognized for excellence in community-building and service with nine 2024 Resident Satisfaction Awards from SatisFacts, a leading rental polling firm. The company's third-party surveys recorded an 8.07% Y/Y improvement in overall Resident satisfaction across the portfolio.

At year-end, the Trust's portfolio comprised 42 properties across 18 communities, totalling 3,740 portfolio units.

Looking ahead to 2025, Management appreciates the continued trust and confidence of Unitholders and remains focused on unlocking new opportunities to expand the portfolio in core markets while actively managing existing assets to maximize long-term value.

Jason Roque, CEO and Founder
Helen Hurlbut, President and CFO/Co-Founder

[1] https://www.urbanation.ca/news/gtha-rental-vacancy-highest-pandemic

Helen Hurlbut, President and CFO/Co-Founder

The Trust recorded its best year yet for acquisitions, adding nine buildings to the portfolio.

CORPORATE PROFILE

Established in 2015, Equiton is a leader in private equity investments. Our remarkable growth is a result of our leadership team's expertise in the industry and their ability to generate long-term wealth through real estate investments. We know that finding the right opportunities involves time, experience, and discipline. Our strategy is always forward looking, anticipating trends and adapting our approach to strengthen our market position. We focus on capitalizing on value creation opportunities and building the most robust portfolio possible for our Investors while creating spaces our Residents are proud to call home. We create value by investing in real estate and leveraging opportunities for improvement, optimization, and redevelopment. At Equiton, we are focused on making private equity real estate investments more accessible to Canadians so they can build their wealth through these solutions.

SUMMARY OF KEY PERFORMANCE INDICATORS (KPIs)

The Trust achieved improvements across the majority of its KPIs in 2024 and continues to deliver strong and accretive growth for its Unitholders.

The following financial results of operations and financial condition for the 12-month period ended December 31, 2024 and comparable prior year periods should be read in conjunction with the Trust's financial statements dated March 14, 2025 for the 12-month period ended December 31, 2024.

As at December 31,	2024	2023
PORTFOLIO PERFORMANCE		
Overall Portfolio Occupancy [1]	97.6%	98.5%
Net Average Monthly Rent [2]	$1,559	$1,496
Occupied Average Monthly Rent [2]	$1,540	$1,485
Monthly Market Rents - Quarter End	$2,063	$1,991
Operating Revenues	$58.3M	$47.3M
NOI	$33.0M	$26.9M
NOI Margin	56.6%	56.8%
ASSETS UNDER MANAGEMENT (AUM)	**$1,292M**	**$951M**
Growth in AUM - Y/Y	35.8%	12.2%
Growth in Operational Revenue - Y/Y	23.2%	36.7%
Growth in NOI - Y/Y	22.8%	32.5%
FINANCIAL METRICS [3]		
Mortgage Debt to Gross Book Value [4]	52.2%	45.9%
Weighted Average Mortgage Interest Rate [4]	3.41%	3.06%
Weighted Average Time Remaining On Mortgages (years) [4]	7.76	6.55
Debt Service Coverage (times) [4]	1.57	1.44
Interest Coverage (times) [4]	2.42	2.27
Revenue Gap to Market	30.9%	31.1%

[1] Leased rent-ready units as of December 31, 2024 and 2023. Excludes properties undergoing lease stabilization.

[2] Average quarterly amounts as at December 31.

[3] Measures are not defined by International Financial Reporting Standards (IFRS), do not have standard meanings, and may not be comparable with other industries or companies.

[4] Excludes TD line of credit and construction property - Maison Riverain; Including these LTV ratio is 53.95%.

200-230 Denistoun Street, Welland, ON

MISSION

Equiton believes in creating lasting value by investing in people and communities. We strive to deliver superior real estate investment solutions so our customers can build their wealth and financial security.

VISION

To be a leading force in making high-quality private real estate investing accessible to Canadians while building lasting relationships with our Stakeholders.

CORE **VALUES**

INTEGRITY

Rigorous adherence to a set of moral and ethical standards focused on respect, honesty, and fairness.

ACCOUNTABILITY

Individual responsibility for delivering on our commitments and being accountable for our decisions, actions, and results.

EXPERTISE

Offering the highest level of professional expertise, quality service and knowledgeable insights.

CUSTOMER FOCUSED

We recognize our customers are the reason for our success and know by putting their needs first, we foster trusting, long-term relationships.

ENTREPRENEURIAL SPIRIT

Focusing on a growth mindset, continuous improvement, embracing change, and recognizing goals are achieved through dedication and hard work.

OUR ESG OBJECTIVE

With a focus on sustainability, Equiton's ESG objective is integral to our investment strategies, from how we select and manage our properties to the results we deliver. Through this approach, we aim to design investment solutions that lead to lasting positive impacts that benefit our company while improving the environment and society's well-being.

Equiton has seamlessly integrated environmentally responsible strategies and practices into our business operations and investment strategies. These operations entail optimizing energy usage, water conservation, and waste diversion in our buildings. Efforts also include governance and corporate-wide initiatives, Employee programs, and charitable contributions as well as compliance with environmental reporting standards throughout the portfolio. Through these efforts, we aim to deliver strong results for Investors and contribute meaningfully to a more sustainable and equitable future.

ESG TARGETS AND COMMITMENTS

Equiton has outlined a set of commitments aimed at fortifying our corporate values and advancing our sustainability efforts. These encompass a range of initiatives, including Employee engagement surveys, comprehensive sustainability training, enhanced well-being programs for our Residents, and the establishment of targets for key environmental metrics.

TARGETS & COMMITMENTS	2024 OUTCOMES & PROGRESS	2023 OUTCOMES & PROGRESS
Perform annual Resident satisfaction surveys and promote ongoing enhancement at the asset level	Completed 1,680 Annual Surveys (see page 11)	Completed 1,238 Annual Surveys
Conduct annual Employee surveys	Completed Achieved 80%+ Employee Engagement	Completed Achieved 80%+ Employee Engagement
We aim to achieve a reduction of water use by 2% Y/Y across portfolio	4.4% Y/Y Reduction (see page 10)	1% Y/Y Reduction
We aim to achieve a reduction of energy consumption (natural gas, hydro) by 2% Y/Y across portfolio	2.9% Y/Y Reduction (see page 10)	8% Y/Y Reduction
Launched due diligence checklist for residential, commercial, and development properties	Checklist Completed for All 2024 Acquisitions	Checklist Completed for All 2023 Acquisitions
Roll out and enhance sustainability training company-wide	Ongoing	Planning Initiated 2023
Broaden social, health and well-being programs for our Residents	Enhanced Fitness Amenities, Building Accessibility, Safety Systems, Etc. Facilitated 59 Community Events (see page 11)	Initiated 2023
Achieve net-zero carbon emissions by 2050 across portfolio	Progress Made on Portfolio-wide Assessments ESG Framework Applied to the Capital Expenditure Program	Ongoing

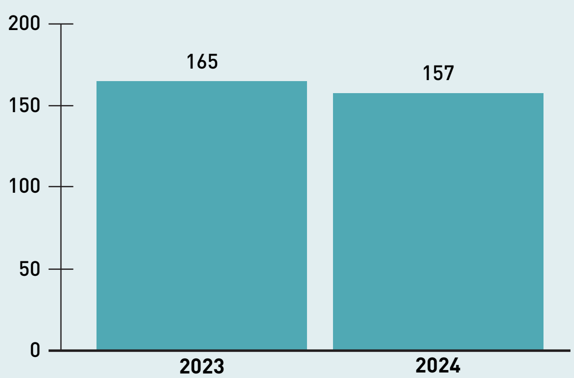
ESG HIGHLIGHTS

Through its participation in the Global Real Estate Sustainability Benchmark (GRESB), Management is focusing on long-term accountability and building a stronger, more sustainable future. With these priorities in mind, we confidently moved forward with our ESG initiatives and are proud to share results that demonstrate measurable progress.

WATER MANAGEMENT

In-unit upgrades and critical infrastructure improvements — such as boiler replacements and refurbishments, water fit-ups, and low-flow bathroom fixtures — help position the Trust and Residents for cost savings over the long term while reducing water consumption.

Water Use Intensity (m^3/unit)



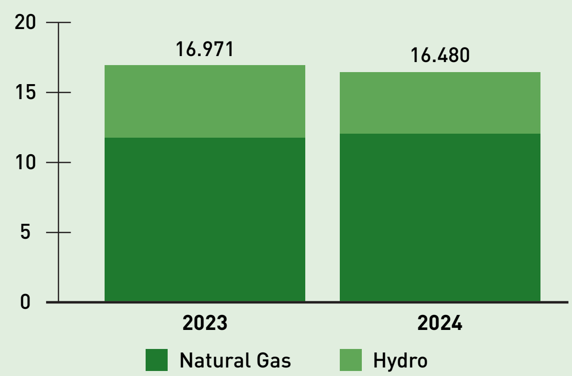
4.4% Y/Y Reduction in Same Store Water Consumption

*Excluding 2023 and 2024 acquisitions.

ENERGY MANAGEMENT

Equiton has also made progress on lowering its natural gas and hydro consumption, through lighting retrofits, boiler replacements and refurbishments, Energy Star-rated appliances, and an extensive sub-metering program. Sub-metering offers Residents increased control over their individual energy and water usage, encouraging lower consumption.

Energy Use Intensity (eMWh/unit)



2.9% Y/Y Reduction in Same Store Energy Consumption (Natural Gas, Hydro)

*Excluding 2023 and 2024 acquisitions.

APARTMENT FUND SUB-METERING PORTFOLIO

Number of Residents billed separately for utility consumption

	2024	2023	Y/Y Change
Portfolio Units	3,734	2,723	37.1%
Water	590	203	190.6%
Natural Gas	179	166	7.8%
Hydro	1,570	867	81.1%

*Based on units billed for utilities, not total sub-metering.

CAPITAL PROGRAMS AND BUILDING ENHANCEMENT

248
RENTAL UNITS UPGRADED

$9.9M
INVESTED IN BUILDING IMPROVEMENTS ACROSS RESIDENTIAL PORTFOLIO

$6.8M
INVESTED IN UNIT UPGRADES

In 2024, nine properties received a SatisFacts Resident Satisfaction Award, up from three the previous year, highlighting the success of our community engagement and capital renovation programs.

BUILDING COMMUNITIES

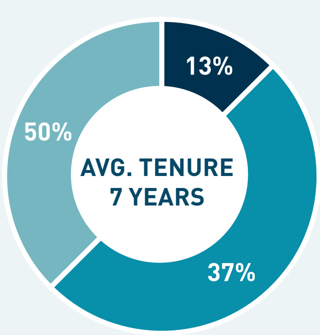
Equiton's community-building efforts have delivered meaningful improvements to the Resident experience. Key initiatives included hosting Resident events to foster connections, providing convenient portal access via a mobile app for bill payments and service requests, and maintaining on-site Resident Managers who offer daily support.

RESIDENT ENGAGEMENT

Equiton's 2024 Resident Satisfaction Survey Results

- 84.4% average Resident satisfaction (+8.1% Y/Y)
- 93.6% satisfaction with professionalism of maintenance staff (+2.0% Y/Y)
- 83.8% satisfaction with office staff (+5.01% Y/Y)
- 77.7% would recommend their building to a friend (+4.2% Y/Y)
- 71.0% satisfaction with value received for current rent (+7.6% Y/Y)

GOVERNANCE – TRUSTEE COMPOSITION



NON-EXECUTIVE TRUSTEES ARE 100% INDEPENDENT

AFFORDABILITY

In addition to the units that Equiton provides in partnership with housing and social programs, many units within Equiton's rental apartment portfolio meet the Canada Mortgage and Housing Corporation's (CMHC) criteria for affordable housing, defined as housing costs that do not exceed 30% of a household's before-tax income.

44.5%
EQUITON RENTAL UNITS MEET CMHC AFFORDABILITY CRITERIA

Equiton maintains a mix of market and accessible rent levels that allow us to achieve high occupancy rates and foster a stable Resident base, while helping to address ongoing challenges in the housing market.

90
UNITS WITH LONG-TERM AFFORDABILITY COMMITMENTS

MAISON RIVERAIN DEVELOPMENT UPDATE

The Trust holds a 75% stake in the Maison Riverain development, a large-scale, multi-phase project which will feature three high-rise towers and over 1,100 upscale rental units. Situated on a 4.2-acre site in Ottawa's Vanier neighbourhood, just minutes from downtown, this development will include a two-storey podium with more than 20,000 sq. ft. of commercial space. This significant addition to Ottawa's rental market will help address the city's housing shortage, which has worsened due to rising average home prices, population growth, and a strong labour market that continues to attract workers to the area.

Substantial progress was made in 2024, bringing Tower 1 nearly to completion and an aggressive lease-up campaign was launched.

OUTLOOK

Maison Riverain is moving full speed ahead, driven by the dedication and teamwork of all Stakeholders. With Tower 1 nearing completion, the project remains on track to welcome Residents in early-to-mid 2025. As we push forward, Management is fully committed to delivering a successful development—one that will make a lasting impact on Ottawa's housing market while delivering solid returns for Investors.

ONGOING

Tower 2 received Site Plan Approval in Q4'24, allowing Management to apply for the building permit. An Above-Grade Building Permit application was submitted to the City in December 2024 and comments were received in January. The Shoring and Excavation Permit was also issued in January and the Foundation Permit is ready to be issued.

Construction of Tower 1 is nearly complete. Final touches are being applied in preparation for occupancy, the first layer of asphalt has been laid for podium parking, and non-plant landscaping (hardscape) along Montgomery Street is largely finished.

NEXT PHASE

Leasing efforts for Tower 1's 294 suites are ramping up, supported by an on-site leasing trailer where prospective Residents can explore model suites and meet with the Leasing Manager and Assistant Property Managers. A robust digital advertising campaign is in market, generating strong momentum to support full lease-up.

Construction of Tower 2 is scheduled to begin in Q3'25 once all relevant permitting has been received. Preparations are underway to ensure a smooth transition into construction. Planning for Tower 3 is already in progress, with early-stage efforts focused on finalizing designs and obtaining the necessary approvals to ensure the next phase of development follows seamlessly.

ARTIST CONCEPTS

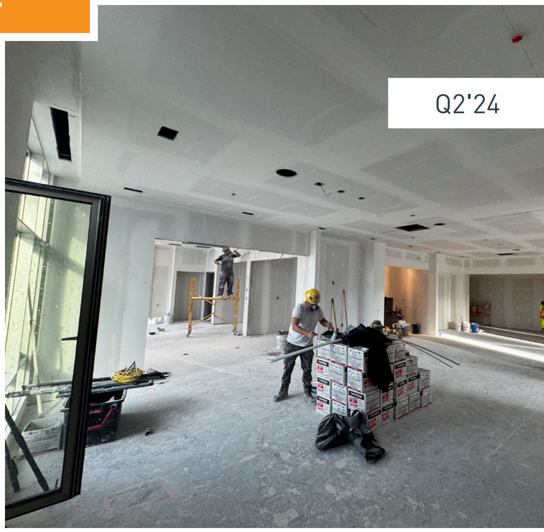
Groundbreaking: October 2022

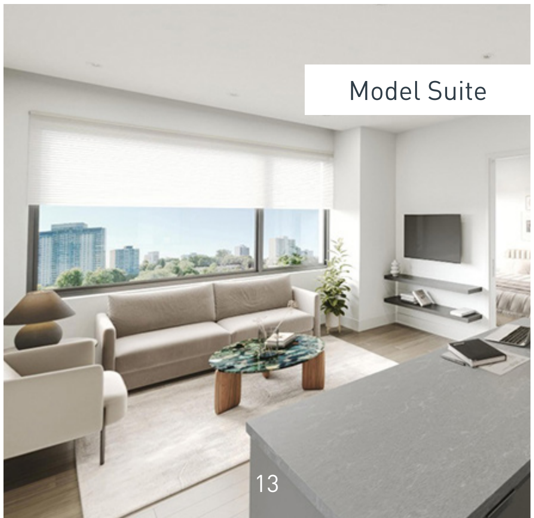

Q1'24

PROGRESS TO DATE


Model Suite


Q4'24


Q2'24


Model Suite


Q2'24

BUSINESS OVERVIEW

The Trust was formed on March 1, 2016, pursuant to the Declaration of Trust and has carried on business since its inception of selling the Trust Units and purchasing LP Units of the Partnership.

The Partnership was formed under the laws of the Province of Ontario on March 1, 2016, pursuant to the filing of a limited partnership declaration, and has carried on active business since its inception by entering into the material agreements set out in "Material Agreements" and the transactions described in the Offering Memorandum.

Long-Term Objectives

The long-term objectives of the Trust are to maximize Unitholders' value with regular and growing cash distributions payable monthly, and through the holding of LP Units to maximize Trust unit value through the ongoing management of the assets and through future acquisition of additional properties.

To achieve our objectives, the Trust must successfully raise capital through the sale of Trust Units to fund the acquisition of multi-residential properties. Management seeks to invest in existing residential and other income-producing multi-residential properties located in Canada.

Short-Term Objectives

The primary objective of the Trust in the ensuing 12 months is to seek out Investors, close the offerings, and complete additional offerings. The Trust will invest funds raised by such offerings in the Partnership by way of purchase of LP Units which will in turn invest in income-producing investments in Canada.

130 Raglan Avenue, Toronto, ON

INVESTMENT STRATEGIES

Management is actively increasing the portfolio through acquisition and consolidation of Canadian markets where the opportunity for stabilized, value-add, and select developable properties exists. The Management team has significant experience in all aspects of the multi-residential housing industry, including acquisitions and dispositions, finance and administration, property management, project development, construction, and renovation. Management believes that these skills will allow us to capitalize upon many multi-residential real estate opportunities which may be unavailable to other real estate investors who lack the expertise in the real estate sector.

Management enhances the value of our properties through several distinct and well-executed strategies:

CUSTOMER SATISFACTION

Management strives to keep all customers satisfied and as long-term Residents by creating a clean and comfortable environment. Developing a sense of community within the properties through various programs reduces turnover and vacancy, creating demand for families wanting to live in our buildings. By reducing costs associated with turnover and higher demand allowing increasing rents, net income will grow accordingly.

MAINTENANCE AND REPAIR PROGRAMS

Management is fundamentally driven by efficiencies and cost-effective programs that are accretive to the Trust's short-term and long-term value. Management believes that the Trust is positioned to take full advantage of efficiency programs and capital investments that will attract Investors and enhance the value of the Trust's portfolio.

SUPERIOR PROPERTY MANAGEMENT

The success of each property from both financial and customer satisfaction standpoints starts with the attitudes and work ethic of the on-site building staff. Property management staff represent the organization from the first point of contact to the ongoing attention of Residents' needs. As well as being attentive and dedicated, on-site staff are skilled in many areas to reduce the need for outside trades to be required for ordinary day-to-day repairs and maintenance.

COMPREHENSIVE REPORTING

Management utilizes sophisticated financial tools to maximize income and measure the effectiveness of cost control and efficiency programs.

STRATEGIC DEBT MANAGEMENT

Management diligently seeks out financing opportunities to optimize and leverage returns. Attention to staggered maturities and terms at leveraged amounts set out by the Declaration of Trust will minimize the Trust's exposure to fluctuating interest rates and stabilize cash flows over the short and long term to benefit the organization.

ENHANCEMENT OF THE PORTFOLIO

Management is always looking at opportunities to maximize the portfolio. Assessing unit creation opportunities, utility retrofits, common area and in-suite renovations/upgrades, sub-metering and strategic upgrades, among other things, are part of this strategy. Properties that are "mature" and no longer adding value may be sold or repositioned if there is a market for an enhanced property. Management looks to continue diversifying the portfolio by purchasing properties in thriving communities that will seek to strengthen and insulate the portfolio from concerns in any community.

COMMUNICATIONS

Management delivers concise and current information to all Unitholders concerning the activities within the portfolio.

ESG STRATEGY INTEGRATION

Management is committed to embedding its multi-year ESG road map into the Trust's overall growth strategy. Supported by the Trustees and Equiton's ESG Committee, Management is dedicated to the advancement of a comprehensive ESG strategy to ensure continual improvement as a steward of the environment, real estate Investor, community developer and employer, and to make progress as an ethically responsible forward-thinking organization.

The integration of ESG into the Trust's investment process sits primarily with Equiton's Investment Committee and the Operations team. Equiton's Investment Committee utilizes a proprietary ESG scorecard to formalize its approach to assessing and evaluating new acquisitions. This approach undertakes a fulsome analysis of ESG factors that, when combined with other non-ESG factors, aids in the understanding of the Trust's investments including risk profile. Management supports the ongoing commitment to providing and maintaining a working environment based on respect, dignity, and the rights of everyone in the organization. Incorporating relevant ESG issues into decision-making processes results in better risk assessment, better buildings for the communities served, increased transparency, and measured investment decisions for Investors.

MULTI-RESIDENTAL STRATEGY

Management believes that multi-residential properties offer an attractive investment opportunity with stability of yield, inflation protection, and growth potential. Focusing predominantly on one asset class will enable the Trust to acquire a critical mass of residential units and bolster the Trust's market presence, thereby enhancing the opportunities for future multi-residential property acquisitions at attractive prices. Given current market conditions, Management will continue to concentrate on communities with low vacancy levels, attractive economic prospects, and strong population demographics that align with the class of acquired multi-residential properties. Management will also pursue opportunities in both secondary economic hubs and major metropolitan areas when it's believed that the acquisitions are accretive to the portfolio or provide further opportunities for diversification.

MARKET OUTLOOK

As 2025 begins, Canada's real estate market is entering a period of increased clarity following two years of volatility. Interest rates are expected to decline further, stabilizing at levels that support multifamily investment. Inflation has moderated, and policymakers remain focused on housing supply and affordability. While economic uncertainties persist, the normalization of borrowing costs and ongoing population growth continue to reinforce the fundamentals of the rental housing market. Investor sentiment toward multifamily remains strong due to its resilience and sustained demand. These conditions continue to support the performance of the Trust's portfolio.

- It is widely expected that the Bank of Canada's policy rate will continue to see further reductions after the agency brought its policy rate to a neutral 3.25% in December 2024. A slower economy and geopolitical factors, like tariffs threatened by the U.S., will weigh on the Bank's future decisions, which should see interest rates stabilize at a more stimulating level in the second half of the year.
- As rate reductions stabilize, possibly by mid-year, homebuyers returning to the market amid pent-up demand are likely to see home prices increase.
- Property cap rate compression is expected to follow as the lagging effects of interest rate cuts take hold.
- Despite the introduction of a cap on foreign student visas and a reduction in planned immigration, the availability of housing will remain strained. Revised 2025-2027 immigration targets could still see Canada welcoming up to 1.14M new permanent residents and 1.7M new temporary residents.[1]
- After two years of surging rental growth across Canada, rents have softened moderately in markets heavily reliant on foreign student residents and those experiencing an influx of new condominium product. As a broader recovery in rental growth takes hold, increases are likely to be most evident in these markets.
- Although rental occupancy rates have softened slightly across Canada in the past year, they remain above their long-term average. Population growth due to immigration can be expected to keep markets tight.

- Momentum in housing policy remains strong in the face of Canadian elections. Governments at all levels have demonstrated a willingness to work toward faster development approval timelines and lowering development costs.
- Several potential policy changes are being closely monitored, including further tax relief for rental developments, the potential removal of Canada's foreign ownership ban, and federal initiatives to freeze or reduce municipal development fees — all of which could impact project feasibility and overall market sentiment.
- After a slow first half for multifamily sales, improved financing conditions and investor confidence set the stage for a year-end spike in transaction activity. More than 6,000 suites exchanged hands in 2024, representing a 79.9% Y/Y increase in sales volume over 2023's muted numbers. This momentum is expected to carry into 2025.[2]
- Transactional activity remains strongest among value-add rental properties, where investors can justify acquisitions through operational upside. Newer product remains more challenging to underwrite, with rental rate softening limiting near-term rent growth assumptions. This has led to a widening value expectation gap between buyers and sellers, making new-build transactions more difficult in early 2025. However, value-add investments are expected to see continued transaction success, given their strong positioning within the current market cycle.
- Multifamily sentiment consistently ranked highest among property types over the last year, with surveys showing that most real estate investors expect it to outperform other categories in 2025.[3]

[1] https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2025-2027.html
[2] https://www.collierscanada.com/download-article?itemId=fcf27bd6-992b-401a-8f8c-7d7459edc4fc
[3] https://www.altusgroup.com/featured-insights/canada-cre-industry-conditions-and-sentiment-survey/

78 Braemar Drive,
Brampton, ON

INVESTMENT GUIDELINES AND OPERATING POLICIES

INVESTMENT GUIDELINES

The Declaration of Trust provides for certain guidelines on investments which may be made by the Trust. Additionally, the guidelines that follow are intended to generally set out the parameters under which any Subsidiary of the Trust or the Partnership will be permitted to invest. References to the Trust below shall be read as applying to such Subsidiary or the Partnership.

Investment Guidelines are as follows:

a) The Trust shall focus its activities primarily on the acquisition, holding, maintaining, improving, leasing or managing of multi-residential revenue producing properties (and ancillary commercial or other real estate ventures) for investment purposes and assets ancillary thereto necessary for the operation thereof and such other activities as are consistent with the other investment guidelines of the Trust in Canada (the "Focus Activity");

b) notwithstanding anything contained in the Declaration of Trust to the contrary, the Trust will not, or permit a Subsidiary to, make or hold any investment, take any action or omit to take any action which would, at any time, result in the Trust:

   (i) Trust Units being disqualified for any class of Deferred Income Plan at any time after the date on which the Trust has over 150 Trust Unitholders each holding not less than 100 Trust Units; or

   (ii) The Trust ceasing to qualify as a "mutual fund trust" for purposes of the Income Tax Act (Tax Act);

c) from and after the date on which the Trust has a Gross Book Value of at least one hundred fifty million dollars ($150,000,000), no single asset (excluding the units of the Partnership and any portfolio of properties) shall be acquired if the cost of such acquisition (net of the amount of debt secured by such asset) will exceed 20% of Gross Book Value, provided that where such asset is the securities of or an interest in an entity, the foregoing tests shall be applied individually to each asset of such entity;

d) the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more Persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), unlimited liability companies and limited liability companies;

e) except for temporary investments held in cash, deposits with a Canadian or U.S. chartered bank or Trust company registered under the laws of a province or territory of Canada, short-term government debt securities or money market instruments of, or guaranteed by, a Schedule I Canadian chartered bank maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the Trust, the Trust directly or indirectly, may not hold securities of a Person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to (a) and (b) above, the Trust may hold securities of a Person:

   (i) acquired in connection with the carrying on, directly or indirectly, of the Trust's activities or the holding of the Trust Property; or

   (ii) which focuses its activities primarily on Focus Activities, provided that, in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (Acquired Issuer), the investment is made for the purpose of pursuing the merger or combination of the business and assets of the Trust and the Acquired Issuer or for otherwise ensuring that the Trust will control the business and operations of the Acquired Issuer;

f) no investment will be made, directly or indirectly, in operating businesses unless such investment is incidental to a transaction:

   (i) where revenue will be derived, directly or indirectly, principally from a Focus Activity; or

   (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property held for investment purposes;

g) notwithstanding any other provisions of this section, the securities of a reporting issuer in Canada may be acquired provided that:

   (i) the activities of the issuer are focused on Trust Investment Activities; and

   (ii) in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding equity securities of the securities issuer, the investment or acquisition is of strategic interest to the Trust as determined by the Trustees in their discretion;

h) no investments will be made in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

i) investments may be made in a mortgage, mortgage bonds, notes (except as provided for in the Declaration of Trust) or debentures (Debt Instruments) (including participating or convertible) only if:

   (i) the real property which is security thereof is real property;

   (ii) the security therefore includes a mortgage registered on title to the real property which is security thereof;

   (iii) the amount of the investment (not including any Mortgage Insurance Fees incurred in connection therewith) does not exceed 85% of the market value of the real property which is the security thereof; and

   (iv) the aggregate value of the investments of the Trust in Debt Instruments, after giving effect to the proposed investment, will not exceed 20% of the Gross Book Value;

j) no investment shall be made in raw land except for the acquisition of properties adjacent to existing properties for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 10% of Gross Book Value; and

k) notwithstanding any other provisions of the Declaration of Trust, investments may be made which do not comply with the provisions of Section 5.1 of the Declaration of Trust (other than paragraph (b) thereof) provided:

   (i) the aggregate cost thereof (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred in connection with the acquisition and secured by a mortgage on such property) does not exceed 15% of the Gross Book Value; and

   (ii) the making of such investment would not contravene the Declaration of Trust. The Trust has complied with the guidelines set out above since its formation.

OPERATING POLICIES

The operations and affairs of the Trust shall be conducted in accordance with the following operating policies:

a) the construction or development of real property may be engaged in order to maintain its real properties in good repair or to enhance the revenue-producing potential of real properties in which it has an interest;

b) title to each real property shall be held by and registered in the name of:

   (i) a corporation or other entity wholly-owned by the Partnership,

   (ii) the General Partner, or

   (iii) a corporation or other entity wholly-owned indirectly by the Trust or jointly owned indirectly by the Trust with joint ventures;

c) no indebtedness shall be incurred or assumed if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness including amounts drawn under an acquisition and operating facility but not including Mortgage Insurance Fees incurred in connection with the incurrence or assumption of such indebtedness as a percentage of Gross Book Value, would be more than 75%;

d) the Trust will not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted under Section 5.1 and/or 5.2 of the Declaration of Trust, or in circumstances where the guarantee would result in the Trust ceasing to qualify as a mutual fund trust pursuant to the Tax Act;

e) at all times insurance coverage will be obtained and maintained in respect of potential liabilities of the Trust and the accidental loss of value of any of the Trust Property from risks, in amounts and with such insurers, in each case as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties and, for clarity, the Trust is not required to title insure; and

f) a Phase I environmental audit shall be conducted or obtained for each real property to be acquired and, if the Phase I environmental audit report recommends that further environmental audits be conducted or obtained, such further environmental audits shall be conducted or obtained, in each case by or from an independent and experienced environmental consultant.

For the purpose of the foregoing operating policies, the assets, indebtedness, liabilities and transactions of a corporation, trust, partnership or other entity in which the Trust has an interest, directly or indirectly, will be deemed to be those of the Trust on a proportionate consolidated basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement.

The term "indebtedness" means (without duplication):

a) any obligation, directly or indirectly, of the Trust for borrowed money;

b) any obligation, directly or indirectly, of the Trust incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;

c) any obligation, directly or indirectly, of the Trust issued or assumed as the deferred purchase price of property;

d) any capital lease obligation, directly or indirectly, of the Trust;

e) any obligation, directly or indirectly, of the type referred to in clauses (a) through (d) of another Person, the payment of which the Trust has, directly or indirectly, guaranteed or for which the Trust is responsible for or liable; and

f) any amounts secured by any of the assets of the Trust; provided that:

(i) for the purposes of (a) through (b), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with generally accepted accounting principles in Canada;

(ii) obligations referred to in clauses (a) through (c) exclude trade accounts payable, distributions payable and accrued liabilities arising in the ordinary course of business; and

(iii) convertible debentures will constitute indebtedness to the extent of the principal amount outstanding. The Trust has complied with the operating policies set out above since its formation.

The Trust has complied with the operating policies set out above since its formation.

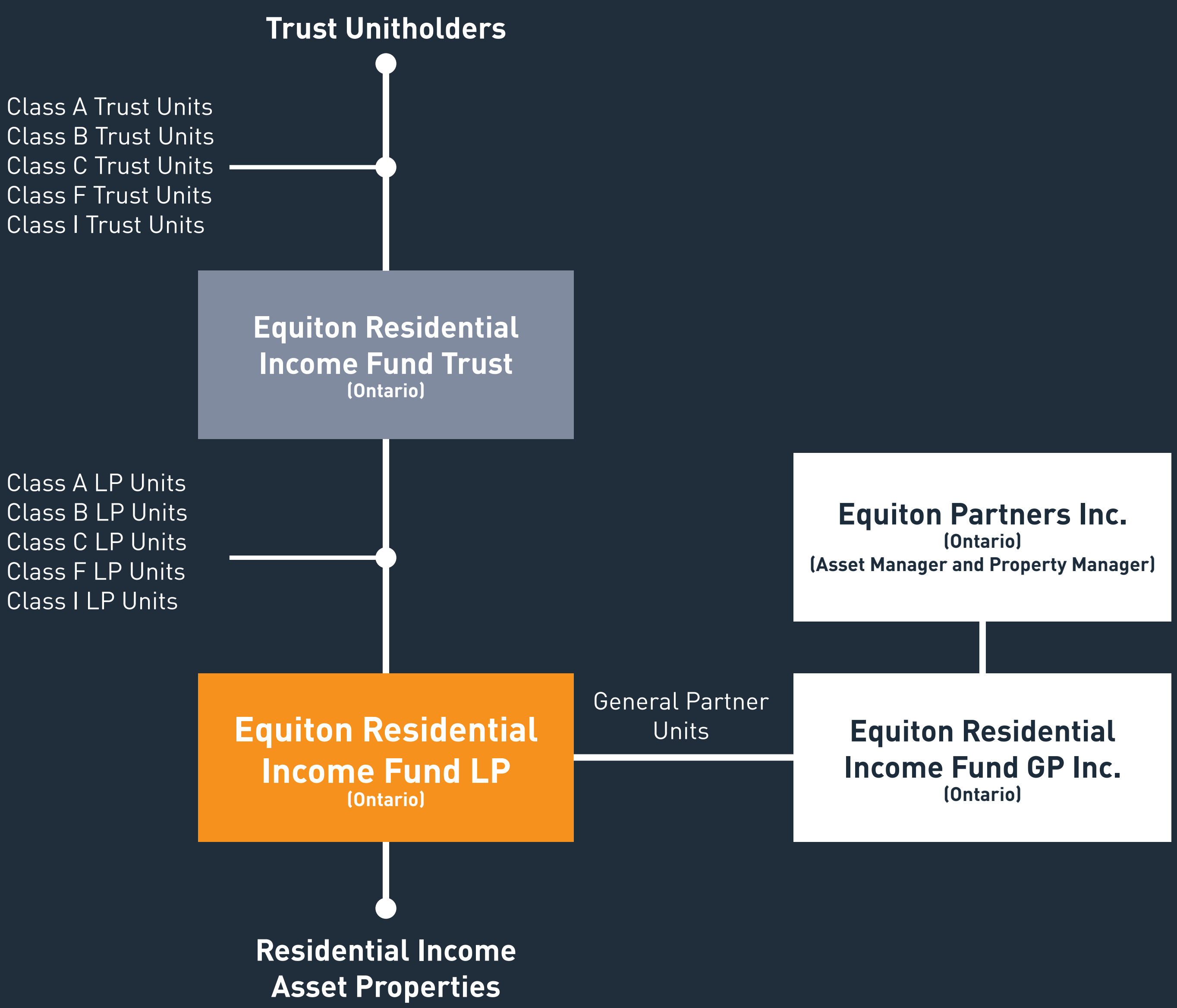
AMENDMENTS TO INVESTMENT GUIDELINES AND OPERATING POLICIES

Subject to the Declaration of Trust, any of the investment guidelines of the Trust set forth in this section may be amended by a Special Resolution at a meeting of the Voting Unitholders called for the purpose of amending the investment guidelines unless such change is necessary to ensure compliance with Applicable Laws, regulations or other requirements by applicable regulatory authorities from time to time or to maintain the status of the Trust as a "mutual fund trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof.

THE TRUST **STRUCTURE**

The Trust is an unincorporated open-ended real estate investment trust created by a Declaration of Trust dated March 1, 2016, as amended and restated on February 28, 2019, and as amended as of March 30, 2022, governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See "Declaration of Trust" and "Terms of Trust Units". The Trust was established with the objective of investing indirectly in the business of the Partnership through its acquisition of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units. All or substantially all of the net proceeds of the offering will be invested in the Partnership through the purchase of Class A LP Units, Class B LP Units, Class C LP Units, Class F LP Units and Class I LP Units, in equal proportion to the number of Class A Trust Units, Class B Trust Units, Class C Trust Units, Class F Trust Units and Class I Trust Units sold pursuant to the offering.

The following diagram sets out the principal operating structure of the Trust:



VALUATION POLICY

The Declaration of Trust provides that Market Value shall be determined by the Trustees, in their sole discretion, at least annually or more frequently as the Trustees may determine. The Trustees have adopted a valuation policy which provides that Market Value shall be determined monthly in accordance with the valuation methodology set out below, which methodology the Trustees may, in their sole discretion and without notice or approval of Trust Unitholders, modify from time to time in a manner consistent with market practice.

VALUATION OF INVESTMENT PROPERTY

Market Value is largely determined by the value of the Trust's investment properties held by the Limited Partnership. To value the investment properties, a fair value model will be used in accordance with IAS 40 – Investment Properties. An investment property in IAS 40 is defined as property held to earn rentals or for capital appreciation or both and are initially recorded at cost, including related transaction costs. After initial valuation, investment properties are measured at fair value, which reflects market conditions at the reporting date. The Trust applies judgment in determining if the acquisition of an individual property qualifies as a business combination in accordance with IFRS 3 or as an asset acquisition. Transaction costs (including commissions, land transfer tax, appraisals, legal fees and third-party inspection reports associated with a purchase) related to property acquisitions not considered business combinations are capitalized in accordance with IAS 40. Transaction costs are expensed in accordance with IFRS 3 where such acquisitions are considered business combinations.

65 Times Avenue, Markham, ON

The fair value of investment properties is determined using a valuation framework developed by arms-length external valuators who hold certification with the Appraisal Institute of Canada together with the working group representatives of the Asset Manager. The valuators are retained to perform at least one appraisal of each investment property on an annual basis.

The valuation teams use the following approaches in determining fair value:

a) the cost approach, which is based on estimating the cost of replacing or reproducing the improvements, minus the loss in value from all forms of depreciation, plus the estimated site value;

b) the sales comparison approach, which is based on estimating the value by comparing recent prices of similar properties within similar market areas; and

c) a direct capitalization method which is based on the conversion of current and future normalized earnings potential directly into an expression of market value.

The valuators will provide the following:

a) a determination of the capitalization rates that would be used in valuing the properties;

b) charts of comparable sales and supporting relevant market information;

c) a determination of the appropriate industry standard "set off" and normalization assumptions used in the calculation of net operating income; and

d) a review of the valuation framework to determine whether any changes or updates are required.

At year-end, where annual valuations do not coincide with the year-end period, the valuators will provide the following for the purposes of marking properties to market:

a) a determination of the capitalization rates that would be used in valuing the properties; and

b) charts of comparable sales and supporting relevant market information.

The Trust's auditors are responsible for:

a) reviewing the valuation framework to determine whether any changes or updates are required;

b) evaluating the work of the valuator, including assumptions and comparisons to market;

c) reviewing of the controls over the underlying data provided to the valuator from the Trust's accounting system;

d) reviewing the "Fair Value" Report prepared by the valuators and the internal team; and

e) reviewing, for the audited year-end financial statements, the resultant values for reasonableness,

f) compliance with the valuation framework and compliance with IAS 40.

The Asset Manager and the General Partner are responsible, on a quarterly and annual basis, to:

a) provide on a quarterly basis updated valuations of investment properties not undergoing external appraisals, based on the process set forth in the valuation framework and utilizing the market based conditions at the time of the valuation;

b) review the valuation process to determine whether any changes or updates are required;

c) input the capitalization rates, set offs and normalization assumptions; and

d) deliver the completed valuation process to the auditors at year-end for the completion of the audit on the financial statements.

Investment properties that have been disposed of or permanently withdrawn from the property portfolio will not be included in the fair value process. Any gains or losses on the disposition of investment properties are recognized in the income statement in the year of disposition.

CALCULATION OF MARKET VALUE

Market Value is calculated monthly, based on the IFRS balance sheet carrying values plus certain adjustments. The Market Value may change during a quarter or at quarter end if there are material changes or considerations that would impact the Market Value including, but not limited to, changes in capitalization rates, acquisitions, dispositions and profits or losses, whether realized or unrealized, within the investment portfolio.

The Market Value per Trust Unit is calculated by adding IFRS balance sheet assets, subtracting IFRS balance sheet liabilities, adding or subtracting appropriate non-IFRS adjustments and dividing by the total number of outstanding Trust Units. The non-IFRS adjustments include, but are not limited to:

a) capitalization of certain expenses, whose benefits accrue over a long period of time and should be allocated between exiting, remaining, and incoming Unitholders but may be written off or effectively written off under IFRS or where the value of such expense isn't as yet reflected, in whole or in part, in the investment portfolio valuation due to timing lags, if any;

b) portfolio premiums, if any;

c) portfolio inter-quarter timing adjustments, if any; and

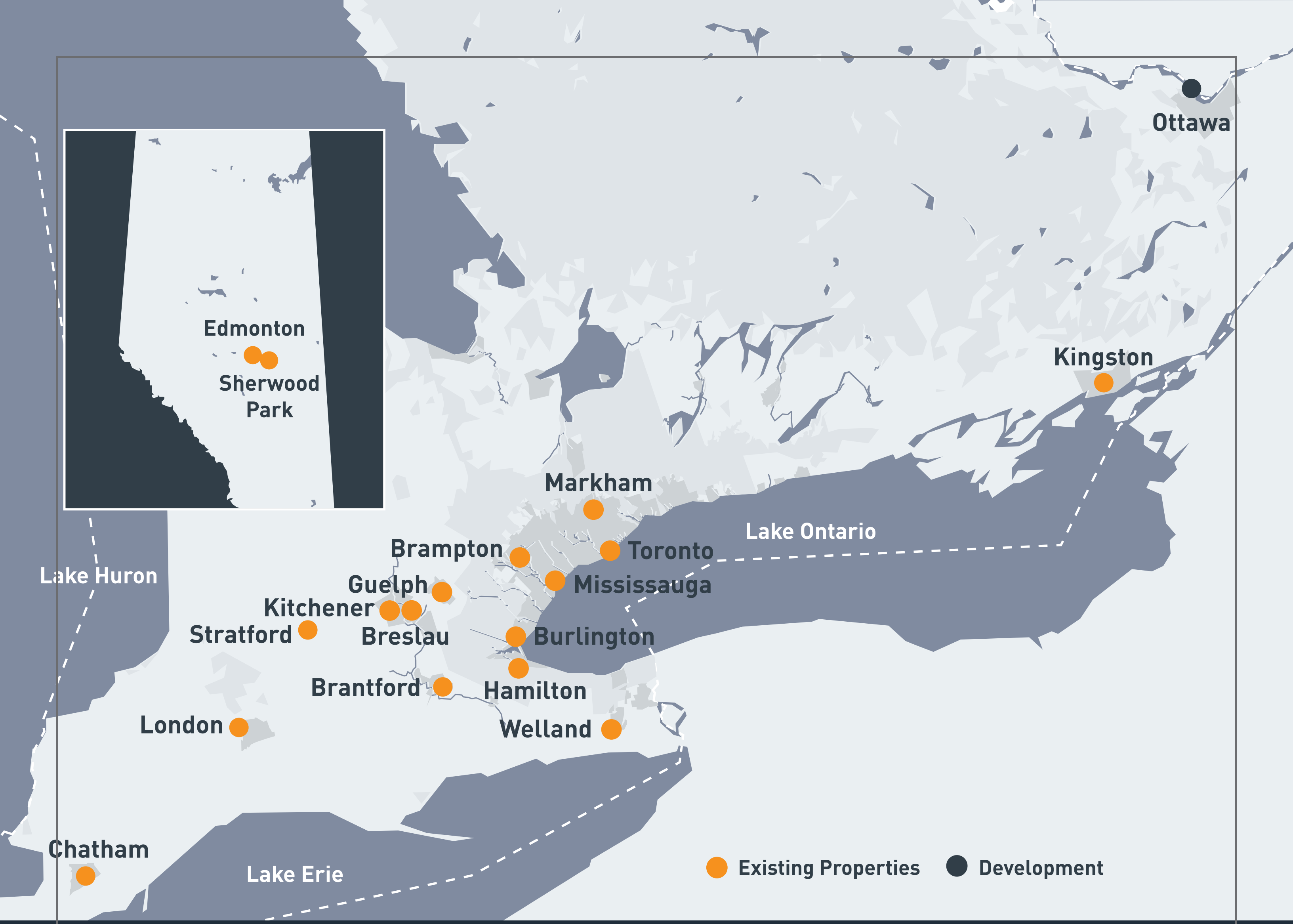
d) discretionary adjustments, if any.

The calculation of the Market Value involves critical estimates, assumptions and judgments as part of the process.

Market Value is currently determined monthly as per the above methodology and approved by the Trustees. It is announced by the Trust and is effective on the first day of each month for use in, but not limited to processing redemptions, new subscriptions, financial statements of the Trust, account statements for Trust Unitholders and marketing materials including fund fact sheets. It is also posted on the website of the Asset Manager.

17627 63 Street NW,
Edmonton, AB

2024 OPERATING HIGHLIGHTS



3,740
PORTFOLIO UNITS

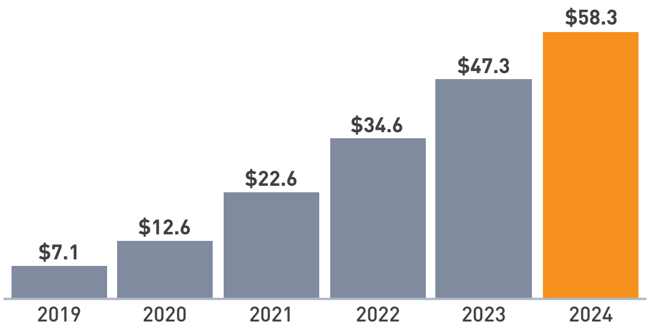
42
PROPERTIES

18
COMMUNITIES

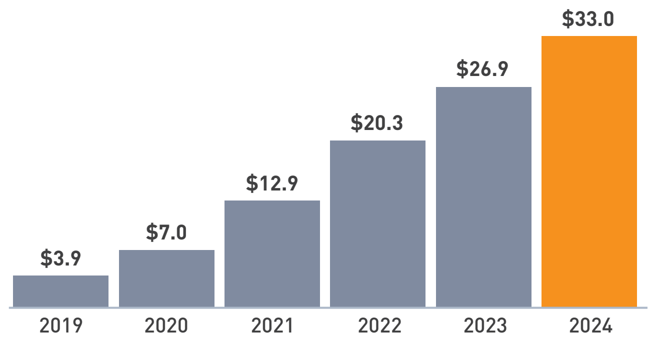
PORTFOLIO METRICS

As at December 31, 2024

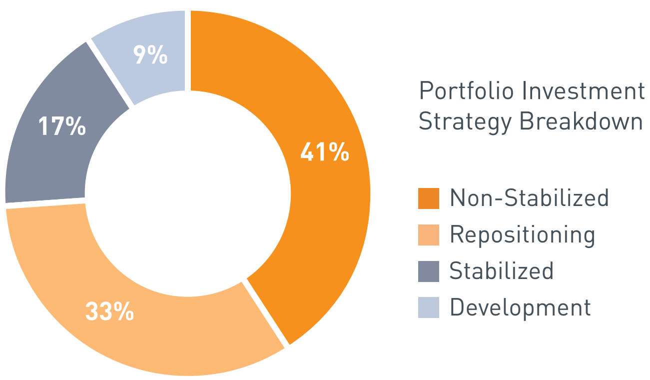
Annual Operating Revenues (Millions)



Annual NOI (Millions)



Portfolio Mix by Investment Strategy/Type



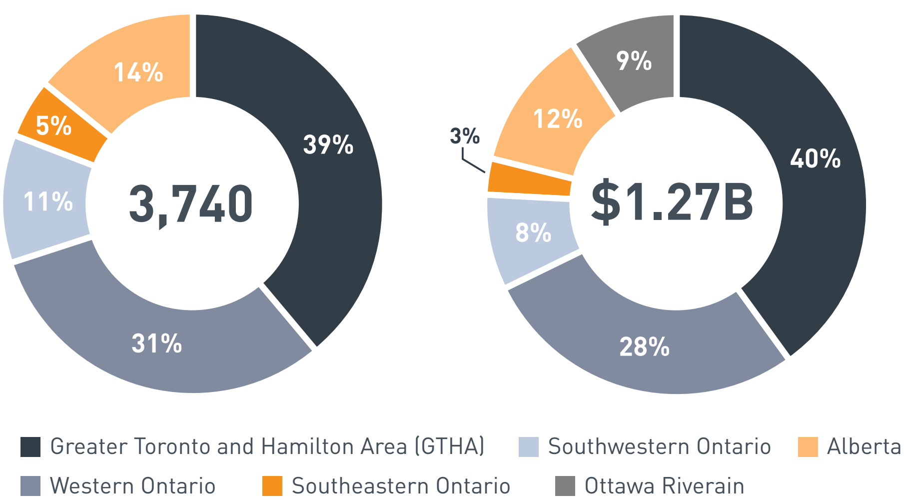
Y/Y Same Store Revenue Growth
6.6%

Y/Y Same Store NOI Growth
6.4%

Portfolio Mix by Region

Portfolio Units

Portfolio Value



Portfolio Mix by Investment:

Stabilized:

High quality properties with stable cash flows, high occupancy, rents at or above market, typically with strong amenity offerings, and minimal capital expenditure needs.

Non-Stabilized:

Properties with medium-high occupancy, rents at or slightly below market that require additional strategic management including leasing activities, upgrades and renovations through the capital expenditure program.

Repositioning:

Properties with significant upside potential that are undergoing significant upgrades, renovations, or operational changes to improve market position, attract higher rents, increase occupancy, and enhance overall value.

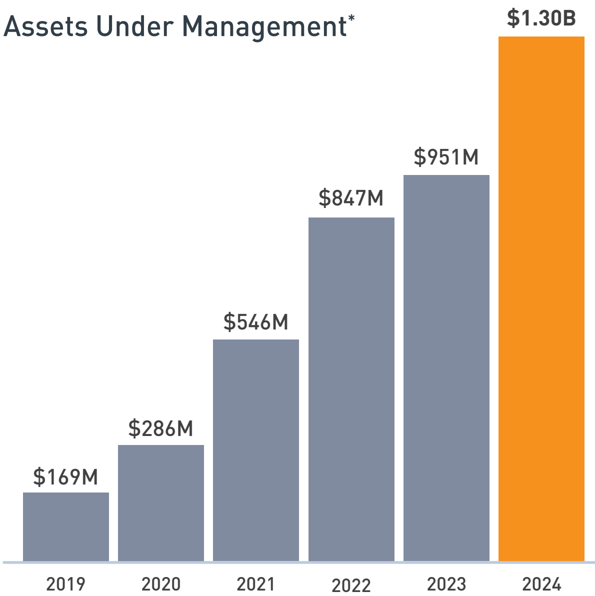
Development:

A property that is in the construction phase and/or is undergoing initial lease-up.

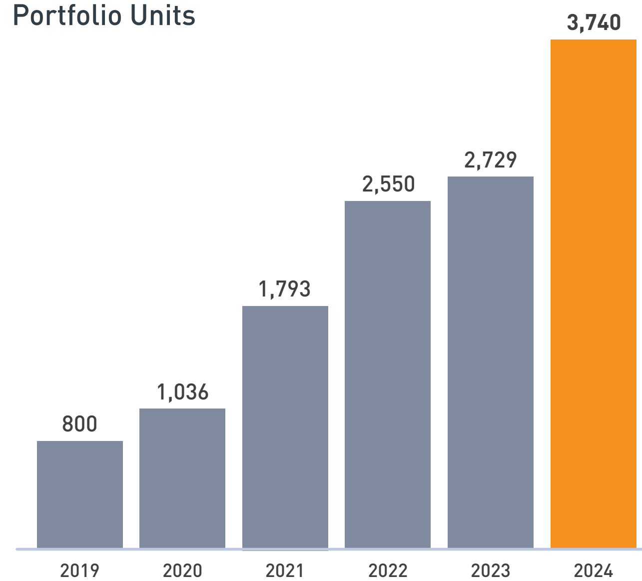
FUND PERFORMANCE

As at December 31, 2024

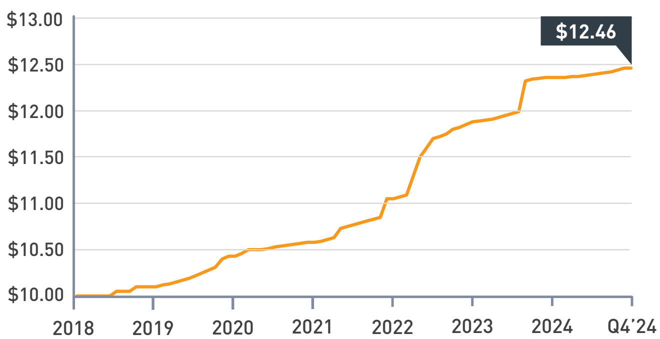
Assets Under Management*



Portfolio Units

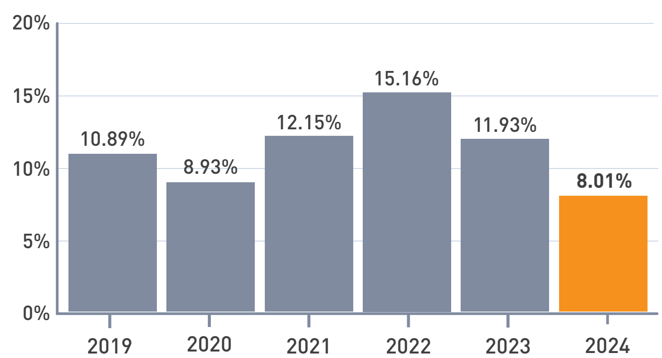


Unit Price Growth



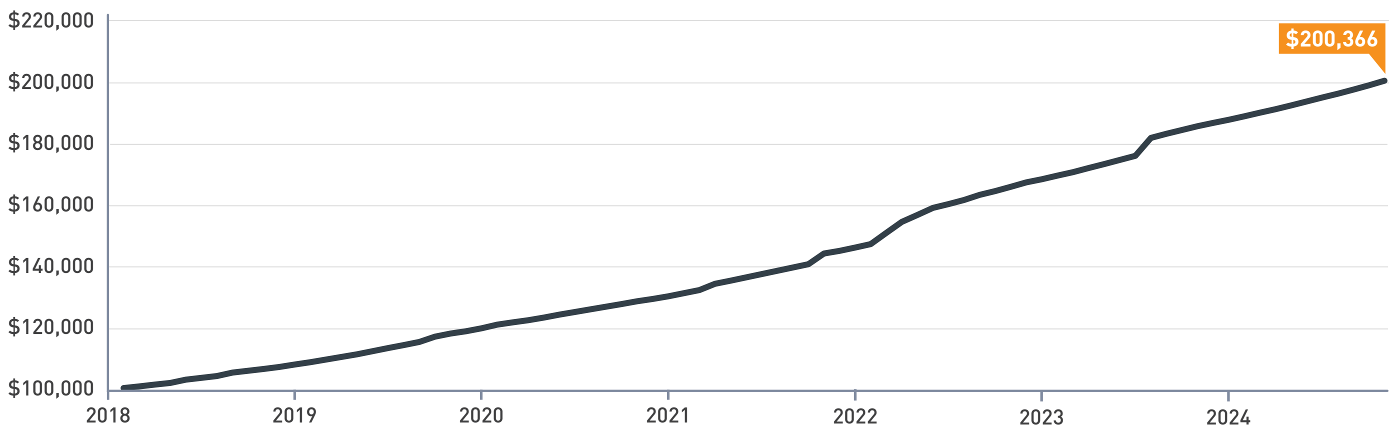
Trailing 12-Month Returns - Class F DRIP

(As at December 31, 2024)



$100,000 Invested

In Class F DRIP Since Inception



* Assets Under Management includes both cash and property value.

SUMMARY OF 2024
RESULTS OF OPERATIONS AND KPIs

Key Transactions and Events

- The Trust's AUM grew by 35.8% from Q4'23 to $1,292M, with NOI growth of 22.8% to $33.0M over the same period.
- During the quarter, the Trust strategically acquired one property in Edmonton, Alberta for a purchase price of $72.6M, excluding transaction costs, with a fair value of $74.4M. The acquisition increased the income-producing property portfolio to 3,740 units. During the year, the Trust added eight properties in Ontario (four in Welland and four in Toronto), bringing the total for the year to 1,011 additional residential units and a fair value of $295M.
- The total income-producing portfolio's fair value grew by 35.71% to $1,153M during the year due to transactional activity and operational gains within the same store properties. This was slightly offset by market-driven changes in the portfolio's average cap rate to 4.48%, an increase of ~31 bps Y/Y.
- The Trust's share of the Maison Riverain development project costs as at December 31, 2024 was $115.9M ($80.9M as at December 31, 2023), with a $42.5M equity investment ($45.2M as at December 31, 2023).
- The Trust continued its positive capital raise, increasing its unit holdings to 59.5M (46.3M as at December 31, 2023), and had a cash position of $18.6M as at December 31, 2024 available for deployment.
- The Trust continued to take advantage of favourable CMHC-insured financing, now accounting for 97% of total debt. During the year, the Trust obtained $244.7M of CMHC-insured financing at an average interest rate of 4.0%, netting the Trust $7.8M in capital.

Strong Operating Results and Balance Sheets

- The Trust delivered strong financial and operational results through active leasing and effective asset management. The Trust's investment strategy, focus on desirable locations, diversified tenancy mix and the overall quality of its properties provided resiliency during a time of housing affordability challenges and political uncertainty, which impacted the rental rate environment and cap rates. The portfolio continues to be positioned to capture future growth.
- The occupancy rate for the rent-ready units was 97.6% as at December 31, 2024 compared to 98.5% as at December 31, 2023. The Trust's occupancy rate remains above the national average of 96.4% as of Q4'24, which decreased 40 bps this quarter.[1]
- Overall revenues continued to grow, up 23.2% Y/Y with the same store revenue and NOI growth of 6.6% and 6.4%, respectively, over the same period. The 277-unit Edmonton acquisition is forecasted to add annual revenues and NOI of ~ $5.6M and ~$2.9M, respectively, once stabilized.
- The revenue gap to market was 30.9% as at December 31, 2024, compared to 31.1% as at December 31, 2023. The gap to market decreased slightly as the Trust realized the revenue gap and due to a deceleration in market rent growth in the second half of the year across the properties in the GTA. Management continues to capture the gap to market through natural turnover, with 18% of the portfolio turning over during the 12 months ended December 2024, while averaging an ~$311 lift per lease (18.7%) which is above the national average for 2024 of 6.4%.[1]
- The same store NOI margin was 56.7% for 2024 compared to 56.9% in 2023. The higher revenues from leasing activity were offset by increasing realty taxes, wages and benefits, and repairs and maintenance costs.

1) Yardi Canadian National Multifamily Report.

- Collections of rent remained strong at ~99% for the 12 months ended December 2024.
- The Trust maintained strong liquidity with a cash balance of $18.6M and borrowing capacity through a line of credit. As at December 31, 2024, the Trust had $12M of available capacity on the line of credit, providing liquidity for future growth.
- The Trust adopted a conservative and long-term leverage strategy resulting in operations generating sufficient cash flow to service its debt obligations and mitigate interest rate fluctuations. The Trust continues to maintain healthy debt service and interest coverage ratios of 1.57 times and 2.42 times, respectively, as at December 31, 2024. The mortgage portfolio had an average interest rate of 3.41% that is well below the current mortgage lending rates.
- Capital expenditures of $7.8M have been incurred during the quarter and $19.8M during the year, consisting of capital improvement projects $5.0M(Q4'24) / $9.9M(2024) and unit renovations $2.8M(Q4'24) / $9.9M(2024).

KPIs

To assist Management and Unitholders in monitoring and evaluating the Trust's achievements, Management has provided several metrics or KPIs to measure performance and success.

Occupancy

Through a focused and hands-on approach, Management has been successful at maintaining occupancies above market in their respective areas. Management is confident high occupancies can be maintained between 97% and 99% over the long term.

Net Average Monthly Rent (AMR)

Our team of professionals monitors the markets and adjusts rents throughout the portfolio regularly to deliver the highest possible AMR. Market rents slightly decreased Q/Q by 1.9% but increased by 3.7% Y/Y.

Net Operating Income (NOI)

NOI is a widely used operating performance indicator in the real estate industry. Management expects to increase NOI by generating operating efficiencies, conducting revenue stream assessments, and strategically managing the assets.

Leverage Ratios and Terms

Volatility risk has been managed by fixing the lowest possible interest rates for long-term mortgages, while mitigating refinancing risk by prudently managing the portfolio's average term to maturity and staggering the maturity dates. The Trust's weighted average mortgage rate increased slightly with the new borrowing activity but continues at a favourable rate of 3.41%. Management will continue to follow strict debt service coverage and interest coverage ratio targets.

Portfolio Growth

Management's objective is to continue to source accretive acquisition opportunities to increase the Trust's operational growth and diversify the portfolio by demography and geography. In December, the Trust continued its growth by acquiring a property in the McConachie neighbourhood of Edmonton and adding a further 277 units to the existing Alberta portfolio and concluded a busy year of acquisition activity with overall $295M of fair value and 1,011 units added to the portfolio.

Rent Collection

Rent collections continue to be strong as less than 1% of revenues were bad debts for 2024. A closely monitored receivables program continues to prove effective.

Rental Revenue

The total portfolio average occupied monthly rents per unit increased by 5% to $1,611 as at December 31, 2024 from $1,539 as at December 31, 2023, on a same store basis. In addition to the active leasing program, Management continues to be active in applying for above guideline increases (AGIs) in rent for a number of properties in the portfolio when making capital improvements to these properties.

HIGHLIGHT:
2024 PROPERTY ACQUISITIONS

Seizing opportunities amid reduced market competition, The Trust acquired over $275M in real estate in 2024 with a fair value of $295M, making it the largest acquisition year since inception. These acquisitions added 1,011 suites to the portfolio, boosting the unit count by over 35%.

Diverse investment strategies added to the portfolio:

Welland: Repositioning

Parkway Village in Welland, ON

Four 8-storey apartment buildings with a combined 388 units.

60% gap to market at time of purchase.

- The Trust expanded into the Niagara Region for the first time, purchasing ~10% of the local primary rental stock.
- With many units overlooking the Welland Canal, the apartments feature generous layouts providing opportunities for value-add unit renovations consisting of redesigned layouts and modern design upgrades.
- The Niagara Region has experienced significant growth over the past few years with population growth reaching 4.1% between 2017 and 2022.

Toronto Core: Non-stabilized

Toronto Core in Toronto, ON

Three mid-rise apartment buildings and two three-storey townhomes with a combined 346 units.

23% gap to market at time of purchase.

- Properties located within the prime locations of Forest Hill and North York along Toronto's Bathurst corridor.
- Amenities at 120 Raglan include renovated common areas, on-site laundry facilities, and parcel lockers while 130 Raglan boasts in-suite laundry, FIBE-ready internet, and dishwashers. 1862 Bathurst and 4190 Bathurst amenities include parcel lockers and renovated common areas.

Henday: Non-stabilized

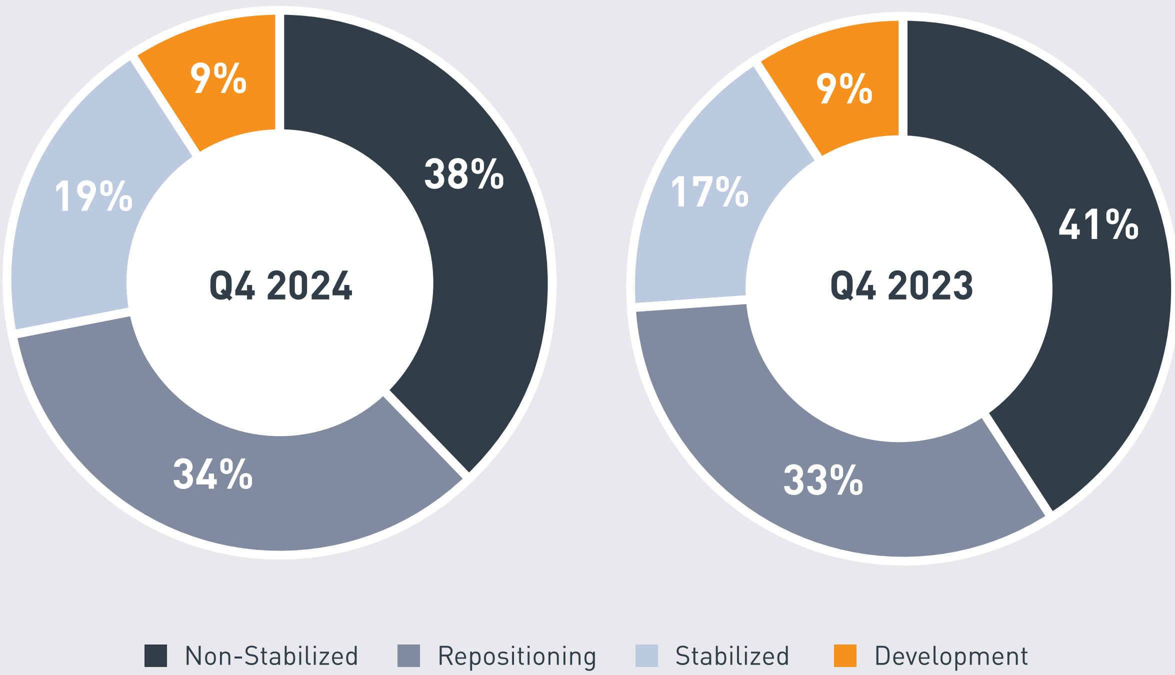
Henday Suites in Edmonton, AB

Four-storey rental complex with 277 suites. No gap to market when purchased.

- This newly built property had a 51% vacancy at the time of purchase and is progressing well through lease up.
- Offers extensive amenity package consisting of rooftop patio, social areas, gym and yoga rooms and a theatre.
- As a newer building, the property requires less maintenance and capital improvements, ensuring more stable cash flow.
- Alberta's rapid population growth has fueled rental demand, with average listed rents rising 14% in 2023 and 3% in 2024 (Rentals.ca).

2024 acquisitions are anticipated to increase total property **revenues** and **NOI by approximately 35%.**

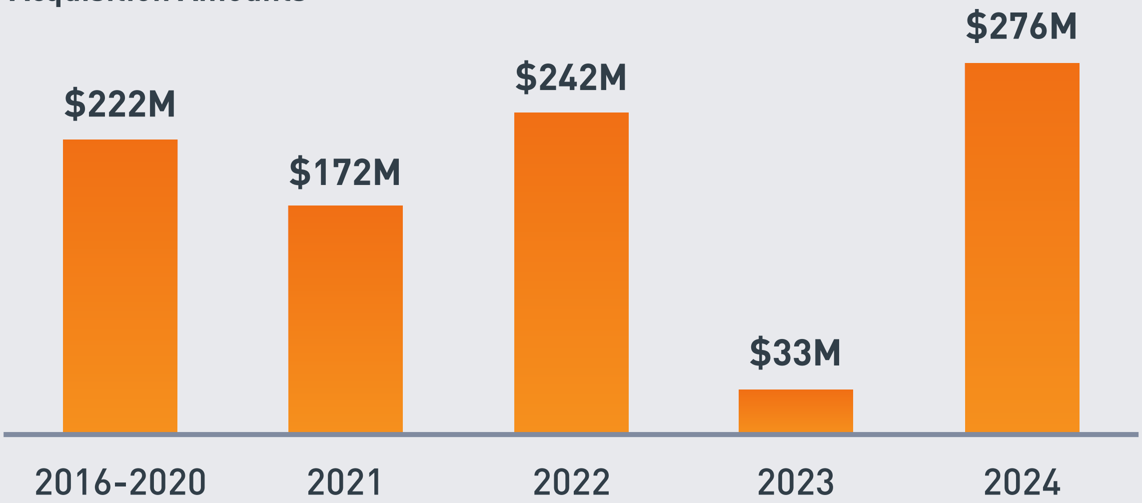
The Trust continues to maintain a diverse mix of investment strategies to balance risk-adjusted returns, including with its record acquisitions in 2024.



Acquisition Timeline Since Inception

- The Trust has been able to capitalize on favourable lending rates through CMHC programs.
- 2024 acquisitions have an affordable housing component to them, providing needed housing to communities in which The Trust operates.
- Increased footprint in Alberta to a total of 539 units with the purchase of Henday Suites.
- Following a record 2024, Management is actively pursuing growth opportunities, anticipating a more favourable lending environment in 2025.

Yearly Acquisition Amounts



OPERATIONAL AND FINANCIAL RESULTS

Net and Occupied Average Monthly Rents (AMR) and Occupancy

Net AMR is defined as gross potential rents, including vacant units, divided by the total number of suites, and does not include revenues from parking, laundry, or other sources. Occupied AMR is defined as actual residential rents, excluding vacant units, divided by the total number of occupied units, and does not include revenues from parking, laundry, or other sources.

	Net AMR			Occupied AMR			Occupancy		
Year ended December 31,	2024 ($)	2023 ($)	% Change	2024 ($)	2023 ($)	% Change	2024	2023	% Change
Ontario									
GTHA	1,599	1,472	8.6	1,583	1,459	8.5	97.7%	99.3%	(1.6)
Western	1,590	1,626	(2.2)	1,567	1,618	(3.2)	98.3%	98.5%	(0.2)
Southwestern	1,381	1,326	4.1	1,354	1,312	3.2	97.8%	96.5%	1.3
Southeastern	1,290	1,183	9.0	1,258	1,160	8.5	92.9%	98.2%	(5.4)
Total Ontario	**$1,546**	**$1,480**	**4.4%**	**$1,525**	**$1,469**	**3.8%**	**97.7%**	**98.5%**	**(0.8%)**
Alberta	**$1,682**	**$1,636**	**2.8%**	**$1,699**	**$1,632**	**4.1%**	**97.3%**	**99.2%**	**(1.9%)**
Total Portfolio	**$1,559**	**$1,496**	**4.2%**	**$1,540**	**$1,485**	**3.7%**	**97.6%**	**98.5%**	**(0.9%)**

Same Store Portfolio: Net AMR, Occupied AMR and Occupancy by Region

Same Store AMR includes all properties that have been owned by the Trust as at January 1, 2023.

	Net AMR			Occupied AMR			Occupancy		
Year ended December 31,	2024 ($)	2023 ($)	% Change	2024 ($)	2023 ($)	% Change	2024	2023	% Change
Ontario									
GTHA	1,562	1,472	6.1	1,548	1,459	6.1	98.8%	99.3%	(0.5)
Western	1,734	1,632	6.2	1,720	1,624	5.9	99.0%	98.3%	0.7
Southwestern	1,426	1,339	6.6	1,403	1,327	5.7	97.9%	95.5%	2.5
Southeastern	1,290	1,183	9.0	1,258	1,160	8.5	92.9%	98.2%	(5.4)
Total Ontario	**$1,580**	**$1,485**	**6.4%**	**$1,563**	**$1,474**	**6.1%**	**98.3%**	**98.4%**	**(0.1%)**
Alberta	**$1,703**	**$1,636**	**4.1%**	**$1,699**	**$1,622**	**4.8%**	**97.3%**	**99.2%**	**(1.9%)**
Same Store Portfolio	**$1,592**	**$1,501**	**6.1%**	**$1,577**	**$1,490**	**5.9%**	**98.2%**	**98.5%**	**(0.3%)**

Total Operating Revenue and NOI by Region – All Portfolio

Transactional activity and strong portfolio operating performance during 2024 resulted in operating revenues and net operating income growth of 23.2% and 22.8% when compared to the same period of prior year. The additional properties contributed $5.5M in operating revenues and $3.3M in NOI to the total portfolio during the year.

Total Operating Revenue by Region

	2024		2023		
Year ended December 31,	Revenue ($)	Revenue (%)	Revenue ($)	Revenue (%)	% Growth
Ontario					
GTHA	23,597,393	40.0	19,640,515	41.0	20.1
Western	19,640,509	34.0	15,099,464	32.0	30.1
Southwestern	6,756,082	12.0	5,028,959	11.0	34.3
Southeastern	2,654,973	4.0	2,398,892	5.0	10.7
Total Ontario	**$52,648,956**	**90.0%**	**$42,167,829**	**89.0%**	**24.9%**
Alberta	**$5,667,942**	**10.0%**	**$5,177,064**	**11.0%**	**9.5%**
Total Portfolio	**$58,316,898**	**100.0%**	**$47,344,893**	**100.0%**	**23.2%**

Net Operating Income (NOI) by Region

	2024			2023			
Year ended December 31,	NOI ($)	NOI (%)	NOI Margin (%)	NOI ($)	NOI (%)	NOI Margin (%)	NOI Growth (%)
Ontario							
GTHA	13,492,468	41.0	57.2	10,688,915	40.0	54.4	26.2
Western	11,691,954	35.0	59.5	9,510,095	35.0	63.0	22.9
Southwestern	3,400,963	10.0	50.3	2,776,022	10.0	55.2	22.5
Southeastern	1,254,149	4.0	47.2	1,064,974	4.0	44.4	17.8
Total Ontario	**$29,839,534**	**90.0%**	**56.7%**	**$24,040,007**	**89.0%**	**57.0%**	**24.1%**
Alberta	**$3,187,755**	**10.0%**	**56.2%**	**$2,858,753**	**11.0%**	**55.2%**	**11.5%**
Total Portfolio	**$33,027,289**	**100.0%**	**56.6%**	**$26,898,760**	**100.0%**	**56.8%**	**22.8%**

Total Operating Revenue and NOI by Region – Same Store Portfolio

The same store portfolio operating revenue grew 6.6% Y/Y while NOI grew by 6.4% during the same period, due to increases in market rents on natural turnover and growth in ancillary revenues through various strategic initiatives. The portfolio had NOI growth in its Ontario and Alberta portfolios of 6.3% and 7.0% Y/Y.

Same Store Operating Revenues by Region

	2024		2023		
Year Ended December 31,	Revenue ($)	Revenue (%)	Revenue ($)	Revenue (%)	% Growth
Ontario					
GTHA	21,273,063	43.0	19,640,515	42.0	8.3
Western	15,684,846	31.0	15,070,057	32.0	4.1
Southwestern	4,977,543	10.0	4,712,559	10.0	5.6
Southeastern	2,654,973	5.0	2,398,892	5.0	10.7
Total Ontario	**$44,590,425**	**89.0%**	**$41,822,023**	**89.0%**	**6.6%**
Alberta	**$5,528,898**	**11.0%**	**$5,177,064**	**11.0%**	**6.8%**
Total Portfolio	**$50,119,323**	**100.0%**	**$46,999,087**	**100.0%**	**6.6%**

Same Store Net Operating Income (NOI) by Region

	2024			2023			
Year Ended December 31,	NOI ($)	NOI (%)	NOI Margin (%)	NOI ($)	NOI (%)	NOI Margin (%)	NOI Growth (%)
Ontario							
GTHA	11,919,522	42.0	56.0	10,688,915	40.0	54.4	11.5
Western	9,633,291	34.0	61.4	9,497,353	35.0	63.0	1.4
Southwestern	2,566,640	9.0	51.6	2,621,325	10.0	55.6	(2.1)
Southeastern	1,254,149	4.0	47.2	1,064,974	4.0	44.4	17.8
Total Ontario	**$25,373,602**	**89.0%**	**56.9%**	**$23,872,568**	**89.0%**	**57.1%**	**6.3%**
Alberta	**$3,060,290**	**11.0%**	**55.4%**	**$2,858,753**	**11.0%**	**55.2%**	**7.0%**
Total Portfolio	**$28,433,892**	**100.0%**	**56.7%**	**$26,731,321**	**100.0%**	**56.9%**	**6.4%**

Operating Expenses

Realty Taxes

The portfolio saw an increase in property taxes as municipalities adjusted their annual property tax rates during 2024. Management continues to review annual assessments and has obtained several successful property tax reductions through appeals. The Trust realized realty tax savings of $53k during the year through reassessment reviews.

Utilities

The utility costs of the portfolio can be highly variable from year to year, depending on energy consumption and market rates. Overall, the utility expenses increased in 2024 compared to the same period in 2023 as a result of the transactional activities during the second half of 2023 and throughout 2024. On a same store basis overall utilities were down 7.2% Y/Y, with 7% and 19% decreases realized for electricity and natural gas, respectively. The Trust benefited from utility credits, lower natural gas rates and consumption due to Management's energy-saving initiatives, including sub-metering to boost utility recoveries. Utility recoveries within the portfolio have increased by 26% or $169k, with a same store increase of 5.6% or $37k. The table below provides the portfolio's net utility cost by type.

	Net Utilities *			Same Store - Net Utilities*		
As at December 31,	2024 ($)	2023 ($)	Variance (%)	2024 ($)	2023 ($)	Variance (%)
Electricity	1,435,985	1,440,887	(0.3)	1,323,742	1,419,435	(6.7)
Natural Gas	1,337,422	1,400,490	(4.5)	1,109,796	1,373,316	(19.2)
Water	1,924,337	1,607,797	19.7	1,639,617	1,595,912	2.7
	$4,697,744	**$4,449,174**	**5.6%**	**$4,073,155**	**$4,388,663**	**(7.2%)**

* Net of utility recoveries

Management actively manages utility costs by ensuring any municipal, provincial, or other credits are applied for, leading to a reduction in costs for some utilities due to credits received.

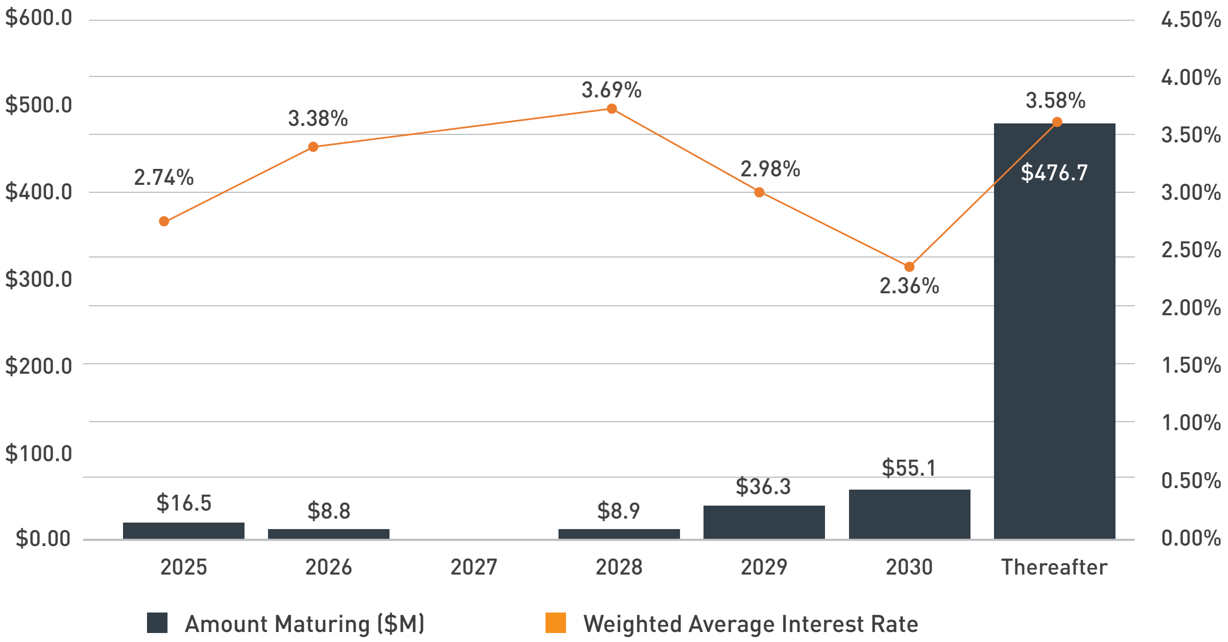
Other Operating Expenses

Operating expenses increased year-over-year, primarily due to inflationary pressure on wages and benefits, higher repairs and maintenance to account for the additional properties, and insurance costs from market factors impacting the insurance industry.

Debt Portfolio

The Trust's loan portfolio consists of long-term fixed-rate mortgages secured against individual properties and an operating line of credit. The mortgage portfolio is diversified across various lending institutions and has staggered maturity dates over the long term to manage interest rate risk. The weighted average mortgage interest rate as at December 31, 2024, was 3.41% with weighted average time remaining to maturity of 7.76 years. Below is a breakdown of mortgage maturities over the next five years and beyond.

Income-Producing Property Mortgage Maturity by Year



$244.7M New Financing Obtained 2024

97% Mortgage Debt - CMHC Insured

17627 63 Street NW, Edmonton, AB

Value Creation

At Equiton, Management organically maximizes portfolio value by enhancing operational efficiency through revenue management strategies, reducing expenses, and acquiring properties at a discount to market. The total portfolio's fair value increased by $16.8M or 1.5% Y/Y, resulted from revenue optimization and strategic management of the existing portfolio and transactional activity, which were offset by market driven increases in cap rates. The portfolio's weighted average cap rate increased by 31 bps to 4.48% Y/Y. On a same store basis, the portfolio's fair value increased by ~1% Y/Y as the gains from operations were slightly offset by the portfolio's weighted average cap rate appreciation. Over the last quarter, cap rates in most markets have stabilized as the market adjusts to the Bank of Canada's rate cutting cycle.

Year Ended December 31,	2024	2023
YTD Value Increase/(Decrease)	**$16.8M**	**$24.3M**
Change Due to Operational Gains	100%	100%
Change Due to Cap Rate	0%	0%

Cap Rate by Region

	Weighted Avg. Cap Rate
Alberta	5.08%
GTHA	4.15%
Southeastern Ontario	5.04%
Southwestern Ontario	4.80%
Western Ontario	4.54%

Gap to Market

The Trust continues to increase value by purchasing assets with a gap to market and incorporating a strategic rental program to mitigate those gaps as quickly as possible at natural turnover.

	2024	2023
As at December 31,	% Gap to Market	% Gap to Market
Ontario		
GTHA	38.7	40.8
Western	31.7	25.3
Southwestern	35.9	39.8
Southeastern	32.0	35.3
Total Ontario	**35.6%**	**34.7%**
Alberta	**1.2%**	**2.7%**
Total Portfolio	**30.9%**	**31.1%**

Non-IFRS Financial Measures

Management prepares and releases audited annual financial statements in accordance with International Financial Reporting Standards (IFRS). In the report, financial measures not recognized under IFRS, which do not have a standard meaning prescribed by IFRS, are disclosed. These include Same Store NOI, Same Store calculations, and adjusted Cash Generated from Operating Activities (collectively, Non-IFRS Measures). Since these measures are not recognized under IFRS, they may not be comparable to similar measures reported by other issuers. Non-IFRS Measures are presented because Management believes they are relevant for evaluation purposes.

433 King Street, London, ON

CASE STUDY: VALUE CREATION AT 12 & 14 AUBURNDALE COURT
DRIVING VALUE THROUGH STRATEGIC RENOVATIONS

This 46-unit townhome complex located in Toronto was purchased in Q4'21 for $21M. It has since increased in value by 7.6%. At the time of acquisition, the property had a gap to market of 54%. Since acquisition, leasing activity has narrowed the gap to market to 48% as of Q4'24, still leaving significant upside potential.

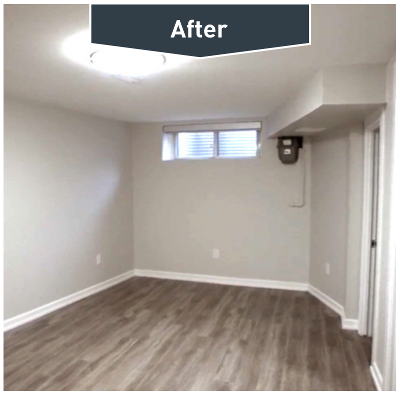
In 2024, the property had two unit turns, resulting in revenue growth of 98.2% for these units.

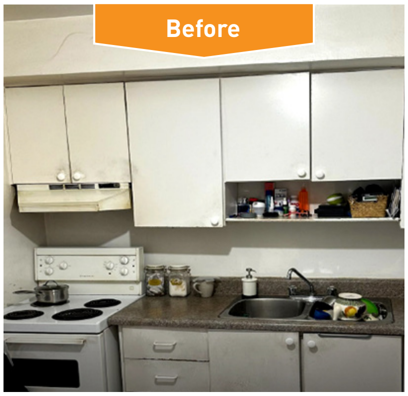
Enhanced Value Creation Opportunity:

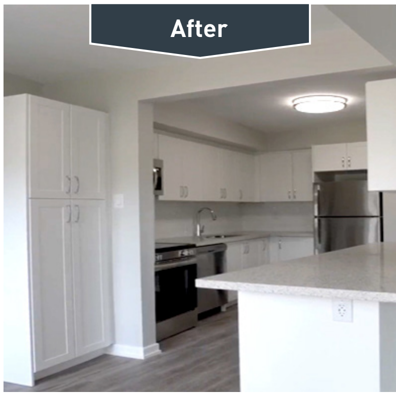
Management strategically examines each renovation to bring out the most value. An opportunity was identified to implement an enhanced renovation scope on a four-bedroom unit with 1,908 sq. ft. to better serve Residents and drive value for Investors. These upgrades embody Equiton's entrepreneurial spirit and institutional strategy for value creation, including:

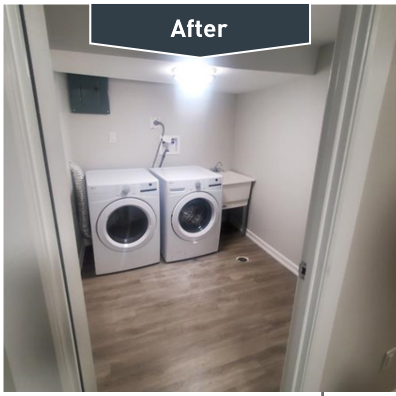
- **Creating Two Additional Full Bathrooms:** Adding a shower to the main floor powder room and a new bathroom in the basement enhances the unit's functionality, making it especially attractive to families or multiple Residents sharing the space.
- **New Drywall, Insultation and Closet in Basement:** Allows the Resident the option of using the space as a fifth bedroom or recreational space.
- **In-Suite Laundry Installation:** The addition of dedicated laundry facilities enhances convenience, improving both lifestyle and appeal for prospective Residents.

The unit was pre-leased prior to the renovations, leaving no downtime in vacancy on turnover. Through the enhanced scope, Management was able to capture an additional 12.4% increase on monthly rents versus a standard scope which is forecasted to result in a better return on investment (ROI) for the project. This highlights Management's dedication to delivering strategic, customized upgrades that elevate Resident satisfaction while optimizing revenue potential.









Metrics

Difference in Renovation Cost: **$11K**

	Avg. Monthly Rent Lift	Estimated Value Created	ROI
Standard Scope	94.8%	$500K	3.3x
Enhanced Scope	118.9%	$627K	3.9x

2024 ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS:

Welland, Ontario

Parkway Village 200-230 Denistoun St.

Acquired: June 2024

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
1	178	186	23	0	388

Parkway Village is made up of four, eight-storey apartment buildings with a combined 388 units and 581 parking spots. Amenities including fitness rooms, social rooms, laundry facilities, individual thermostats, and on-site staff. These buildings are located steps from the Welland Recreational Waterway, and offer easy access to downtown Welland, grocery stores, restaurants, coffee shops, hospital, churches, public transit, schools, parks and walking trails.

Toronto, Ontario

Toronto Core

Acquired: September 2024

120 Raglan Ave.

130 Raglan Ave.

4190 Bathurst St.

1862 Bathurst St.

Unit Breakdown

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
120 & 130 Raglan Ave.	3	145	43	0	0	191
1862 Bathurst St.	12	27	34	2	0	75
4190 Bathurst St.	0	53	27	0	0	80

The Toronto Core acquisition is made up of three mid-rise apartment buildings and a set of three-storey townhomes with a combined 346 units and 267 parking spots. Each property offers different amenities. 120 & 130 Raglan Ave. and 1862 Bathurst St. are located in Forest Hill, one of Toronto's most prestigious and family-friendly neighbourhoods. 4190 Bathurst St. is conveniently located in North York, close to a TTC bus stop and Wilson station, and with ample shopping and amenities nearby.

Edmonton, Alberta

Henday Suites 17627 63 St. NW.

Acquired: December 2024

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	68	205	4	0	277

Henday Suites is a four-storey rental complex with 277 suites and 394 parking spots. In-suite amenities include laundry, quartz countertops, wide-plank flooring, private balconies, and high-efficiency appliances. Building amenities include gym and yoga room, theatre and social rooms, rooftop patio with BBQs, bike room, pet wash, and storage lockers. The location offers easy access to downtown Edmonton via major highways and public transit .

DISPOSITIONS: None

PROPERTY DETAILS

CITY	ADDRESS	PROPERTIES	BUILDINGS	BACHELOR	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	COMMERCIAL	TOTAL
Brampton, ON	78 Braemar Dr.	1	1	0	40	112	1	0	0	**153**
Brantford, ON	19 & 23 Lynnwood Dr.	2	2	0	35	68	10	0	0	**113**
	120,126 & 130 St.Paul Ave.	1	1	0	15	31	0	0	0	**46**
Breslau, ON	208 Woolwich St. S.	1	1	0	3	74	1	0	0	**78**
Burlington, ON	1050 Highland St.	1	1	0	3	15	0	0	0	**18**
Chatham, ON	75 & 87 Mary St.	1	1	0	22	34	0	0	0	**56**
	383-385 Wellington St. W.	1	1	22	26	5	1	0	0	**54**
Edmonton, AB	10001 Bellamy Hill Rd. NW.	1	1	3	0	155	0	0	0	**158**
	17627 63 St. NW.	1	1	0	68	205	4	0	0	**277**
Guelph, ON	98 Farley Dr.	1	1	22	41	30	0	0	0	**93**
	5 & 7 Wilsonview Ave.	1	1	0	5	17	7	0	0	**29**
	8 & 16 Wilsonview Ave.	2	2	2	54	53	3	0	0	**112**
Hamilton, ON	125 Wellington St. N.	1	1	5	247	73	38	0	1	**364**
Kingston, ON	252 & 268 Conacher Dr.	2	2	0	6	18	0	0	0	**24**
	760/780 Division St.	1	1	0	24	48	40	0	0	**112**
	1379 Princess St.	1	1	1	18	13	0	0	2	**34**
Kitchener, ON	100-170 Old Carriage Dr.	1	3	2	14	202	0	0	0	**218**
London, ON	1355 Commissioners Rd. W.	1	1	0	14	37	0	0	1	**52**
	433 King St.	1	1	0	62	66	1	0	1	**130**
	470 Scenic Dr.	1	1	16	32	63	4	0	0	**115**
Markham, ON	65 Times Ave.	1	1	9	37	18	0	0	0	**64**
Mississauga, ON	65 & 75 Paisley Blvd. W.	2	2	15	67	79	2	0	1	**164**
Ottawa, ON	Maison Riverain	1								
Sherwood Park, AB	200 Edgar Ln.	1	1	4	8	92	0	0	0	**104**
Stratford, ON	30 & 31 Campbell Crt.	2	2	0	33	63	3	0	0	**99**
Toronto, ON	12 & 14 Auburndale Crt.	1	1	0	0	15	23	8	0	**46**
	2303 Eglinton Ave. E.	1	1	6	67	96	0	0	0	**169**
	787 Vaughan Rd.	1	1	7	25	6	0	0	0	**38**
	223 Woodbine Ave.	1	1	0	32	16	0	0	0	**48**
	650 Woodbine Ave.	1	1	0	30	8	0	0	0	**38**
	1862 Bathurst St.	1	1	12	27	34	2	0	0	**75**
	4190 Bathurst St.	1	1	0	53	27	0	0	0	**80**
	120-130 Raglan Ave.	1	2	3	145	43	0	0	0	**191**
Welland, ON	200-230 Denistoun St.	4	4	1	178	186	23	0	0	**388**
		42	**44**	**130**	**1,431**	**2,002**	**163**	**8**	**6**	**3,740**

PROPERTY DETAILS

EDMONTON, ALBERTA

10001 Bellamy Hill Road Northwest

MAP

Acquired: December 2022

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
3	0	155	0	0	158

Park Square Apartments is a 21-storey high-rise rental tower with 158 units and five floors of open-air parking, totalling 195 stalls. Condo-style amenities include a fitness centre, social room, and a rooftop lounge and patio with incredible views of the city and the scenic Edmonton River Valley. The property is within walking distance of downtown Edmonton, rapid transit, and abundant services and amenities, including grocery stores, banks, restaurants, and retail stores.

SHERWOOD PARK, ALBERTA

200 Edgar Lane

MAP

Acquired: September 2022

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
4	8	92	0	0	104

Emerald Hills Landing is a luxury 55+ rental residence with four storeys, 104 units, and 79 indoor and 36 outdoor parking spaces. Building amenities include a social room, lounge area, and a fitness centre. This property is located less than 20 minutes from downtown Edmonton and is close to a hospital and a wide variety of dining, grocery, and retail options.

EDMONTON, ALBERTA

17627 63 Street Northwest

MAP

Acquired: December 2024

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	68	205	4	0	277

Henday Suites is a four-storey rental complex with 277 suites and 394 parking spots. In-suite amenities include laundry, quartz countertops, wide-plank flooring, private balconies, and high-efficiency appliances. Building amenities include gym and yoga room, theatre and social rooms, rooftop patio with BBQs, bike room, pet wash, and storage lockers. The location offers easy access to downtown Edmonton via major highways and public transit .

BRAMPTON, ONTARIO

78 Braemar Drive

Acquired: July 2022

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	40	112	1	0	153

Braemar Place is a modern rental residence with 15 storeys, 153 units, and 57 indoor and 141 outdoor parking spaces. Condo-style amenities include on-site laundry, storage lockers, bicycle storage, a dog run, and an outdoor swimming pool. The property is across from the Bramalea City Centre and close to various schools, parks, and playgrounds, with easy access to public transit and Highways 410, 401 and 407.

BRANTFORD, ONTARIO

19 & 23 Lynnwood Drive

Acquired: July 2016 and December 2023

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	35	68	10	0	113

Lynnwood Place consists of two neighbouring six-storey buildings with a shared driveway and a combined 113 units. Amenities include 127 surface parking spaces and laundry facilities in both buildings. The property is in a quiet residential area, within walking distance of public transportation, parks, shopping, and restaurants and is minutes from Highway 403.

BRANTFORD, ONTARIO

120, 126 and 130 St. Paul Avenue

Acquired: July 2016

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	15	31	0	0	46

Park Manor is a mid-rise, four-storey building with 46 units, and 49 surface parking spots, featuring on-site laundry facilities. The property is within walking distance of the Grand River, Brantford General Hospital, restaurants, schools, and recreational facilities, with easy access to public trans-portation and Highway 403.

BRESLAU, ONTARIO

208 Woolwich Street South

Acquired: March 2022

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	3	74	1	0	78

Joseph's Place is a luxury, fully accessible property with four storeys, 78 units, and 114 parking spaces. Condo-style amenities include a fitness room, social room, lockers, bicycle storage, chair lift access, and an outdoor BBQ area. This property is in a quaint small town, just a 15-minute drive from downtown Kitchener, with many amenities just minutes away, including restaurants, cafés, schools, shops, banks, and grocery stores.

BURLINGTON, ONTARIO

1050 Highland Street

Acquired: August 2019

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	3	15	0	0	18

Parkland Apartments is a two-storey walk-up building with 18 units and 20 surface parking spots. Amenities include laundry facilities and on-site management. The property is in a quiet neighbourhood and backs onto a large park with a children's playground and local tennis courts. It offers convenient access to public transportation and major highways, with many nearby amenities, including shopping, restaurants, and local services.

CHATHAM, ONTARIO

75 & 87 Mary Street

Acquired: August 2018

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	22	34	0	0	56

Thamesview Apartments consists of a pair of two-and-a-half-storey walk-up buildings with 56 units. Amenities include 60 surface parking spaces and laundry facilities. The property is within walking distance of the regional hospital, and close to downtown Chatham, shopping, restaurants, a fire station, a police station, the Thames River and Highway 401.

CHATHAM, ONTARIO

383-385 Wellington Street West

Acquired: December 2017

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
22	26	5	1	0	54

Kent Manor consists of one four-storey building and one adjacent single-family dwelling, totalling 54 units. Amenities include 24 surface parking spaces and laundry facilities. The property is in a premium area dominated by single-family homes with easy public transit access. It lies near the Thames River, a hospital, shopping, restaurants, a police station, and St. Clair College.

GUELPH, ONTARIO

98 Farley Drive

Acquired: March 2022

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
22	41	30	0	0	93

URBN Lofts is a modern rental residence with six storeys, 93 units, and 124 outdoor parking spots. Condo-style amenities include a fitness room, social lounge, shared workspace, free Wi-Fi throughout, electric vehicle chargers, an outdoor BBQ area, bike storage, and lockers. Ideally located in one of the most sought-after neighbourhoods in Guelph, with easy access to Highway 401, it is within walking distance of several major grocery stores, banks, drug stores, and multiple sit-down and quick-serve restaurants.

GUELPH, ONTARIO

5 & 7 Wilsonview Avenue

Acquired: October 2019

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	5	17	7	0	29

Treeview Manor consists of two, three-storey walk-up buildings with a connecting basement corridor featuring 29 units. Amenities include 42 parking spots and laundry facilities. This property is in a prime location with easy access to Highways 6 and 401 and within walking distance of public transportation. Nearby amenities include a large shopping mall, services, restaurants, and the University of Guelph.

GUELPH, ONTARIO

8 & 16 Wilsonview Avenue

Acquired: July 2020

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
2	54	53	3	0	112

Treeview Towers is a seven-storey building with 112 units. Amenities include onsite laundry, storage lockers and outdoor parking. This property is conveniently located next to a major shopping centre with a variety of retailers and restaurants. It is close to several parks, walking trails, public transportation, and the University of Guelph.

HAMILTON, ONTARIO

125 Wellington Street North

Acquired: March 2021

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
5	247	73	38	1	364

Wellington Place comprises two connected buildings, 19 and six storeys respectively, occupying nearly an entire city block, with 364 units and underground parking. Amenities include a fitness facility, social room, and laundry lounge with Wi-Fi. This property is conveniently located only minutes from downtown Hamilton and a short commute to McMaster University, Hamilton General Hospital, and St. Joseph's Healthcare. Public transit, GO Transit, shopping, restaurants, and parks are all just steps away.

KINGSTON, ONTARIO

252 & 268 Conacher Drive

Acquired: September 2018

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	6	18	0	0	24

Riverstone Place and Millstone Place are a pair of two-and-a-half-storey walk-up buildings containing a total of 24 units. Amenities include 25 surface parking spaces and laundry facilities. This property is located close to public transportation, a hospital, fire station, police station, shopping, services, restaurants, Queen's University, and Highway 401.

KINGSTON, ONTARIO

760/780 Division Street & 2 Kirkpatrick Street

Acquired: March 2018

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	24	48	40	0	112

Treeview Apartments consists of one mid-rise building with three-and-a-half-storeys and 112 units, and two adjacent vacant parcels of land with future development potential. Amenities include 112 surface parking spaces and laundry facilities. This property is close to public transit, the St. Lawrence River, a hospital, police station, shopping, restaurants, Queen's University, and Highway 401.

KINGSTON, ONTARIO

1379 Princess Street

Acquired: May 2018

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
1	18	13	0	2	34

The Lucerne is a three-and-a-half-storey building with commercial space on the ground floor. It features 34 units, 40 surface-level parking spaces, an elevator, and laundry facilities. The property is located minutes from Queen's University, St. Lawrence College, the St. Lawrence River, a hospital, fire station, police station, shopping, and restaurants. There is also easy access to public transportation and Highway 401.

KITCHENER, ONTARIO

100-170 Old Carriage Drive

Acquired: April 2021

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
2	14	202	0	0	218

Adanac Crossing consists of one, nine-storey building with 108 units and two, three-storey walk-up buildings with 55 units each. It is on a significant piece of land, with 253 surface parking spaces and a large, wooded area with mature trees. Amenities include a fenced-in dog park and laundry facilities. This property is ideally located near Conestoga College and close to shops, restaurants, parks, and playgrounds, with easy access to public transit and major highways.

LONDON, ONTARIO

1355 Commissioners Road West

Acquired: May 2019

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	14	37	0	1	52

Village West Apartments is a five-storey building with 52 units and outdoor parking. Amenities in this condo-style building include a large, well-appointed lobby, social room, and fitness centre. This property, located in the quaint village of Byron, backs onto a park-like setting with nearby shops, restaurants, schools, parks, conservation areas, and public transit.

LONDON, ONTARIO

433 King Street

Acquired: October 2021

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	62	66	1	1	130

Kingswell Towers is an 18-storey building with 130 units and underground parking. Amenities include a fitness room, social room, sauna, and bike storage. The building is within walking distance of downtown London and has an abundance of retail, dining, entertainment venues, and nightlife options. It also offers easy access to many city parks, walking trails, bike paths, and the Thames River.

LONDON, ONTARIO

470 Scenic Drive

Acquired: October 2023

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
16	32	63	4	0	115

Scenic Tower is a mid-rise building with nine storeys, 115 units, 100 outdoor parking spaces and 48 underground parking spaces. Amenities include a social room, common laundry facilities, lockers, and an outdoor amenity area. This property ideally sits within walking distance of the Victoria Hospital, the Thames River Valley, and numerous parks with walking and cycling trails. It offers easy access to public transit and Highway 401.

MARKHAM, ONTARIO

65 Times Avenue

Acquired: March 2019

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
9	37	18	0	0	64

The Foresite is a five-storey building with 64 units. Amenities include 20 surface and 44 underground parking spots, in suite laundry facilities, and elevator service. The building is in a prime location, close to public transit, only minutes from shopping, restaurants, and amenities with easy access to Highways 407, 404 and 7.

MISSISSAUGA, ONTARIO

65 & 75 Paisley Boulevard West

Acquired: December 2019

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
15	67	79	2	1	164

Seville East & West consists of two, seven-storey buildings, totalling 164 units. Amenities include 126 surface and 60 underground parking spaces, laundry facilities, and an on-site convenience store. The property is just south of downtown Mississauga in a prime location and only minutes from shopping, restaurants, and amenities, including a major hospital. It also has easy access to Highway 403, the QEW, public transit and a GO station.

OTTAWA, ONTARIO

280 Montgomery Street

Acquired: January 2022

MAP

This Ottawa project is a three-tower mixed-use, purpose-built rental development that will bring much-needed housing to Ottawa's core. Spanning four acres next to the Rideau River at Montreal Road, the project will offer over 1,100 residential units and 20,000 square feet of retail space.

As at December 31, construction of Tower 1 was nearly completed with only finishes touches left to add. Tower 2 received Site Plan Approval, allowing us to move forward with the building permit application. Leasing efforts for Tower 1's 294 suites are ramping up, supported by an on-site leasing trailer, model suites and a robust digital advertising campaign. The project is on schedule to welcome the first Residents early- to mid- 2025.

STRATFORD, ONTARIO

30 & 31 Campbell Court

Acquired: April 2016

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	33	63	3	0	99

The Wynbrook and the Mayfair are two low-rise, three-storey buildings on opposite sides of the street with a combined 99 units. Amenities include 100 surface parking spaces and laundry facilities in each building. The property is minutes from Stratford's historic downtown core, the Avon River, and Lake Victoria. There is easy access to public transportation and shopping, and it is only a 30-minute drive to Kitchener and Waterloo.

TORONTO, ONTARIO

12 & 14 Auburndale Court

Acquired: October 2021

MAP

Unit Breakdown

Bachelor	2 Bedroom	3 Bedroom	4 Bedroom	Commercial	Total Units
0	15	23	8	0	46

The Scotch Elms is a 46-unit townhome property with 29 outdoor, 37 underground, and seven visitor parking spots. Townhomes feature in-suite laundry, functional basements, and private fenced-in backyards. This property is located in a family-friendly residential neighbourhood within walking distance of grocery and retail stores, schools, and parks, with excellent transit accessibility and Highway 401 only minutes away.

TORONTO, ONTARIO

1862 Bathurst Street

Acquired: September 2024

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
12	27	34	2	0	75

Ava Manor is a seven-storey mid-rise with 75 units and 22 indoor parking spaces. Amenities include parcel lockers and renovated common areas. The property is located in Forest Hill, one of Toronto's most prestigious and family-friendly neighbourhoods renowned for its easy access to transit, ample amenities, and numerous parks and trails.

TORONTO, ONTARIO

4190 Bathurst Street

Acquired: September 2024

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	53	27	0	0	80

Almore Apartments is a nine-storey mid-rise with 80 units and 79 indoor and 13 outdoor parking spaces. Amenities include parcel lockers and renovated common areas. The property is conveniently located close to a TTC bus stop and the Wilson station, and with ample shopping and amenities nearby.

TORONTO, ONTARIO

2303 Eglinton Avenue East

Acquired: December 2022

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
6	67	96	0	0	169

Ravine Park Apartments has seven storeys, 169 units, and 183 combined indoor and outdoor parking spots. Amenities include common laundry facilities and lockers. This property is near a large commercial district, offering diverse dining, entertainment, and lifestyle amenities. It also provides excellent public transit accessibility with subway and GO stations within walking distance and a planned LRT station across the street.

TORONTO, ONTARIO

120 & 130 Raglan Avenue

Acquired: September 2024

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
3	145	43	0	0	191

Cedarwood Suites is comprised of 120 Raglan, a nine-storey mid-rise with 175 units and 101 indoor and 37 outdoor parking spaces, as well as 130 Raglan, a set of three-storey townhomes with a total of 16 units and six indoor and nine outdoor parking spaces. Amenities in 120 Raglan include renovated common areas, on-site laundry facilities, and parcel lockers while 130 Raglan boasts in-suite laundry, FIBE-ready internet, and dishwashers. This property is located in Forest Hill, one of Toronto's most prestigious neighbourhoods renowned for its easy access to transit, ample amenities, and numerous parks and trails.

TORONTO, ONTARIO

787 Vaughan Road

Acquired: November 2020

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
7	25	6	0	0	38

Gertrude Suites is a four-storey building with 38 units and on-site laundry facilities. Residents of this eclectic Eglinton West neighbourhood of Toronto are within walking distance of the Eglinton Crosstown line, restaurants, parks, trails, shopping, and other amenities.

TORONTO, ONTARIO

223 Woodbine Avenue

Acquired: March 2020

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	32	16	0	0	48

Beach Park Apartments is a three-and-a-half-storey building with 48 units offering 51 surface parking spaces and laundry facilities. This building is in a premier location just steps from the Beaches Park and boardwalk along Lake Ontario and close to shopping, restaurants, and amenities. The property is near public transit and only minutes from downtown Toronto.

TORONTO, ONTARIO

650 Woodbine Avenue

Acquired: November 2020

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	30	8	0	0	38

The Beach Suites is a four-storey building with 38 units, 27 surface parking spots, and laundry facilities in the trendy Beaches neighbourhood of Toronto. The building is in a premier location near public transit routes for downtown Toronto and several parks, the lakefront boardwalk, shopping, amenities, and the Beaches Park on Lake Ontario.

WELLAND, ONTARIO

200-230 Denistoun St.

Acquired: June 2024

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
1	178	186	23	0	388

Parkway Village is made up of four, eight-storey apartment buildings with a combined 388 units and 581 parking spots. Amenities including fitness rooms, social rooms, laundry facilities, individual thermostats, and on-site staff. These buildings are located steps from the Welland Recreational Waterway, and offer easy access to downtown Welland, grocery stores, restaurants, coffee shops, hospital, churches, public transit, schools, parks and walking trails.

RISKS AND UNCERTAINTIES

There are certain risk factors inherent in an investment in the Trust Units and in the activities of the Trust, including, but not limited to, risks related to availability of distributable income, liquidity and potential price fluctuations of the Trust Units, redemption risk, tax-related risks, litigation risks, risks of real estate investment and ownership, mortgage refinancing, availability of cash flow, risk of changes in government regulation, environmental matters, Trust Unitholder liability, dependence on key personnel, potential conflicts of interest, changes in legislation, investment eligibility and dilution arising from the issue of additional Trust Units. See "OFFERING MEMORANDUM" for full list of Risks.

Senior Management TEAM

Jason Roque
CEO and Founder

Helen Hurlbut
President and CFO/ Co-Founder

Greg Placidi
Chief Investment Officer & Portfolio Manager

Don Cant
General Counsel & Chief Compliance Officer

Bill Flinders
Chief Technology Officer

Aaron Pittman
SVP, Head of Canadian Institutional Investments

Kathy Gjamovska
VP, Marketing & Communications

Ryan Donkers
VP, Investments

Michael Kowalczyk
VP, Investment Finance & Asset Management

Sheetal Chetan
VP, Corporate Finance & Treasury

Tania Angemi
VP, People and Culture

Equiton Developments

Christopher Wein
Chief Operating Officer

Alan Dillabough
VP, Development

Matthew Spironello
VP, Construction

Kimberley Crescini
VP, Sales and Marketing

Equiton Residential Income Fund Trust Independent Board Members

David Hamilton

Aida Tammer

Scot Caithness

Consolidated Financial Statements

Equiton Residential Income Fund Trust

For the years ended December 31, 2024 and 2023

Contents

Independent Auditor's Report

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To the Trustees of

Equiton Residential Income Fund Trust

Opinion

We have audited the consolidated financial statements of Equiton Residential Income Fund Trust (the "Trust"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, the consolidated statements of income and comprehensive income, consolidated statements of changes in net assets attributable to unitholders and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Equiton Residential Income Fund Trust as at December 31, 2024 and December 31, 2023, and its financial performance and its consolidated cash flows for the years then in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Toronto, Canada
March 14, 2025

Chartered Professional Accountants
Licensed Public Accountants

Equiton Residential Income Fund Trust

Consolidated Statements of Financial Position

(in thousands of dollars)	**Note**	**December 31, 2024**	December 31, 2023
ASSETS			
Non-current assets			
Investment properties	[5]	**$ 1,153,289**	$849,831
Investment property under development	[6]	**115,931**	80,883
		1,269,220	930,714
Current assets			
Cash		**18,559**	15,893
Restricted cash	[7]	**1,001**	2,212
Tenant and other receivables		**1,291**	867
Loan receivable	[9]	**2,796**	2,137
Prepaid expenses		**1,391**	1,232
		25,038	22,341
TOTAL ASSETS		**$1,294,258**	$953,055
EQUITY AND LIABILITIES			
Non-current Liabilities			
Mortgages payable	[10]	**$ 552,548**	$356,292
Construction loan payable	[11]	**47,564**	-
		600,112	356,292
Current Liabilities			
Construction loan payable	[11]	**16,875**	30,943
Bank loan payable	[12]	**18,030**	13,435
Current portion of mortgages payable	[10]	**14,054**	19,988
Accounts payable and accrued liabilities		**21,924**	13,583
Tenant deposits and deferred revenue		**5,293**	4,062
Unit subscriptions held in trust	[7]	**1,001**	2,212
Distributions payable	[14b]	**3,907**	3,091
Due to related parties	[13]	**2,956**	12,984
		84,040	100,298
TOTAL LIABILITIES BEFORE NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**$684,152**	$456,590
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**$610,106**	$496,465
Commitment	[18]		
Subsequent event	[11]		

On behalf of the Trustees

______________________ Trustee ______________________ Trustee

See accompanying notes to the consolidated financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of Income and Comprehensive Income

(in thousands of dollars)	Note	Year ended December 31 2024	2023
			(Restated – Note 3)
Property revenue		**$58,317**	47,345
Property operating expenses			
Operating expenses		**(13,420)**	(10,252)
Utilities		**(5,641)**	(5,198)
Property taxes		**(6,228)**	(4,996)
		(25,289)	(20,446)
Net operating income		**$33,028**	$26,899
Other income		**1,609**	723
Financing cost		**(14,421)**	(14,304)
Administration		**(1,401)**	(1,401)
Asset management fee	[15]	**(11,329)**	(9,655)
Fair value adjustment on investment properties	[5]	**3,479**	7,024
Net income and comprehensive income		**$10,965**	$9,286

See accompanying notes to the consolidated financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of Changes in Net Assets Attributable to Unitholders

(in thousands of dollars)

Year ended December 31, 2023 (restated – Note 3)	**Trust Units (Note 14)**	**Retained Earnings**	**Contributed Surplus**	**Total**
As at January 1, 2023	$381,400	$45,218	$825	$427,443
Issuance of units	143,704	-	-	143,704
Issuance of units under DRIP	21,249	-	-	21,249
Redemption of units	(54,629)	-	-	(54,629)
Issuance costs	(7,430)	-	-	(7,430)
Net income and comprehensive income	-	9,286	-	9,286
Distributions to General Partner (Note 3)	-	(10,737)	-	(10,737)
Distributions	-	(32,421)	-	(32,421)
As at December 31, 2023	$484,294	$11,346	$825	$496,465

(in thousands of dollars)

Year ended December 31, 2024	**Trust Units (Note 14)**	**Retained Earnings**	**Contributed Surplus**	**Total**
As at January 1, 2024 (restated – Note 3)	**$484,294**	**$11,346**	**$825**	**$496,465**
Issuance of units	**205,567**	**-**	**-**	**205,567**
Issuance of units under DRIP	**27,618**	**-**	**-**	**27,618**
Redemption of units	**(70,249)**	**-**	**-**	**(70,249)**
Issuance costs	**(9,095)**	**-**	**-**	**(9,095)**
Net income and comprehensive income	**-**	**10,965**	**-**	**10,965**
Distributions to General Partner	**-**	**(9,429)**	**-**	**(9,429)**
Distributions	**-**	**(41,736)**	**-**	**(41,736)**
As at December 31, 2024	**$ 638,135**	**$(28,854)**	**$825**	**$610,106**

See accompanying notes to the consolidated financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of Cash Flows

(in thousands of dollars)	Note	Year ended December 31, **2024**	2023
OPERATING ACTIVITIES			
Net income and comprehensive income		**$10,965**	$9,286
Add (deduct) items not affecting cash			
Increase in fair value of investment properties		**(3,479)**	(7,024)
Amortization of assumed mortgage		**573**	-
Amortization of deferred financing fees		**(29)**	1,357
Change in non-cash operating items	[17]	**5,644**	(614)
Cash provided by operating activities		**$ 13,674**	$3,005
FINANCING ACTIVITIES			
Proceeds from issue of units		**188,255**	133,904
Redemption of units		**(70,249)**	(54,629)
Distribution to unitholders		**(13,302)**	(10,532)
Payment of issuance costs		**(9,105)**	(7,430)
Proceeds of line of credit		**4,595**	1,385
Payment of deferred financing fees		**(15,868)**	(1,357)
Interest reserve holdback		**41**	28
Repayment of mortgages payable		**(7,423)**	(6,166)
Proceeds from mortgage payable		**219,546**	16,773
Proceed from construction loan		**33,496**	21,558
Cash provided by financing activities		**$329,986**	$93,534
INVESTING ACTIVITIES			
Building improvements		**(19,817)**	(17,221)
Advance of loan receivable		**(659)**	(589)
Land deposits		**-**	300
Acquisition of investment properties		**(286,681)**	(34,091)
Investment in land under development		**(35,048)**	(37,170)
Cash used in investing activities		**$(342,205)**	$(88,771))
Net increase in cash		**1,455**	7,768
Cash, beginning of year		**18,105**	10,337
Cash, end of year		**$19,560**	$18,105
Supplemental non-cash items			
Issuance and reinvestment of units under distribution reinvestment plan		**27,618**	21,249
Distributions to the general partner		**9,429**	10,737

See accompanying notes to the consolidated financial statements

1. Nature of operations

Equiton Residential Income Fund Trust (the “Trust”) is an open-ended real estate investment trust (“REIT”) established on March 1, 2016 under the laws of the Province of Ontario. The Trust qualified as a “mutual fund trust” (pursuant to subsection 132(6) of the Income Tax Act) and it was formed primarily to acquire income-producing properties located in Canada. The Board of Trustees (“Trustees”) intends to distribute or designate all taxable income directly earned by the Trust to unitholders of the Trust and to deduct such distributions and designations for income tax purposes. Accordingly, the Trust has not recorded a provision for income taxes.

2. General information and statement of compliance with IFRS

The consolidated financial statements of the Trust have been prepared in accordance with IFRS Accounting Standards. The consolidated financial statements have been prepared on a historical cost basis except for investment properties and certain categories of financial instruments, if any, that have been measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency. The address of the Trust's registered office is 1111 International Boulevard, Suite 500, Burlington, Ontario, L7L 6W1. The consolidated financial statements for the year ended December 31, 2024 were approved and authorized for issue by the Trust on March 14, 2025.

3. Prior period restatement

During the year, the Trust noted that it had classified distributions to the General Partner made during the year ended December 31, 2023, 2022, 2021 and 2020 as a performance incentive fee expense included in the determination of net income and comprehensive income. The distribution should have been recorded as a direct reduction in the statement of changes in the Trust’s net assets attributable to unitholders. There is no impact on the January 1, 2023, net assets attributable to unitholders as both income and the distribution are recorded to retained earnings. As a result of the reclassification, the Trust made the following adjustments to the comparative figures for the year ended December 31, 2023.

Consolidated Statement of Income and Comprehensive Income

(in thousands of dollars)	**Previously reported**	**Adjustment**	**Amended**
Performance Incentive fee	10,737	(10,737)	-
Net (loss) income and comprehensive (loss) income	(1,451)	10,737	9,286

3. Prior period restatement (continued)

Consolidated Statement of Changes in Net Assets Attributable to Unitholders

(in thousands of dollars)	Previously reported	Adjustment	Amended
Distributions to General Partner	-	(10,737)	(10,737)
Net income and comprehensive income	(1,451)	10,737	9,286

Consolidated Statements of Cash Flows

(in thousands of dollars)	Previously reported	Adjustment	Amended
Net income (loss) and comprehensive income (loss)	(1,451)	10,737	9,286
Change in non-cash operating items	10,123	(10,737)	(614)

4. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Principles of consolidation

These consolidated financial statements include the accounts of the Trust and its controlled entity: Equiton Residential Income Fund Limited Partnership (the “Limited Partnership”). The results of the Limited Partnership will continue to be included in the consolidated financial statements of the Trust until the date that the Trust’s control over the Limited Partnership ceases. Control exists when the Trust has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint arrangements

A joint arrangement is a contractual arrangement pursuant to which the Trust or a controlled entity 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. Joint arrangements are of two types - joint ventures and joint operations. A joint operation is a joint arrangement in which the Trust has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Trust has rights to only the net assets of the arrangement.

The Trust is party to a single joint arrangement, which is a joint operation, through a 75% co-ownership interest called Riverain Co-ownership (“Riverain”). Riverain includes an investment property under development located at 29 Selkirk Street and 2 Montreal Road in the City of Ottawa, Ontario (Note 8). Joint operations are accounted for by recognizing the Trust’s proportionate share of the assets, liabilities, revenue, expenses and cash flows of the joint operation.

4. Summary of material accounting policies (continued)

Investment properties

The Trust accounts for its investment properties using the fair value model in accordance with IAS 40 - Investment properties ("IAS 40"). Properties that are held for long-term rental yields or for capital appreciation or both are classified as investment properties. Investment properties also include properties that are being constructed or will be developed for future use as investment properties.

Investment properties are recorded initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services, and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Additions to investment properties are expenditures incurred for the expansion or redevelopment of the existing property, or to maintain or improve its productive capacity. Productive capacity maintenance costs are major maintenance costs and tenant improvements. Subsequent to initial recognition, investment properties are recorded at fair value. The changes in fair value in each reporting period are recorded in the consolidated statement of income and comprehensive income. Fair value is based upon valuations performed by an appraiser accredited through the Appraisal Institute of Canada, using valuation techniques including the direct capitalization income and discounted cash flow methods.

Recent real estate transactions with similar characteristics and locations to the Trust's assets are also considered. The direct capitalization income method applies a capitalization rate to the property's stabilized net operating income which incorporates allowances for the vacancy, management fees, and structural reserves for capital expenditures for the property. The resulting capitalized value is further adjusted, where appropriate, for extraordinary costs to stabilize the income and non-recoverable capital expenditures.

Investment property under development

The investment property undergoing development takes a substantial period of time to prepare for its intended use as an investment property. The investment property under development is initially recorded at the purchase price plus transaction costs.

Subsequent to acquisition, the cost of development properties includes all direct expenditures incurred in connection with their development and construction. These expenditures consist of all direct costs, realty taxes and borrowing costs. The development period commences when expenditures are being incurred and activities necessary to prepare the asset for its intended use are in progress. Capitalization ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

Properties under development are measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

4. Summary of material accounting policies (continued)

Tenant deposits

Tenant deposits are recognized initially at the fair value of the cash received and subsequently measured at amortized cost. The Trust obtains deposits from tenants as a guarantee for returning the leased premises at the end of the lease term in a specified good condition or for specified lease payments according to the terms of the lease.

Revenue recognition

The Trust has retained substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases.

Revenue from investment properties include rents from tenants under leases, parking income, laundry income and other miscellaneous income paid by the tenants under the terms of their existing leases. Rental revenue under a lease commences when a tenant has a right to use the leased asset and revenue is recognized pursuant to the terms of the lease agreement. Revenue is recognized systematically over the term of the lease, which is generally not more than twelve months. Other rental revenues such as parking revenues and laundry revenue is considered non-lease components and are within the scope of IFRS 15 - Revenue from Contracts with Customers. The performance obligation for property management and ancillary services is satisfied over time.

Financial instruments and fair values

(i) Financial assets

In accordance with IFRS 9, 'Financial Instruments', financial assets are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial assets are categorized and measured based on how the Trust manages its financial instruments and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets:

i) Measured at amortized cost,
ii) Fair value through other comprehensive income, and
iii) Fair value through profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions.

i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. Summary of material accounting policies (continued)

The Trust's financial assets include cash, restricted cash, tenants and other receivables and loan receivable. All financial assets are recognized initially at fair value and subsequently at amortized cost using the effective interest method with the exception of the loan receivable with is subsequently measured at fair value through profit or loss.

Impairment – Expected Credit Loss Model:

For the impairment of financial assets, the Trust uses a forward-looking 'expected credit loss' ('ECL') model. The measurement options for the ECL are lifetime expected credit losses and 12-month expected credit losses.

The Trust adopted the practical expedient to determine ECL on receivables using a provision matrix based on historical credit loss experiences adjusted for forward-looking factors specific to the debtors and to the economic environment to estimate lifetime ECL.

(ii) Financial liabilities

In accordance with IFRS 9, 'Financial Instruments', financial liabilities are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial liabilities are measured based on two categories:

i) Amortized cost, and
ii) Fair value through profit or loss.

Under IFRS 9, all financial liabilities are classified and subsequently measured at amortized cost except in certain cases. The Trust has no financial liabilities that meet the definitions of these specific cases. Financial liabilities consist of mortgages payable, construction loan payable, due to related parties, unit subscriptions held in trust, accounts payable and accrued liabilities, bank loan payable and distributions payable.

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires.

(iii) Transaction costs

Direct and indirect financing costs that are attributable to the issue of other financial liabilities measured at amortized cost are presented as a reduction from the carrying amount of the related debt and are amortized using the effective interest rate method over the term of the related debt. These costs include interest, amortization of discounts or premiums relating to borrowings, fees and commissions paid to lenders, agents, brokers and advisers, and transfer taxes and duties that are incurred in connection with the arrangement of borrowings.

(in thousands of dollars)

4. Summary of material accounting policies (continued)

(iv) Fair value

Fair value measurements recognized in the statement of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. Each type of fair value is categorized based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The fair value hierarchy for measurement of assets and liabilities is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

Fair value of financial assets and liabilities

The fair values of cash, restricted cash, tenant deposits and other receivables, amounts due to related parties, accounts payable, construction loan payable, bank loan payable and distributions payable approximate their carrying value due to the short-term maturity of those instruments.

The fair value of the mortgages payable and loan receivable have been determined by discounting the cash flows of these financial instruments using December 31, 2024 and December 31, 2023 market rates for debts of similar terms.

	December 31, 2024		
	Fair Value Hierarchy	**Carrying Value**	**Fair Value**
Assets:			
Investment properties	**Level 3**	$ 1,153,289	$ 1,153,289
Loan receivable	**Level 2**	$ 2,796	$ 2,796
Liabilities:			
Mortgages payable	**Level 2**	$ 591,993	$ 527,699

	December 31, 2023		
	Fair Value Hierarchy	Carrying Value	Fair Value
Assets:			
Investment properties	Level 2	$ 849,831	$ 849,831
Loan receivable	Level 2	$ 2,137	$ 2,137
Liabilities:			
Mortgages payable	Level 2	$ 385,775	$ 337,567

4. Summary of material accounting policies (continued)

Critical accounting estimates, assumptions, and judgments

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Trust has made the following critical accounting estimates, assumptions, and judgments:

Investment properties

In determining estimates of fair values for its investment properties, the assumptions underlying estimated values are limited by the availability of comparable data and the uncertainty of predictions concerning future events. Should the following underlying assumptions change, actual results could differ from the estimated amounts:

i. Property tenancies;
ii. Market rents;
iii. Market terminal capitalization rates;
iv. Discount rates;
v. Direct capitalization rates;
vi. Economic environment and market conditions; and
vii. Market activity.

The critical estimates and assumptions underlying the valuation of the investment properties are outlined in Note 5.

Joint operations

When determining the appropriate basis of accounting for the Trust's investment in co-ownership, the Trust makes judgments about the degree of control that the Trust exerts directly or through an arrangement over the co-ownership's relevant activities.

The Trust has determined that its interest in the co-ownership is a joint operation (Note 8).

Net assets attributable to unitholders

Trust units are redeemable at the holder's option and therefore are considered a puttable instrument in accordance with International Accounting Standard 32 - Financial Instruments: Presentation ("IAS 32"), subject to certain limitations and restrictions. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as equity. The Trust units do not meet the necessary conditions and have therefore been presented as net assets attributable to unitholders under IAS 32. The Trust has elected to present distributions to unitholders and to the General Partner in the consolidated statement of changes in net assets attributable to unitholders, rather than in the consolidated statement of income and comprehensive income.

(in thousands of dollars)

4. Summary of material accounting policies (continued)

Future accounting policy changes

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 that will replace IAS 1, "Presentation of Financial Statements". The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 introduces the following:

- Defined subtotals and categories in the statement of profits or loss.
- Requirements to improve aggregation and disaggregation.
- Disclosures about management-defined performance measures in the notes to the financial statements.
- Targeted improvements to the statement of cash flow by amending IAS 7, "Statement of Cash Flows".

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The standard is applied retrospectively, with specific transition provisions, and early adoption is permitted. The Company is assessing the impact this standard will have on its financial statements.

5. Investment properties

Reconciliation of the carrying amount for investment properties for the beginning and end of the financial year are as follows:

Balance, January 1, 2023	**$ 791,495**
Purchase of investment property	34,091
Building improvements to investment properties	17,221
Increase in fair value of investment properties	7,024
Balance, December 31, 2023	**$ 849,831**
Purchase of investment property	$ 280,162
Building improvements to investment properties	19,817
Increase in fair value of investment properties	3,479
Balance, December 31, 2024	**$ 1,153,289**

On October 19, 2023, the Partnership acquired an investment property located at 470 Scenic 19817Drive, London, Ontario for a cost of $22,351.

On December 19, 2023, the Partnership acquired an investment property located at 23 Lynnwood Drive, Brantford, Ontario for a cost of $11,740.

On June 21, 2024, the Partnership acquired an investment property located at 200-230 Denistoun St. Welland, Ontario for a cost of $75,267.

(in thousands of dollars)

5. Investment properties (continued)

On September 18, 2024, the Partnership acquired an investment property located at 4190 Bathurst St., 120 & 130 Raglan Ave. and 1862 Bathurst St. in North York, Ontario at a cost of $137,645.

On December 18, 2024, the Partnership acquired an investment property located at 17627 63 St. NW, Edmonton, Alberta for a cost of $73,769 and assumed a mortgage with a fair value adjustment of $6,519.

On December 31, 2024, all investment properties that the Partnership owned as of the beginning of the year were valued at least twice by independent professionally qualified appraisers who hold a recognized relevant professional qualification and have recent experience in the locations of the income-producing properties valued. For properties acquired in the last 6 months, the purchase price was the assumed fair value at December 31, 2024.

The estimated fair values per these appraisals by region are as follows:

Region	2024	2023
Alberta	**$152,230**	$ 58,600
Greater Toronto and Hamilton Area	**501,360**	384,490
Southeastern Ontario	**37,550**	36,650
Southwestern Ontario	**106,320**	101,160
Western Ontario	**355,829**	268,931
	$1,153,289	$849,831

The Trust determined the fair value of each investment property based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable statement of financial position dates, less future cash outflow pertaining to the respective leases. The properties are appraised using several approaches that typically include a direct capitalization income method and a direct comparison approach.

The significant assumption made relating to valuations of investment properties using direct capitalization income method is the capitalization rate.

Values are most sensitive to changes in capitalization rates, and the variability of cash flows. If the capitalization rate were to increase by 25 basis points ("bps"), the value of investment properties would decrease by $61,205 (2023 – decrease by $48,685). If the capitalization rate were to decrease by 25 bps, the value of investment properties would increase by $68,565 (2023 – increase by $55,092). The capitalization rates used are as follows:

Region	2024	2023
Alberta	5.08%	5.50%
Greater Toronto and Hamilton Area	4.15%	3.69%
Southeastern Ontario	5.04%	4.61%
Southwestern Ontario	4.80%	4.52%
Western Ontario	4.54%	4.43%

6. Investment property under development

	2024	2023
Opening balance, January 1	**$ 80,883**	$ 43,712
Property under development expenditures	**35,048**	37,171
Balance, December 31	**$ 115,931**	$ 80,883

This property under development represents the Trust's 75% interest in Riverain (Note 8).

7. Restricted cash

As at December 31, 2024, the restricted cash is $1,001 (2023 - $2,212). Restricted cash of $1,001 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.

8. Joint arrangement

The Trust's indirect interests in Riverain is subject to joint control and accounted for as a joint operation. The Limited Partnership entered into a co-ownership agreement with Selkirk & Main Holdings Inc. and is developing a multi residential property in Ottawa, Ontario. The co-ownership was formed on January 18, 2022 and is governed by co-owner's agreement effective as of that date. The co-ownership agreement stipulates that a co-owners committee be formed consisting of two members, of whom one member shall be appointed by each of the co-owners. All major decisions, as defined in the agreements, require the unanimous vote of the members of the co-owners committee. The Limited Partner's ownership interest is 75%.

The financial information in respect of the Partnership's indirect 75% proportionate share of the joint operation is as follows:

(in thousands of dollars)	**December 31, 2024**	December 31, 2023
Assets		
Cash	**$ 975**	$ 662
Accounts receivable	**266**	321
Prepaid expense	**7**	-
Investment property under development	**115,931**	80,883
Total assets	**$ 117,179**	$ 81,866
Liabilities		
Accounts payable and accrued liabilities	**$ 10,272**	$ 5,757
Loans payable	**16,875**	16,875
Construction loan payable	**47,564**	14,068
Total liabilities	**74,711**	36,700
Co-owners' equity	**42,468**	45,166
Total liabilities and co-owners' equity	**$ 117,179**	$ 81,866

(in thousands of dollars)

9. Loan receivable

On January 18, 2022, the Limited Partnership entered into an equity loan agreement with Selkirk & Main Holdings Inc. The Limited Partnership has agreed to provide loans to Selkirk & Main Holdings Inc. from time to time as equity funds are required for the joint operation of Riverain (Note 8) in principal amount equal to 12.5% of the required equity funds of the joint operation.

The equity loan bears in interest at a rate equal to 7.75% per annum. The equity loan is repayable upon the earlier of the following:

- the day upon which the first advance of any long-term financing for such phase is made following the construction thereof; and
- the day upon which the Selkirk & Main Holdings Inc. ceases to be a co-owner of the property or such phase.

The loan is secured as follows:

- a joint and several corporate guarantee and postponement from Selkirk & Main Holdings Inc. and Main and Main Asset Management Inc. for the full amount of the equity loan.
- a pledge in favour of the Limited Partnership of all of the issued and outstanding shares of the nominees;
- the co-owners charge made by Selkirk & Main Holdings Inc. in favour of the Limited Partnership (including the registered co-owners charge in favour of Equiton granted by the Nominees) which shall, in addition to the matters set out in Section 7.3(1) of the co-owners agreement, secure payment of the equity Loan.

The equity loan was assessed at December 31, 2024 to determine whether there is objective evidence of impairment. A loan investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of an asset, and that the loss event had a negative effect on these estimated future cash flows of that asset that can be estimated reliably. For the year ended December 31, 2024, there was no provisions for loan investment losses. The fair value of the loan receivable is estimated to approximate its carrying value (Note 4).

10. Mortgages payable

	2024	2023
Mortgage payable	**$ 591,993**	$ 385,775
Deferred financing charges	**(25,391)**	(9,495)
	566,602	376,280
Less: current portion	**(14,054)**	(19,988)
	$ 552,548	$ 356,292

The mortgages are payable to various financial institutions and bear fixed interest rates ranging from 2% to 4.6% (2023 – 2% to 6.75%) and mature at various dates ranging from 2025 to 2035 (2023 – 2024 to 2033)

(in thousands of dollars)

10. Mortgages payable (continued)

The balances repayable as noted above are exclusive of the fair value adjustments recorded upon initial recognition of the mortgages that have been assumed. As of December 31, 2024 these fair value adjustments totalled $10,343 (2023 - $4,394).

The mortgages payable are secured by the investment properties disclosed in Note 5 and are repayable as follows:

2025	$	14,054
2026		29,002
2027		9,336
2028		17,019
2029		32,300
Thereafter		500,625
	$	602,336

(i) There are financial and non-financial covenants pertaining to the Bank of Montreal facilities and they were all met as at December 31, 2024 and 2023.

(ii) The People's Trust first mortgage on loan was assumed on the purchase of 780 Division Street, Kingston, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a discount of $205 at the assumption date.

(iii) The First National first mortgage on loan was assumed on the purchase of the 125 Wellington Street North, Hamilton, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of $134 at the assumption date.

(iv) The Peakhill Capital first mortgage on loan was assumed on the purchase of the 208 Woolwich Street South, Breslau, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of $660 at the assumption date.

(v) The First National first mortgage on loan was assumed on the purchase of the 98 Farley, Guelph, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of $275 at the assumption date.

(vi) The Canada ICI first mortgage on loan was assumed on the purchase of the 200 Edgar Lane, Sherwood Park, Alberta property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of $3,516 at the assumption date.

(vii) The People's Trust first mortgage on loan was assumed on the purchase of 23 Lynnwood Drive, Brantford, Ontario property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of $554 at the assumption date.

(viii) The Canada ICI mortgage was assumed on the purchase of 17627 63 St. NW, Edmonton, Alberta property. The difference between the fair value and carrying value of the mortgage was determined to be at a premium of $6,494 at the assumption date.

11. Construction loan payable

Land Loan Facility

On October 16, 2023, Riverain entered into a new $22,500 Land Loan facility agreement with Desjardins to refinance the phase two and phase three land located in Ottawa. The original Land Loan facility outstanding of $24,000 was replaced and the loan differential of $1,500,000 was repaid upon issuance of the first construction loan draw. The interest rate is fixed at 7.69% for 12 months equal to the lender's cost of funds plus 150 basis points (1.5%) with interest-only paid monthly.

The Land Loan converted to a variable interest rate on November 1, 2024, at the prime rate plus 75 basis points (0.75%). The land loan matures on November 1, 2025. As of December 31, 2024, the outstanding balance is $22,500 (December 31, 2023, $22,500), of which the Limited Partnership has recorded its 75%. The other co-owner and the Limited Partnership have provided a corporate guarantee and postponement of claim for the full loan amount of $22,500 plus interest and costs for the full duration of the existing land loan facility on phase two and phase three units and any renewals thereof.

Construction Loan Facility

On October 16, 2023, Riverain entered into a $88,254 Construction Loan Facility ("CLF") agreement with Desjardins to finance the construction of phase one. The CLF is a variable rate loan based on the prime interest rate increased by fifty basis points (0.50%). Accrued interest is due on the first day of the month. The CLF matures on November 1, 2026. In conjunction with the CLF, Selkirk & Main Developments Inc. (the Nominee) entered into a $1,500 revolving operating line of credit to bridge approved project costs between advances at the same variable interest rate as the CLF.

On March 7, 2024, the phase one commitment letter was amended to increase the maximum authorized amount on the CLF to $98,254 with no additional equity contribution required. Draws on the CLF are completed once per month with the issuance of the construction report by the project monitor AMS Quantity Surveyors. As at December 31, 2024 the outstanding balance is $63,420 (2023 - $18,757) of which the Limited Partnership has recorded its 75%. Borrowings under each of these agreements are secured by a first collateral mortgage charge on the lands and improvements and a general security agreement.

On January 22, 2025, the phase one commitment letter was amended for a second time to increase the maximum authorized amount on the CLF to $106,954 with no additional equity contribution required. The maximum authorized amount for both the CLF and the line of credit facilities together is now $106,954. The increase in authorized amounts will be drawn to fund phase three pre-construction costs as they come due.

A financial covenant is in place for the CLF where the Trust is to maintain at all times an adjusted tangible net worth/partner's equity of not less than $200 million, to be verified using the audited fiscal year-end financial statements. The Trust is to always maintain a loan-to-value ratio of no more than 75% and a minimum debt service coverage ratio across its portfolio of not less than 1.10 times. A debt service coverage test to include an additional borrowing capacity of $25 million over 25 years at an interest rate of 5% should also be completed. The covenant is to be completed 60 days after each quarter end, confirmed by an officer's certificate from a director of the Trust on March 1, June 1, September 1, and December 1.

11. Construction loan payable (continued)

On January 22, 2025, as part of the second amendment to the CLF, the covenant was updated where the Trust is to maintain at all times an adjusted tangible net worth/partner's equity of not less than $400 million, a loan-to-value ratio of no more than 75%, and a minimum debt service coverage ratio across its portfolio of not less than 1.15 times. As at December 31, 2024, all covenants were met.

The other co-owner and the Limited Partnership have provided a corporate guarantee and postponement of claim or the full loan amount plus interest and costs for the full duration of the existing construction loan facility on phase one construction and any renewals thereof.

Borrowings under each of these agreements are secured by a first collateral mortgage charge on the lands and improvements and a general security agreement.

Letter of credit

On January 17, 2020, Riverain also entered into a $500 Letters of Credit Facility ("LCF") agreement with Desjardins, which can only be used to finance the municipal bodies and public utilities for development purposes. Letter of credits will be for a term of one year and will be subject to an annual fee of 1% upon issuance. The LCF had been extended for an additional 12-month term to February 1, 2023. On January 19, 2023, the LCF agreement was increased to $2,000 in conjunction with the refinancing of the Land Loan. On October 16, 2023, the LCF was increased to $3,000 in conjunction with the Construction Loan Facility for a period of one year under the same terms and conditions. The LCF is renewable prior to maturity provided there is no material default beyond any applicable notice period. As at December 31, 2024 the outstanding balance is $nil (2023 - $nil).

12. Bank loan payable

On January 25, 2022, the Limited Partnership entered into a $20,000 credit facility with TD Commercial Banking. The facility is due on October 29, 2025. On August 24, 2023, the credit limit was increased to $30,000. The facility bears interest at prime rate plus 1.00%.

There are financial and non-financial covenants pertaining to the facility. As at December 31, 2024, all covenants were met.

As at December 31, 2024, the Limited Partnership had drawn down $18,030 (2023 - $13,435) of the facility.

(in thousands of dollars)

13. Related party transactions and balances

(a) Agreement with Equiton Capital Inc.

The Trust has entered into an Agency Agreement with Equiton Capital Inc. (the "Agent"), a related party through (a) sharing key management personnel with the Trust and (b) one of the Trustees of the Trust indirectly controls Equiton Capital Inc. The Trust has retained the Agent to act as a selling agent of the Trust units.

Pursuant to the Agency Agreement, the Trust incurred agency fees with the Agent related to the issuance of trust units in the amount of $8,714 (December 31, 2023 - $6,942), which are included in issuance costs in the statements of changes in net assets attributable to unitholders.

(b) Due to related parties

	2024	2023
Due to Equiton Residential Income GP Inc.	$ 2,814	$ 10,713
Due to Equiton Capital Inc.	142	221
Due to Equiton Partners' Inc.	-	2,050
	$ 2,956	$ 12,984

Equiton Residential Income GP Inc. is the general partner of Equiton Residential Income Limited Partnership and has the same common management as the Trust. Equiton Partners' Inc. is the asset manager (Note 15).

Amounts due to related parties are unsecured, non-interest bearing, and due on demand.

14. Net assets attributable to unitholders

Unitholder transactions excluding allocations of net income distributions and contributed surplus:

(i) Class A Trust Units

The Trust is authorized to issue an unlimited number of Class A Trust units.

(ii) Class B Trust Units

The Trust is authorized to issue an unlimited number of Class B Trust units.

(iii) Class C Trust Units

The Trust is authorized to issue an unlimited number of Class C Trust units.

(iv) Class F Trust Units

The Trust is authorized to issue an unlimited number of Class F Trust units.

(v) Class I Trust Units

The Trust is authorized to issue an unlimited number of Class I Trust units.

(in thousands of dollars)

14. Net assets attributable to unitholders (continued)

(a) Units outstanding

Class A Trust Units	Number		Amount
Balance, January 1, 2023	**13,928**	**$**	**140,609**
Issuance of units	4,143		49,841
Issuance of units through distribution reinvestment plan	663		7,818
Redemption of units	(739)		(8,841)
Transfer of units from Class A to Class IS1	(133)		(1,626)
Issuance of costs	-		(2,576)
Balance, December 31, 2023	**17,862**	**$**	**185,225**
Issuance of units	4,401		54,503
Issuance of units through distribution reinvestment plan	832		10,093
Redemption of units	(1,319)		(16,327)
Transfer of units from Class A to Class IS1	(75)		(925)
Issuance of costs	-		(2,414)
Balance, December 31, 2024	**21,701**	**$**	**230,155**

Class B Trust Units	Number		Amount
Balance, January 1, 2023	**188**	**$**	**2,102**
Issuance of units	573		6,892
Issuance of units through distribution reinvestment plan	21		252
Redemption of units	(17)		(204)
Issuance of costs	-		(356)
Balance, December 31, 2023	**765**	**$**	**8,686**
Issuance of units	167		2,068
Issuance of units through distribution reinvestment plan	44		529
Redemption of units	(34)		(427)
Switches	7		83
Issuance of costs	-		(92)
Balance, December 31, 2024	**949**	**$**	**10,847**

Class C Trust Units			
Balance, January 1, 2023	**467**	**$**	**5,212**
Issuance of units	872		10,411
Issuance of units through distribution reinvestment plan	35		412
Redemption of units	(23)		(273)
Issuance of costs	-		(539)
Balance, December 31, 2023	**1,351**	**$**	**15,223**
Issuance of units	839		10,403
Issuance of units through distribution reinvestment plan	79		964
Redemption of units	(55)		(686)
Switches	2		19
Issuance of costs	-		(461)
Balance, December 31, 2024	**2,216**	**$**	**25,462**

(in thousands of dollars)

14. Net assets attributable to unitholders (continued)

Class F Trust Units			
Balance, January 1, 2023	**11,431**	**$**	**117,622**
Issuance of units	4,906		59,187
Issuance of units through distribution reinvestment plan	580		6,845
Redemption of units	(618)		(7,461)
Transfer of units from Class F to Class IS1	(1,528)		(18,348)
Issuance of costs	-		(3,060)
Balance, December 31, 2023	**14,771**	**$**	**154,785**
Issuance of units	7,074		87,731
Issuance of units through distribution reinvestment plan	753		9,134
Redemption of units	(1,465)		(18,140)
Transfer of units from Class F to Class IS1	(811)		(10,042)
Issuance of costs	-		(3,886)
Balance, December 31, 2024	**20,322**	**$**	**219,582**
Class I Trust Units			
Balance, January 1, 2023	**11,088**	**$**	**115,855**
Issuance of units	1,439		17,373
Issuance of units through distribution reinvestment plan	503		5,922
Redemption of units	(3,177)		(37,850)
Transfer of units from Class A to Class IS1	133		1,626
Transfer of units from Class F to Class IS1	1,528		18,348
Issuance of costs	-		(898)
Balance, December 31, 2023	**11,514**	**$**	**120,376**
Issuance of units	4,100		50,771
Issuance of units through distribution reinvestment plan	568		6,898
Redemption of units	(2,801)		(34,670)
Transfer of units from Class A/F to Class IS1	886		10,967
Issuance of costs	-		(2,253)
Balance, December 31, 2024	**14,267**	**$**	**152,089**
Total A, B, C, F and I Units, December 31, 2024	**59,455**	**$**	**638,135**

b) Distributions and distribution reinvestment

On December 19, 2016, the Trust instituted a DRIP whereby Canadian unitholders may elect to have their distributions automatically reinvested in additional units, retroactive to the commencement of the Trust. During the year, the Trust made distributions of $41,736 (2023 - $32,421). Of this amount, $27,618 (2023 - $21,249) were reinvested through the DRIP.

The General Partner shall be entitled to a 20% interest in cash distributions of the Partnership, and a 20% interest in any increase in the equity value of the investment properties, calculated and payable at the time such increase in equity value is realized or the issuance of additional limited partner units by the Partnership. The General Partner has indicated that it will either defer payment of such distributions until such time as sufficient cash is available or to elect to receive such distributions in the form of limited partnership units of the Partnership. During the year, the Trust made distributions of $9,429 (2023 - $10,737) to Equiton Residential Income GP Inc.

15. Asset management agreement

The property management fees were performed by a related party, Equiton Partners Inc. As compensation for providing the Property Management Services, a fee is paid equal to 4.0% of the gross income from the properties for the initial term and for each renewal. In addition, Equiton Partners Inc. is paid a fee equal to 5.0% of the total cost to (i) construct tenant improvements and/or coordinate the construction, modification, improvement, re-construction, or effecting of material repairs to any tenant premises at any of the Properties, or (ii) construct, modify, improve, re-construct or effect a material repair to any portion of the Property or Properties. During the year the property management fee included in the property operating expenses is $2,307 (2023 – $1,873).

Equiton Partners Inc. is also entitled to the following fees pursuant to the Asset Management Agreement:

(i) Transaction fee

The transaction fee is charged at 1.00% of the purchase price with respect to each property acquired or sold by the Partnership. During the year the transaction fee recorded in investment properties on the statement of financial position is $3,117 (2023 – $370).

(ii) Asset management fee

The asset management fee is charged at 1.00% annually with respect to the gross asset value of the assets in the Partnership. The asset management fee is calculated and charged monthly. During the year the asset management fee recorded in the statement of income and comprehensive income is $11,329 (2023 – $9,655).

(iii) Financing fee

The financing fee is charged at 1.00% of the loan amount with respect to each senior or first ranking financing transaction, at 0.50% of the loan amount with respect to each refinancing transaction and at 1.50% of the loan amount with respect to each mezzanine or non-first ranking financing transaction. During the year financing fees recorded as deferred financing fees in the mortgages payable on the statement of financial position is $2,787 (2023 – $344).

Transactions with related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Management of capital

The Trust defines capital that it manages as the aggregate of net assets attributable to unitholders and interest-bearing debt less cash. The Trust's objective when managing capital is to ensure that the Trust will continue as a going concern so that it can sustain daily operations. The Trust's primary objective is to ensure that it has sufficient cash resources to indirectly invest in real estate assets in order to provide adequate returns in the form of distributions to its unitholders. To secure the additional capital necessary to pursue these plans, the Trust may attempt to raise additional funds through the issuance of additional trust units.

(in thousands of dollars)

16. Management of capital (continued)

The Trust is subject to risks associated with debt financing, including the possibility that existing mortgages may not be refinanced or may not be refinanced on favourable terms or with interest rates less favourable than those of the existing debt. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The total managed capital for the Trust is summarized below:

	2024	2023
Mortgages payable	$ **591,993**	$ 385,775
Construction loan payable	**64,439**	30,943
Bank loan payable	**18,030**	13,435
Cash	**(18,559)**	(15,893)
Net debt	**655,903**	414,260
Net assets attributable to unitholders	**610,096**	496,465
	$ **1,265,999**	$ 910,725

17. Changes in non-cash operating items

	2024	2023
Payables and accruals	$ **(1,088)**	$ 1,390
Tenant deposits	**1,231**	237
Tenant and other receivables	**(423)**	(9)
Prepaid expenses	**(159)**	(342)
Unit subscriptions held in trust	**(1,211)**	(2,240)
Due to/from related parties	**7,294**	350
	$ **5,644**	$ (614)

18. Commitment

The Limited Partnership has committed to costs for future building improvements in the amount of $nil (2023 - $52,931). As at December 31, 2024, the Limited Partnership has entered into contract with consultants as part of its joint arrangement in Riverain with its co-owner totalling $4,223 of which $1,594 is the balance to complete.

19. Financial instruments and risk management

Risks associated with financial assets and liabilities

Financial risks arise from financial instruments to which the Trust is exposed during or at the end of the reporting period. Financial risk comprises market risk, credit risk and liquidity risk. Management identifies, evaluates and monitors these risks throughout the year.

19. Financial instruments and risk management (continued)

Risks associated with financial assets and liabilities (continued)

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices due to currency risk, price risk, and interest rate risk. Due to the nature of the Trust's financial instruments, it has no exposure to currency or price risk.

Interest rate risk

The Trust is subject to risk associated with debt financings including the risk that credit facilities will not be refinanced on terms as favorable as those of existing indebtedness.

The Trust's objective in managing interest rate risk is to minimize the volatility of the Trust's income. As of December 31, 2024, the Trust is subject to a fair value risk through the mortgages which are primarily financed at fixed interest rates with the exception of one variable rate mortgage which subjects the Trust to a cash flow risk. The fair market value of the mortgages payable is disclosed above. The construction loan payable and loan payable also subject the Trust to a cash flow risk due to the variable interest rates.

Receivables and payables are non-interest bearing and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities. Tenant deposits are non-interest bearing, so it is assumed that there is no interest rate risk associated with these financial liabilities.

(ii) Credit risk

Credit risk is the risk that the counterparty to a financial asset will default resulting in the Trust incurring a financial loss. A substantial portion of the Trust's amounts receivable is with various tenants and individuals and is subject to normal industry credit risks.

The Trust's principal assets are residential buildings. Credit risk arises from the possibility that tenants may not fulfil their lease obligations. The Trust mitigates this credit risk by performing credit checks and due diligence on prospective tenants and on existing tenants when appropriate, and by negotiating leases for spaces of varying sizes.

The carrying amount of receivables is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income and comprehensive income within other expenses. When a receivable balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of income and comprehensive income. The total provision taken on the receivables as at December 31, 2024 is $1,688 (2023 - $1,212).

The Trust's maximum credit risk exposure at December 31, 2024 and December 31, 2023 is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(in thousands of dollars)

19. Financial instruments and risk management (continued)

Risks associated with financial assets and liabilities (continued)

(iii) Liquidity risk

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial liability obligations. The Trust's objective in minimizing liquidity risk is to maintain appropriate levels of leverage on its real estate assets. As at December 31, 2024, the Trust was holding cash of $18,559 (2023 - $15,893) of which $1,001 (2023 - $2,212) was restricted for the future issuance of units. The mortgages payable, construction loan payable and loan payable have repayment terms outlined in Note 10, Note 11 and Note 12, respectively.

December 31, 2024	**On Demand**	**1 Year**	**2-5 Years**	**>5Years**
Mortgages payable	**$ -**	**$ 14,054**	**$ 87,657**	**$ 500,625**
Construction loan payable		**16,875**	**47,564**	
Bank loan payable	**18,030**	**-**	**-**	**-**
Due to related parties	**2,966**	**-**	**-**	**-**
Unit subscriptions held in trust	**1,001**	**-**	**-**	**-**
Distributions payable	**-**	**3,907**	**-**	**-**
Payables & accruals	**-**	**21,924**	**-**	**-**
	$ 21,997	**$ 56,760**	**$ 135,224**	**$ 500,625**

December 31, 2023	**On Demand**	**1 Year**	**2-5 Years**	**>5Years**
Mortgages payable	$ -	$ 19,988	$ 86,108	$ 284,072
Construction loan payable	-	30,943	-	-
Bank loan payable	-	13,435	-	-
Due to related parties	16,780	-	-	-
Unit subscriptions held in trust	2,212	-	-	-
Distributions payable	-	3,091	-	-
Payables & accruals	-	13,616	-	-
	$ 18,992	$ 81,073	$ 86,108	$ 284,072

(iv) Environmental risk

The Trust is subject to various Canadian laws relating to the environment. The Trust has formal policies and procedures dealing with limiting environmental exposures which are administered by Equiton Partners Inc. in their function as the asset manager. Costs related to environmental risk are mitigated by carrying environmental insurance. There is an exposure to financial risks arising from environmental factors which could cause a variation in earnings to the extent that costs may exceed such coverage.