2022
ANNUAL REPORT
EQUITON RESIDENTIAL INCOME FUND TRUST

EQUITON®

We see what others don't.

CONTENTS

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.

CEO AND FOUNDER

JASON ROQUE

"EVERY CANADIAN SHOULD BE ABLE TO GROW THEIR WEALTH WITH PRIVATE REAL ESTATE INVESTMENTS."

The Equiton Residential Income Fund Trust (the Trust) experienced another successful year under the guidance of Management. Despite the volatility and high interest rates of 2022, the Trust demonstrated resilience and agility. While the global equity markets experienced a disappointing 2022 our accretive acquisition strategy and active property management initiatives enabled the Trust to achieve a return of 15.16% (Class F-DRIP).

Management believes that by acquiring and actively managing and improving undervalued assets, Unitholders can benefit from consistent returns, growth during economic downturns, and increased Net Operating Income (NOI) and capital gains. We are pleased to announce our NOI margins for the total portfolio increased from 56.5% in 2021 to 58.5% in 2022 while our property value appreciated by $44.9 million in 2022. The Trust's unit price rose from $11.05 in December 2021, to $11.85 in December 2022, with the remainder of the return being generated from our monthly distribution payment.

We take pride in being able to "see what others don't" and 2022 was a prime example. The Trust was able to acquire buildings at prices below market value at the time of acquisition, and effectively restructured the buildings to increase the properties' revenue generating capacity.

In 2022, the Trust acquired seven properties with a total of 755 units and extended its reach beyond Ontario into Alberta. We selected Edmonton because of its steadfast government base and diversified economy. With these acquisitions, the Trust now comprises 32 properties across 17 communities in two provinces, with a total of 2,548 portfolio units. In 2023 the Trust is looking to further diversify and expand into other provinces that align with the overarching strategy.

Management is dedicated to providing quality housing and outstanding customer service, which is of paramount importance. To ensure that our Residents are receiving the highest quality service, we have implemented various proactive management strategies. These include administering regular Resident satisfaction surveys, engaging in proactive maintenance, and upgrading amenities at numerous properties.

Our Residents, Employees and Unitholders can be assured that we are committed to Environmental, Social, and Governance (ESG) reporting. In 2023, we will be submitting our first assessment to the Global Real Estate Sustainability Benchmark (GRESB), an industry-leading global assessor of the ESG performance of real estate assets and their managers. We are confident that by providing transparency and accountability in our ESG practices, we can create a more promising future for our Residents, Employees, and Unitholders. In this effort, Management has implemented numerous cost-saving initiatives, such as energy efficiency upgrades and improved maintenance programs, which have helped to reduce not only our operating expenses but also make our properties more environmentally sound. In the spirit of our commitment to be a premier place to work, live and invest, we are resolved to showcase what Equiton's success looks like throughout our first annual 2022 ESG Report that will be published in the first quarter of 2023.

We are confident our proactive management approach, combined with our acquisition strategy and dedication to ESG principles, will yield advantageous results. We are appreciative of the continued support of our Unitholders.

Jason Roque, CEO and Founder

CORPORATE PROFILE

Established in 2015, Equiton has become 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. We create value by investing in real estate and leveraging opportunities for improvement, optimization, and redevelopment. At Equiton, we make private equity real estate investments more accessible to all Canadians and believe everyone should be able to build their wealth through these solutions.

2022 KPIs

Equiton continues to deliver strong and accretive growth for its Unitholders. 2022 continued to deliver solid increases in the majority of our Key Performance Indicators.

The following financial results of operations and financial condition for the year ended December 31, 2022 dated March 10, 2023, should be read in conjunction with Equiton's audited financial statements for the year ended December 31, 2022.

As at December 31,	2022	2021
PORTFOLIO PERFORMANCE		
Overall Portfolio Occupancy [1]	97.61%	98.22%
Overall Portfolio Net Average Monthly Rents	$1,418	$1,288
Operating Revenues	$34,606,042	$22,697,214
NOI	$20,261,529	$12,822,088
NOI Margin	58.55%	56.49%
Adjusted Funds From Operations (AFFO) Payout Ratio [3]	82.55%	70.58%
FINANCIAL METRICS		
Mortgage Debt to Gross Book Value [2] [3] [7]	48.06%	49.33%
Weighted Average Mortgage Interest Rate [2] [3]	3.02%	2.81%
Weighted Average Time Remaining On Loans (years) [2] [3]	7.76	7.20
Debt Service Coverage (times) [2] [3] [4] [5]	1.45	1.42
Interest Coverage (times) [2] [3] [4] [5]	2.40	2.34
Revenue Gap to Market [3] [6]	28.82%	19.66%

(1) Leased units as of December 31, 2022 and December 31, 2021.
(2) Calculated using $22,745,842.50 term loan with an interest rate of 4.2% on 2303 Eglinton Ave E. that was entered into in January 2023. The bridge loan outstanding on the property as of December 31, 2022 was $21,915,000.00.
(3) Measures are not defined by International Financial Reporting Standards (IFRS) , does not have standard meanings and may not be comparable with other industries or companies.
(4) Based on rolling 12 months.
(5) Excludes $12.05M line of credit and construction loan on Riverain. Including these 2022 debt service coverage ratio is 1.36x and interest coverage is 2.17x.
(6) Gap to Market is as of year-ended December 31, 2022.
(7) Excludes TD line of credit and construction property - Riverain; Including these LTV ratio is 48.11%.

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 all 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.

APPROACH TO ENVIRONMENTAL SUSTAINABILITY

Management's commitment to Environmental, Social and Governance (ESG) helps attract and retain the best people in the industry while better serving Residents, Investors, and other key Stakeholders within the communities in which the Trust operates. By investing in technology, innovation, and our people, Management will continue to strengthen and enhance operations to ensure achievement of the highest possible returns for Investors.

Management's approach to ESG integration is one that is comprehensive and holistic in its approach, considering the environmental, social and governance factors that are associated with the industry. Management uses this information to create an investment strategy that is tailored to the individual Investor's needs. This approach is beneficial as it allows for a more informed and effective decision-making process, leading to greater returns.

EQUITON'S ESG STRATEGY IS DRIVEN BY FORWARD THINKING

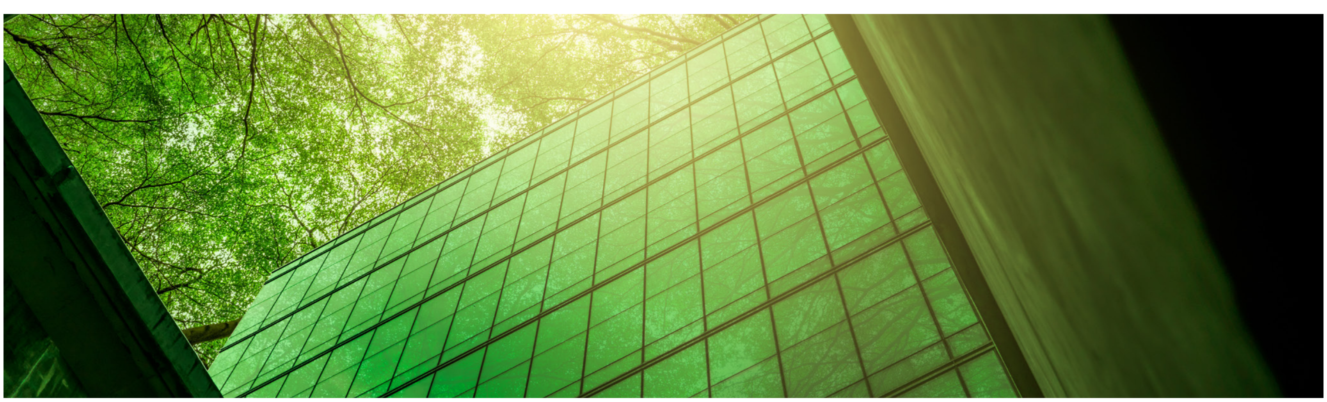
Residents, Employees and Investors can remain confident in our delivery of a clear ESG disclosure, now and in the years to come. This year, Equiton will be submitting our first assessment to Global Real Estate Sustainability Benchmark (GRESB), an industry-leading global assessor of the ESG performance of real estate assets and their managers. This will help to identify the most material issues affecting key Stakeholders. All of the Trust's investment opportunities are carefully viewed with an ESG perspective and evaluated, researched and analyzed to minimize risk and maximize returns.

TAKING A FORWARD-LOOKING APPROACH IS ALWAYS PART OF OUR STRATEGY, WE DO THIS BY:

- ✓ Responding and adapting to trends that strengthen our market position
- ✓ Capitalizing on value creation opportunities
- ✓ Increasing the value of communities by leveraging opportunities for improvement and redevelopment
- ✓ Building the most robust portfolio possible for our Investors

Management will also look to evolve our understanding and commitment to demonstrating alignment on matters such as climate-related risks and opportunities, which are increasingly relevant to our Residents, Employees, Investors, and the communities served. Management will continue to prioritize Resident comfort and satisfaction to maintain high occupancies.

Taking this vision forward and continuing to build on all that has been achieved energizes Management and our team. Management is excited about the Trust's future. Looking ahead, Management remains dedicated to advancing ESG initiatives and reporting our progress. In the spirit of our commitment to be a premier place to work, live and invest, Management is excited to showcase what Equiton's success looks like throughout our 2022 ESG Report.



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.

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 tenants 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 customers 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. The property management staff represents the organization from the first point of contact to the ongoing attention of our customers' and 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 seek 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 over the short and long term and benefit the organization.

ENHANCEMENT OF THE PORTFOLIO

Management is always looking at opportunities to maximize the portfolio. Condominium conversion, utility retrofits, 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 and, further, incorporating relevant ESG issues into the decision-making processes resulting in better risk assessment, better buildings for the communities served, increased transparency, and measured investment decisions for Investors.

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

The real estate industry is divided into two segments: residential and commercial. The Trust focuses on multi-residential properties where many individuals live in either apartment buildings, townhomes or land lease communities. Diversifying the income generated by the portfolio allows for the opportunity to acquire properties that are primarily residential but may have a commercial component.

With the portfolio consisting primarily of multi-residential real estate, rental revenue from each property is generated from a large and diverse mix of individual tenants. This large and diverse group minimizes the impact of losing any single tenant compared to other real estate classes that are more reliant on key anchor tenants. This characteristic helps mitigate cyclical swings in the multi-residential real estate market, but the market is not immune to supply and demand imbalances. For this reason, Management believes the three main drivers of rental demand are population growth, higher cost of homeownership, and changing demographics.

Management looks to acquire properties in economic hubs and metropolitan areas where population growth, lifestyle changes, and the escalating cost of homeownership has been increasing the demand for rental units, which helps to create lower vacancy rates and higher market rental rates. Management looks to acquire properties that have in-place revenues below market levels that can be increased to market level through operational efficiencies and capital improvements, increasing both operating income and property value. Management also looks for locations with an acquisition cost per unit that is below the cost to build new units, believed to help reduce the likelihood of new competitive construction and thereby restricts supply.

Overall demand for residential rental accommodation has historically been high, and Management expects that such demand will continue into the foreseeable future. According to the Canada Mortgage Housing Corporation's (CMHC) 2022 Rental Market Survey, the vacancy rate in Ontario was 1.8%, and the vacancy rate in Alberta was 3.8%, [1] while the national vacancy

(1) Canada Mortgage Housing Corporation - 2022 Rental Market Survey - January 26, 2023.

rate in Canada was 1.9%.[1] Management monitors CMHC statistical data and forecasts as a benchmarking tool when developing our investment objectives.

Population growth in Canada is expected to continue to be high going forward due to increasing immigration. The affordability gap between homeownership and rental accommodation has increased, leading to an increase in the propensity to rent across most age groups for more extended periods. This affordability issue has been further compounded by the introduction of more stringent mortgage regulations that, combined with rising interest rates, will further increase income qualification requirements for prospective mortgage borrowers. Due to the importance of age on housing decisions, demographic shifts can profoundly impact demand for different types of housing. Management believes one prime renter demographic is the age group under 35. There is a prevailing trend for delaying major life decisions such as getting married, having children and purchasing a home in favour of putting greater emphasis on career development and a more carefree lifestyle. Additionally, Management believes the aging baby boomer generation is looking toward rental living to unlock the equity in their homes to fund retirement and remove many of the burdens associated with homeownership.

Management realizes that there are significant barriers to creating multi-residential rental supply in many target markets, given the challenging economics of developing new rental buildings, including high development and construction costs. This barrier further limits the supply of more affordable rental suites as newly built suites are often only economically feasible at the high-end segment of the market. In addition, the multi-residential rental sector is generally more management intensive relative to other real estate sectors, primarily due to short-term leases coupled with higher tenant turnover, a heavily regulated rent and development environment, as well as the large number of capital projects required throughout the life of an asset. The previous factors contribute to making an institutional management platform a critical component for achieving income maximization while also preventing entry barriers for smaller market participants. There has been limited new purpose-built rental supply in the country and Management understands that the growing demand coupled with a supply-constrained market creates a compelling investment opportunity for Unitholders.

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. **The 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.

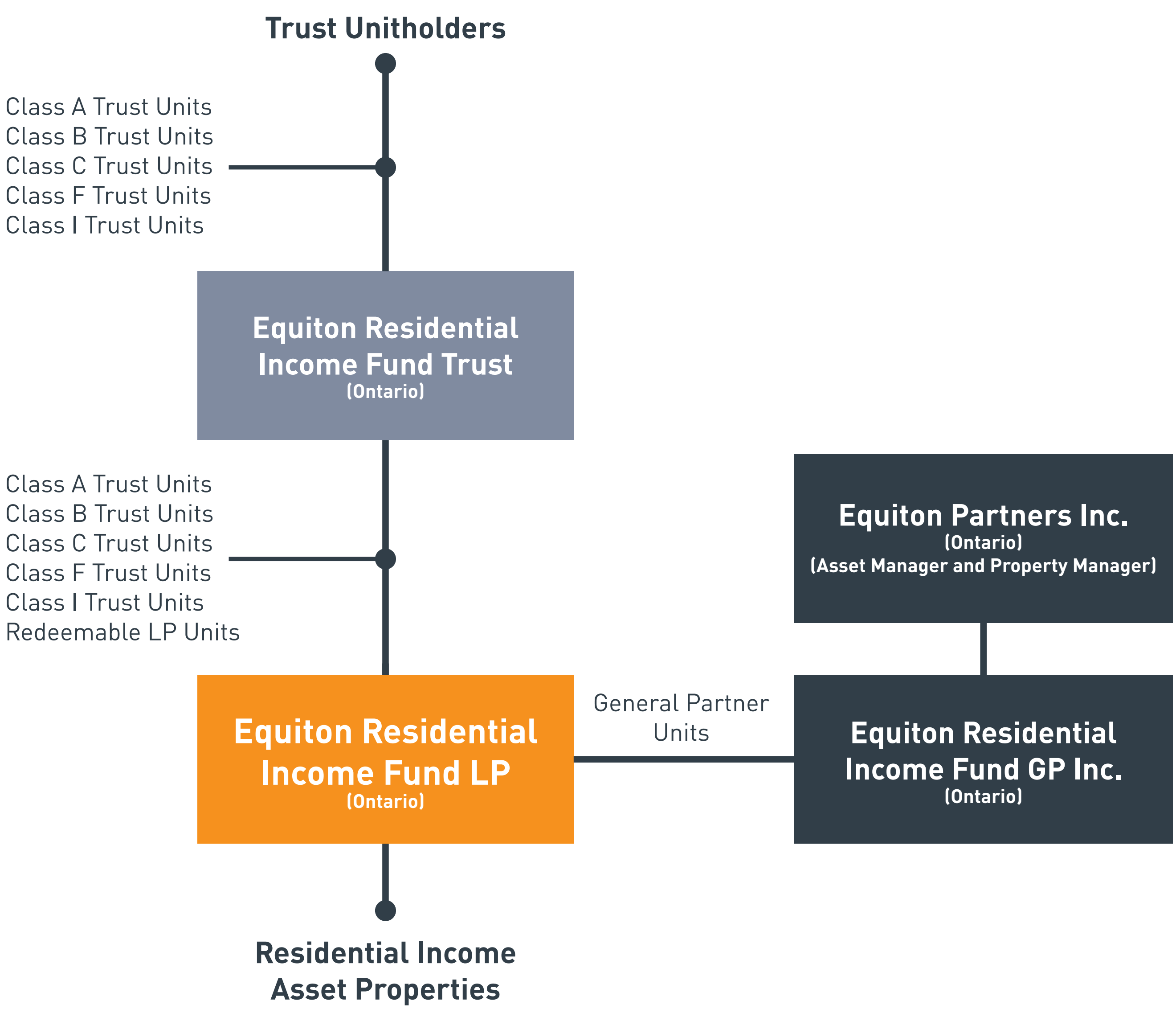
AMENDMENTS TO INVESTMENT GUIDELINES AND OPERATING POLICIES

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.

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 Asset Manager. The valuators are retained to perform an annual valuation of each investment property which is typically done on the anniversary date of acquisition. 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, 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) gather the property specific data used in the valuation process set forth;

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.

2022 OPERATING HIGHLIGHTS

17
Communities

32
Properties

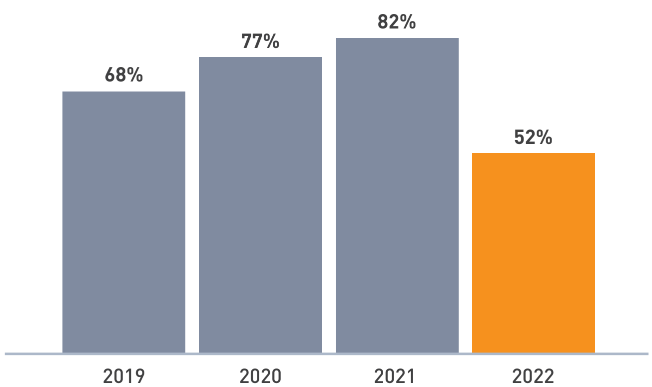
33
Buildings

2548
Suites

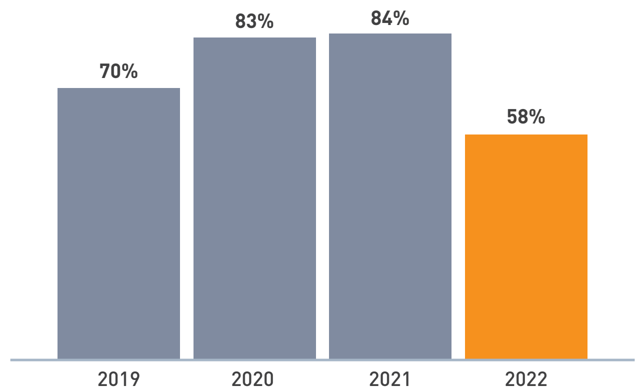
METRICS

AS AT DECEMBER 31, 2022

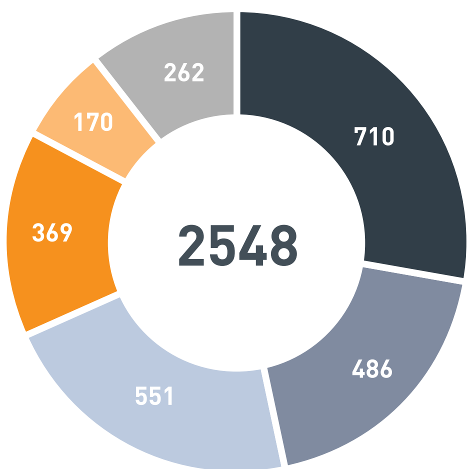
Annual Growth in Revenue

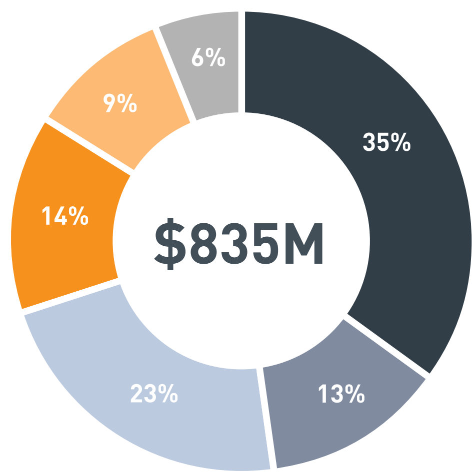


Annual Growth in Net Operating Income



Portfolio Mix by Region





Portfolio Units (Suites)

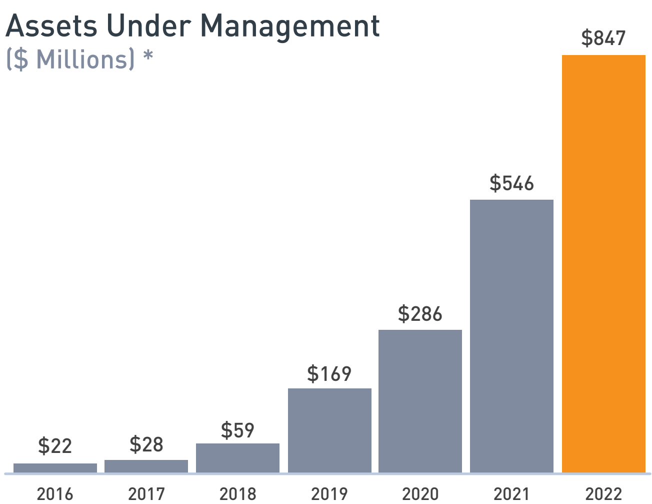
Portfolio Value

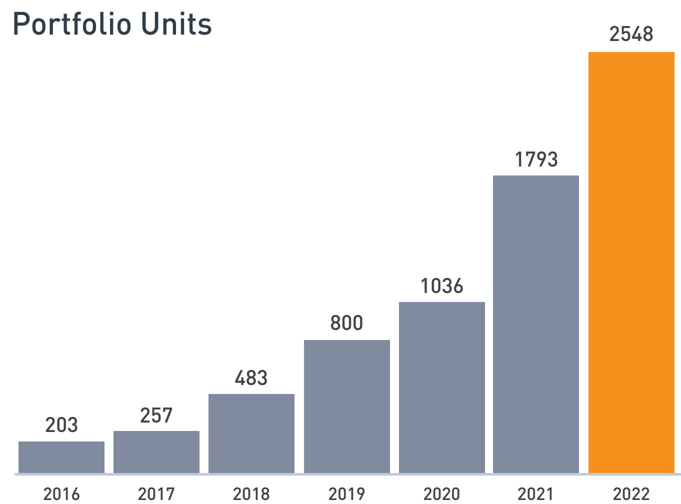
- Greater Toronto Area
- Hamilton/Halton/Brant
- Western Ontario
- Southwestern Ontario
- South Eastern Ontario
- Alberta

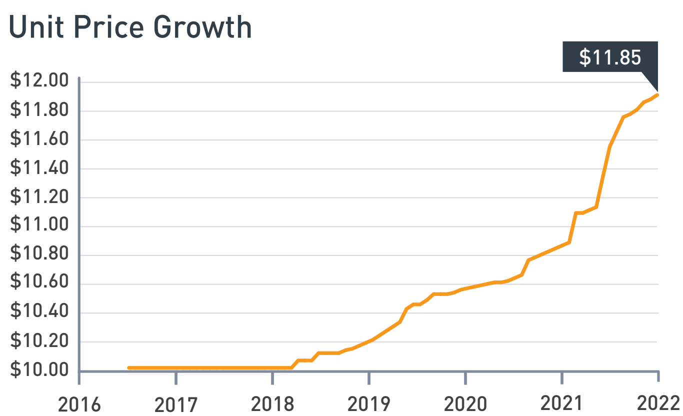
Portfolio value by region excludes cash and prepaid balances held by the Trust.

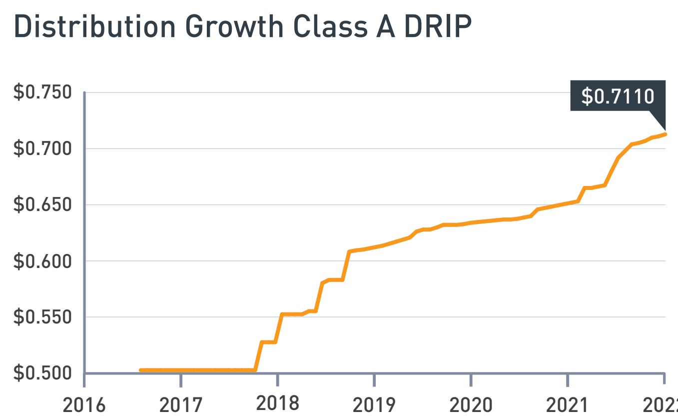
2022 FUND PERFORMANCE

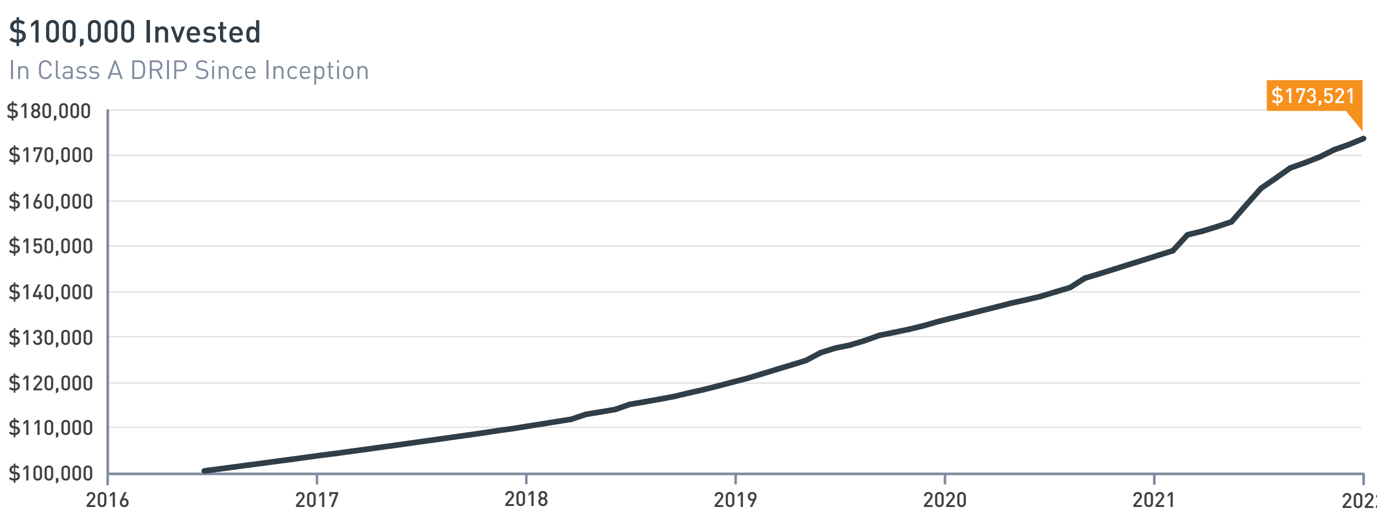
AS AT DECEMBER 31, 2022











*Assets Under Management includes cash, investment properties, property purchase deposits, and loan receivables.

UPDATE FROM THE CFO

SUMMARY OF 2022 RESULTS OF OPERATIONS

KEY TRANSACTIONS AND EVENTS

- The Trust continued to invest in profitable market opportunities to generate value for the Investors. In 2022, there were seven accretive acquisitions for a total amount of $272.3M (excluding acquisition costs), adding 755 units to the Trust's portfolio while expanding geographically to Edmonton, Alberta.
- The growth in AUM from 2021 was 55%.

STRONG OPERATING RESULTS AND BALANCE SHEETS

- NOI margins for the total portfolio were 58.55% for 2022 compared to 56.49% in 2021. The margin expansion was driven by the increase in the revenue growth year over year that was only partially offset by the industry-wide increase in the utility cost.
- Revenue gap to market was 19.66% in 2021 and 28.82% in 2022. The gap to market increased due to low supply and high demand in the rental market which has driven market rents up. Management continues to capture the gap to market by turning 21.42% of portfolio units in 2022.
- Collections of rent were close to 99% as occupancy remained consistent period to period with a rate of 97.61% for 2022 and 98.22% for 2021.
- The Trust's financial position remains strong as key financial metrics continue to strengthen.

KEY PERFORMANCE INDICATORS (KPIs)

To assist Management and Unitholders in monitoring and evaluating the Trust's achievements, Management has provided a number of metrics or key performance indicators to measure performance and success.

Helen Hurlbut,
Chief Financial Officer and Co-Founder

OCCUPANCY

Through a focused, hands-on approach, Management achieved occupancies at greater than market conditions 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 understand and study the markets regularly to deliver the highest possible AMR. Management believes increases in AMR will continue to provide sustainable increases in revenue year over year.

NET OPERATING INCOME (NOI)

NOI is a widely used operating performance indicator in the real estate industry. Management expects to increase NOI % through strategic management of the assets.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

Management continues to see a strong metric which will improve as the Trust matures.

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 only slightly increased year over year as we were successful in acquiring some of the assets with long-term lower debt. 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.

RENT COLLECTION

Rent collections continue to be strong with just over 1% bad debts for 2022. A closely monitored receivables program continues to prove effective.

RENTAL REVENUE

In 2021, there was a freeze on the permitted guideline rent increase in Ontario. For 2022, the rent freeze was lifted. Average rent increased 11.3% for occupied units from 2021 to 2022. Turned units during the period saw an average increase in rental revenue of 20.30%. Management continues to be active in applying for above guideline increases in rent for a number of properties in the portfolio when making capital improvements to these properties.

OPERATIONAL AND FINANCIAL RESULTS

Net and Occupied Average Monthly Rents and Occupancy

Net Average Monthly Rents (AMR) is defined as actual residential rents, excluding 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 %	
As at December 31,	2022 AMR ($)	2021 AMR ($)	% Change in AMR	2022 AMR ($)	2021 AMR ($)	% Change in AMR	2022	2021
Ontario								
Greater Toronto Area	1,499	1,473	1.7	1,431	1,462	-2.1	99.4	98.7
Hamilton/Halton/Brant	1,216	1,182	2.9	1,182	1,121	5.5	97.9	97.1
Western	1,528	1,392	9.7	1,513	1,329	13.8	97.1	99.6
Southwestern Ontario	1,391	1,187	17.2	1,381	1,132	22.0	96.7	97.3
South Eastern Ontario	1,101	1,058	4.1	1,058	1,015	4.2	99.4	98.2
Total Ontario	**$1,399**	**$1,288**	**8.6%**	**$1,362**	**$1,241**	**9.7%**	**98.1%**	**98.2%**
Alberta	1,584	NA	NA	1,565	NA	NA	93.1%	NA
Total Portfolio	**$1,418**	**$1,288**	**10.1%**	**$1,382**	**$1,241**	**11.3%**	**97.6%**	**98.2%**

Stabilized Portfolio: Net AMR, Occupied AMR and Occupancy by Region

Stabilized AMR includes all properties held as at January 1, 2021 and are not disposed of.

	NET AMR			OCCUPIED AMR			OCCUPANCY %	
As at December 31,	2022 AMR ($)	2021 AMR ($)	% Change in AMR	2022 AMR ($)	2021 AMR ($)	% Change in AMR	2022	2021
Ontario								
Greater Toronto Area	1,468	1,425	3.0	1,431	1,356	5.5	99.7	98.5
Hamilton/Halton/Brant	1,244	1,179	5.5	1,230	1,158	6.2	98.4	100.0
Western	1,434	1,360	5.4	1,424	1,316	8.2	98.3	99.2
Southwestern	1,216	1,133	7.3	1,213	1,122	8.2	94.4	95.7
South Eastern	1,101	1,020	7.9	1,058	1,003	5.5	99.4	97.6
Total Ontario	**$1,335**	**$1,269**	**5.2%**	**$1,312**	**$1,230**	**6.7%**	**98.4%**	**98.3%**
Alberta	NA	NA	NA	NA	NA	NA	NA	NA
Total Portfolio	**$1,335**	**$1,269**	**5.2%**	**$1,312**	**$1,230**	**6.7%**	**98.4%**	**98.3%**

Total Operating Revenues by Region

As at December 31,	TOTAL OPERATING REVENUE - ALL PORTFOLIO				TOTAL OPERATING REVENUE - STABILIZED				
	2022 Revenue ($)	%	2021 Revenue ($)	%	2022 Revenue ($)	%	2021 Revenue ($)	%	% Growth
Ontario									
Greater Toronto Area	8,604,292	24.9	5,942,382	26.2	6,123,495	36.5	5,732,397	36.6	6.8
Hamilton/Halton/Brant	6,908,196	20.0	5,476,299	24.1	1,872,819	11.2	1,785,215	11.4	4.9
Western	10,093,947	29.2	6,567,532	28.9	4,249,786	25.3	3,945,465	25.2	7.7
Southwestern	5,913,264	17.1	2,620,706	11.5	2,255,435	13.4	2,135,606	13.6	5.6
South Eastern	2,269,247	6.6	2,090,294	9.2	2,269,247	13.5	2,047,996	13.1	10.8
Total Ontario	**$33,788,945**	**97.6%**	**$22,697,214**	**100.0%**	**$16,770,783**	**100%**	**$15,646,679**	**100%**	**7.2%**
Alberta	817,097	2.4	NA	NA	NA	NA	NA	NA	NA
Total Portfolio	**$34,606,042**	**100%**	**$22,697,214**	**100%**	**$16,770,783**	**100%**	**$15,646,679**	**100%**	**7.2%**

Net Operating Income (NOI) by Region

As at December 31,	2022			2021			
	NOI ($)	NOI (%)	NOI Margin (%)	NOI ($)	NOI (%)	NOI Margin (%)	% NOI Change
Ontario							
Greater Toronto Area	5,201,679	25.7	60.5	3,676,779	28.7	61.9	41.5
Hamilton/Halton/Brant	3,565,586	17.6	51.6	2,884,913	22.5	52.7	23.6
Western	6,376,101	31.5	63.2	3,992,714	31.1	60.8	59.7
Southwestern	3,556,852	17.6	60.2	1,405,927	11.0	53.6	153.0
South Eastern	1,086,633	5.4	47.9	861,755	6.7	41.2	26.1
Total Ontario	**$19,786,852**	**97.7%**	**58.6%**	**$12,822,088**	**100.0%**	**56.5%**	**54.3%**
Alberta	474,676	2.3	58.1	NA	NA	NA	NA
Total Portfolio	**$20,261,529**	**100.0%**	**58.5%**	**$12,822,088**	**100.0%**	**56.5%**	**58.0%**

NOI by Region – Stabilized - Properties Owned for 12 Months in 2021

As at December 31,	2022			2021			
	NOI ($)	NOI (%)	NOI Margin (%)	NOI ($)	NOI (%)	NOI Margin (%)	NOI Change (%)
Ontario							
Greater Toronto Area	3,718,591	38.7	60.7	3,583,119	40.0	62.5	3.8
Hamilton/Halton/Brant	1,052,270	11.0	56.2	1,003,545	11.2	56.2	4.9
Western	2,477,663	25.8	58.3	2,364,365	26.4	59.9	4.8
Southwestern	1,271,868	13.2	56.4	1,140,165	12.7	53.4	11.6
South Eastern	1,086,633	11.3	47.9	861,754	9.6	42.1	26.1
Total Ontario	**$9,607,025**	**100.0%**	**57.3%**	**$8,952,948**	**100.0%**	**57.2%**	**7.3%**
Alberta	NA	NA	NA	NA	NA	NA	NA
Total Portfolio	**$9,607,025**	**100.0%**	**57.3%**	**$8,952,948**	**100.0%**	**57.2%**	**7.3%**

Value Creation

Management's focus is to increase value organically, namely by increasing operational efficiency through items such as rent increases, expense reduction, and acquiring new assets at a discount to market.

	2022	2021
Value Increase	$44,894,199	$47,922,359
% Increase Due to Operational Gains	100%	93%
% Increase Due to Cap Rate	0%	7%

Gap to Market

Management 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.

As at December 31,	2022	2021
	% Gap to Market	% Gap to Market
Ontario		
Greater Toronto Area	42	22
Hamilton/Halton/Brant	26	19
Western	23	12
Southwestern	30	31
South Eastern	30	20
Total Ontario	**31%**	**20%**
Alberta	8	NA
Total Portfolio	**29%**	**20%**

During 2022, Management turned 21% of units which resulted in a 20% increase in rent for those units or $123,997 per month in additional rental income.

Net Operating Income

As at December 31,	2022 ($)	2021 ($)
Operating Revenues		
Net Rental Revenues	33,066,984	21,511,068
Other	1,539,058	1,186,146
Total Operating Revenues	**$34,606,042**	**$22,697,214**
Operating Expenses		
Realty Taxes	(3,896,782)	(2,751,722)
Utilities	(3,614,207)	(2,264,163)
Other	(6,833,525)	(4,859,241)
Total Operating Expenses	**($14,344,513)**	**($9,875,126)**
NOI	**$20,261,529**	**$12,822,088**
NOI Margin	**58.55%**	**56.49%**

NOI

Management believes NOI is a key indicator of operating performance in the real estate industry. NOI includes all rental revenues and other related ancillary income generated at the property level less: related direct costs such as realty taxes, utilities, Repairs and Maintenance (R&M) costs, on-site wages and salaries, insurance costs and bad debts, and appropriate allocation of overhead costs. This measure may vary as presented by other real estate investment trusts or companies.

Stabilized properties for the year ended December 31, 2022, are defined as properties owned by the Trust continuously since January 1, 2021. Stabilized suites as of December 31, 2022, represents 41% of suites.

Operating Revenues and Expenses

For the year ended December 31, 2022, total operating revenues for the total and stabilized portfolio increased compared to the previous year, due to increases in monthly rents on renewals and turnovers throughout the year. We turned 21% of units in 2022, increasing revenue on those turns by over 20%.

Realty Taxes

For the year ended December 31, 2022, the stabilized portfolio realty tax increased compared to the previous year, primarily due to increased property assessments.

Utilities

The utility costs of the portfolio can be highly variable from year to year, depending on energy consumption and rates. The table below provides utility cost by type for the portfolio.

Management is very proactive in implementing submetering programs to increase utility recoveries across all of the portfolio, where possible.

	TOTAL UTILITIES			STABILIZED UTILITIES		
As at December 31,	2022 ($)	2021 ($)	Change (%)	2022 ($)	2021 ($)	Change (%)
Electricity	1,387,669	911,745	52	686,886	588,861	17
Natural Gas	991,608	464,203	114	581,170	386,332	50
Water	1,234,929	889,015	39	560,352	550,167	2
	$3,614,207	**$2,264,964**	**60%**	**$1,828,409**	**$1,525,360**	**20%**
Utility Recovery	**($405,620)**	**($118,065)**	**244%**	**($123,759)**	**($100,309)**	**23%**

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 higher bad debts and insurance costs. Insurance costs increased due to tightening in the insurance industry and higher replacement cost values.

Non-IFRS Financial Measures

Management prepares and releases audited annual financial statements in accordance with International Financial Reporting Standards (IFRS). In the report, Management discloses financial measures not recognized under IFRS which do not have standard meaning prescribed by IFRS. These include "Stabilized NOI", Stabilized calculations, AFFO, 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. Management presents Non-IFRS Measures because Management believes they are relevant measures for evaluation purposes.

FFO and AFFO Calculation

Management continues to strive to see improvement in AFFO as the Fund continues to mature, reducing the payout ratio year over year.

As at December 31,	2022	2021
Net Income from Operations	$32,403,372	$39,026,901
+ Deferred Participation Fees	9,800,210	4,843,124
+ Finance Fees	1,197,369	767,569
+ Capital Expenditures	5,010,806	5,867,643
- Asset Appreciation (Month to Month)	(44,894,199)	(47,922,359)
= Funds from Operations (FFO)	**3,517,558**	**2,582,878**
+ Add Realized equity through dispositions or mortgage principal payments	5,488,970	3,505,932
= AFFO	**9,006,528**	**6,088,810**
Cash Distributions	7,434,781	4,297,664
AFFO Payout Ratio	**82.55%**	**70.58%**

AFFO is a measure of the financial performance by making adjustment to calculate the realized value of the Trust.

2022 ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS

Artist Concept

Riverain District, Ottawa, ON | **Acquired:** January 2022

The development is planned to include three multi-residential high-rise towers with approximately 1,000 upscale residential rental units along with a podium featuring plans for over 20,000 square feet of commercial space.

The total project has a current estimated value at completion of approximately $559 Million.

98 Farley Dr., Guelph, ON | **Acquired:** March 2022

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 room, lockers, bicycle storage, an outdoor BBQ area and a co-working space with internet. Ideally located in one of the most sought-after neighbourhoods in Guelph, walking distance to a shopping centre with a Zehrs, Shoppers Drug Mart, LCBO, and many sit-down or quick service restaurants. It also offers easy access to Highway 401.

208 Woolwich St. S, Breslau, ON | **Acquired:** March 2022

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 rental property with four storeys, 78 units and 114 parking spaces. Condo-style amenities include a fitness room, social room, lockers, bicycle storage and an outdoor BBQ area. Units have in-suite laundry, balconies, high-end finishes, and the building offers condo-style amenities and large units (988 square feet average) which is attractive to Residents and commands higher rents.

78 Braemar Dr., Brampton, ON | **Acquired:** July 2022

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, 57 indoor and 141 outdoor parking spaces. Ideally located at the corner of Dixie Road and Clark Boulevard, across from the Bramalea City Centre, one of the largest shopping malls in Canada. This property is also close to a variety of area schools, parks and playgrounds, and offers easy access to Highways 410, 401 and 407 as well as local public transit. Condo-style amenities include on-site laundry, storage lockers, bicycle storage, playground and outdoor swimming pool.

200 Edgar Ln., Sherwood Park, AB | **Acquired:** September 2022

Unit Breakdown

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

Emerald Hills Landing has four storeys and includes 79 indoor and 36 outdoor parking spaces. Generously sized suites (avg. 902 square feet) feature in-suite laundry, quartz counters, stainless-steel appliances, and provide ample natural light. Building amenities include a social room, lounge area, and a fitness centre. Conveniently located less than 20 minutes from downtown Edmonton and close to a hospital and a wide variety of dining, grocery, and retail options.

10001 Bellamy Hill Rd. NW, Edmonton, AB | **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 ideally located in downtown Edmonton, overlooking the scenic River Valley. The property is walking distance to Edmonton's core, ICE District, rapid transit, and an abundance of services and amenities including grocery stores, banks, restaurants, bars and retail. Additionally, the property is an eight-minute walk to Central LRT Station, and a 10-minute walk to Bay Enterprise Square LRT Station, with easy access to a variety of bus routes, for convenient commuting.

2303 Eglinton Ave. E, Toronto, ON | **Acquired:** December 2022

Unit Breakdown

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

Ravine Park Apartments offers excellent public transit accessibility. The Eglinton Crosstown LRT's Ionview station is directly across the street, while the Kennedy subway and GO stations are a nine-minute walk away. The Golden Mile, a large commercial district, is also close by, providing Residents with a diverse array of dining, entertainment and lifestyle amenities.

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 Lynnwood Dr.	1	1	0	18	35	5	0	0	**58**
	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**
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	0	**363**
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	0	**51**
	433 King St.	1	1	0	62	66	1	0	1	**130**
Markham, ON	65 Times Ave.	1	1	9	37	18	0	0	0	**64**
Mississauga, ON	65 & 75 Paisley Blvd. W.	2	2	13	63	76	2	0	1	**155**
Ottawa, ON	Riverain District	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**
		32	**33**	**96**	**907**	**1408**	**125**	**8**	**4**	**2548**

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, 57 indoor and 141 outdoor parking spaces. Ideally located at the corner of Dixie Road and Clark Boulevard, across from the Bramalea City Centre, one of the largest shopping malls in Canada. This property is also close to a variety of area schools, parks and playgrounds, and offers easy access to Highways 410, 401 and 407 as well as local public transit. Condo-style amenities include on-site laundry, storage lockers, bicycle storage, playground and outdoor swimming pool.

Brantford, Ontario

19 Lynnwood Drive

Acquired: July 2016

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
0	18	35	5	0	58

Lynnwood Place consists of a single six-storey purpose-built building with elevator service. It is situated on approximately 1.7 acres of land and the building totals approximately 66,000 square feet of area. Amenities include 53 surface parking spaces and laundry facilities. The property is within walking distance of public transportation, parks, shopping and restaurants. The property is also minutes from the city's main commercial corridor and 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 consists of one mid-level building located at 120, 126 and 130 St. Paul Avenue. The property is situated on approximately 0.8 acres of land and the building contains a total of 41,200 square feet of area. Amenities include 49 surface parking spaces and laundry facilities. The property is within walking distance of the Grand River, Brantford General Hospital, restaurants, schools and recreational facilities. There is easy access to public transportation 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 rental property with four storeys, 78 units and 114 parking spaces. Condo-style amenities include a fitness room, social room, lockers, bicycle storage and an outdoor BBQ area. Units have in-suite laundry, balconies, high-end finishes, and large units (988 square feet average) which is attractive to residents and commands higher rents.

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 consists of a single two-storey walk-up building. It is situated on approximately 0.72 acres of land with 20 surface parking spaces. Amenities include on premises laundry facilities. The property is located in a quiet neighbourhood and backs onto a large park which includes a children's playground and local tennis courts. It is conveniently located near public transportation, and close proximity to local services and shopping (including one of the city's main shopping centres). There is easy access to local highways.

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 two 2 ½ storey walk-up buildings. These buildings sit on approximately one acre of land and contain approximately 51,020 square feet of area. Amenities include 60 surface parking spaces and laundry facilities. The property is located within a few minutes of downtown Chatham, is near the Thames River, a hospital, shopping, restaurants, a fire station, a police station 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 located at 383-385 Wellington Street West and one adjacent single-family dwelling at 49 Lacroix Street. It is situated on approximately 0.68 acres of land and contains a total of 40,795 square feet of area. Amenities include 24 surface parking spaces and laundry facilities. The property is situated in a premium area dominated by single-family homes with easy access to public transit. It is located near the Thames River, a hospital, shopping, restaurants, a police station and St. Clair College.

Edmonton, Alberta

10001 Bellamy Hill Road Northwest

Acquired: December 2022

MAP

Unit Breakdown

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

Park Square Apartments is a premium high-rise rental tower with 158 units units and 21 storeys, including five floors of open-air parking with 195 stalls. Suites are spacious, ranging from 850-1050 square feet, and feature luxury vinyl plank flooring, quartz countertops, stainless-steel appliances, in-suite laundry and an electric fireplace. Condo-style amenities include a fitness centre, social room, and a rooftop lounge with incredible views of the city and the scenic Edmonton River Valley.

Guelph, Ontario

98 Farley Drive

MAP

Acquired: March 2022

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 room, lockers, bicycle storage, an outdoor BBQ area and a co-working space with internet. Ideally located in one of the most sought-after neighbourhoods in Guelph, walking distance to a shopping centre with a Zehrs, Shoppers Drug Mart, LCBO, and many sit-down or quick service restaurants. It also offers easy access to Highway 401.

Guelph, Ontario

5 & 7 Wilsonview Avenue

MAP

Acquired: October 2019

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. It is situated on approximately 1.37 acres of land and the buildings total approximately 36,590 square feet of area. Amenities include 42 parking spots and laundry facilities. It is situated in a prime location within walking distance of public transportation, a commercial corridor that includes a large shopping mall, services and restaurants, as well as, University of Guelph. It has easy access to Highway 6 and 401.

Guelph, Ontario

8 & 16 Wilsonview Avenue

MAP

Acquired: July 2020

Unit Breakdown

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

Treeview Towers offers newly renovated modern and spacious suites with luxury plank flooring and fully updated open concept kitchens featuring four appliances. Amenities include a fitness facility, social room, laundry lounge with Wi-Fi, underground parking and a dedicated on-site management team.

Hamilton, Ontario

125 Wellington Street North

MAP

Acquired: March 2021

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
5	247	73	38	0	363

Wellington Place offers newly renovated modern and spacious suites with luxury plank flooring and fully updated open concept kitchens featuring four appliances and high-end counters that create the ideal cooking environment. Private balconies with glass panels offer great views from all sides! Amenities include a fitness facility, social room, laundry lounge with Wi-Fi, underground parking and a dedicated on-site management team. Conveniently located only minutes from downtown Hamilton and a short commute to McMaster University, nearby you will find several public parks, public transit, GO Transit, Hamilton General Hospital, and St. Joseph's Healthcare. Walking distance to Jackson Square, shops of Jamesville and the FirstOntario Centre, with Shopper's Drug Mart and the Hasty Market Convenience store both 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

This property consists of two 2 ½ storey walk-up buildings, Riverstone Place and Millstone Place. These buildings are situated on approximately one acre of land and have approximately 24,143 square feet of area. Amenities include 25 surface parking spaces and laundry facilities. It is located close to public transportation, a hospital, Queen's University, a fire station, a police station, shopping and services, restaurants 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 consist of one mid-rise building located at 780 Division Street and two adjacent vacant parcels of land located at 2 Kirkpatrick Street and 760 Division Street. The vacant parcels have future development potential. These properties contain approximately 5.0 acres of land, and the mid-rise building contains a total of 82,343 square feet of area. Amenities include 112 surface parking spaces and laundry facilities. The properties are close to public transit, the St. Lawrence River, a hospital, shopping, restaurants, a police station, 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 consists of one 3 ½ storey building with commercial space on the ground floor. It is situated on approximately 1.7 acres of land and the building contains approximately 25,629 square feet of area. Amenities include 40 surface parking spaces and laundry facilities. The property is located minutes from Queen's University, St. Lawrence College, St. Lawrence River, a hospital, shopping, restaurants, fire and police stations. 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 has been repositioned to cater to professionals making it unique in the area and creating a more stable and consistent rental base featuring spacious, renovated one-, two-, and two-bedroom + den suites with beautifully landscaped grounds and is ideally located in Pioneer Park, near Conestoga College and close to a variety of shops, restaurants, parks and playgrounds.

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	0	51

Village West Apartments consists of a brand-new single, five-storey building with elevator service. It is situated on approximately 1.31 acres of land and the building totals 71,744 square feet of area. Suite features include nine-foot ceilings, in-suite laundry with storage room, stainless appliances, luxury granite counter tops and quality design and finishes throughout. The building is in a premier location and close to public parks, conservation areas and local schools. It's surrounded by an array of shopping, restaurants and cafés, 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 features one-and two-bedroom units ranging from 800 square feet to 1100 square feet and spacious penthouses varying from 1900 square feet to 2000 square feet. Suites feature large eat-in kitchens, in-suite laundry, and spacious walk-in closets. Building amenities include a fitness room, social room, hot tub, sauna, and access to various parks and bike paths. Underground parking and bike storage are also available.

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 consists of a single five-storey building with elevator service. It is situated on approximately 0.76 acres of land and the building totals approximately 51,413 square feet of area. Amenities include 64 parking spots (20 surface and 44 below ground), and laundry facilities in each unit. The property is in a prime location and only minutes from shopping, restaurants, and amenities. It has easy access to Highway 407, Highway 404 and 7. It is also close to public transit, including a GO station that provides convenient access to downtown Toronto.

Mississauga, Ontario

65 & 75 Paisley Boulevard West

Acquired: December 2019

MAP

Unit Breakdown

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Commercial	Total Units
13	63	76	2	1	155

Seville East & West consists of two, seven-storey buildings with elevator service. It is situated on approximately 3.05 acres of land and the buildings total approximately 120,000 square feet of area. Amenities include 186 parking spots (126 surface and 60 below ground), laundry facilities and an on-site convenience store. The property is in a prime location and only minutes from shopping, restaurants, and amenities including a major hospital. It is just south of downtown Mississauga and has easy access to Highway 403 and the QEW. It is also close to public transit, including a GO station that provides convenient access to downtown Toronto.

Artist Concept

Ottawa, Ontario

Riverain District

Acquired: January 2022

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 1,000 residential units and 20,000 square feet of retail space.

Phase 1, which broke ground on October 7th, is a 22-storey tower with 294 suites ranging from studios to two bedrooms and condo-like amenities. Future phases are planned to be 28 and 32 storeys.

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 has four storeys and includes 79 indoor and 36 outdoor parking spaces. Generously sized suites (avg. 902 square feet) feature in-suite laundry, quartz counters, stainless-steel appliances, and provide ample natural light. Building amenities include a social room, lounge area, and a fitness centre. Conveniently located less than 20 minutes from downtown Edmonton and close to a hospital and a wide variety of dining, grocery, and retail options.

Stratford, Ontario

30 & 31 Campbell Court

MAP

Acquired: April 2016

Unit Breakdown

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

This property consists of two separate low-rise buildings located on opposite sides of the street, the Mayfair and Wynbrook. The properties contain approximately 2.5 acres of land and the buildings total 83,100 square feet of area (30 Campbell Court: 39,000 square feet, 31 Campbell Court: 44,100 square feet). Amenities include 100 surface parking spaces and laundry facilities in each building. The property is located minutes from the Avon River, Lake Victoria, and the city's historic downtown core. There is easy access to public transportation, shopping and it is only a 30-minute drive to Kitchener and Waterloo.

Toronto, Ontario

12 & 14 Auburndale Court

MAP

Acquired: October 2021

Unit Breakdown

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

Scotch Elms consists of two townhome buildings on 2.38 acres of land with a total of 46 units. The spacious townhome layouts average 1,599 square feet (including basements) and feature in-suite laundry, air conditioning, functional basements, and private fenced-in backyards. Parking facilities consist of 29 outdoor spots, 37 underground spots and 7 visitor spots. This property is ideally located in a family-friendly residential neighbourhood within walking distance of grocery and retail stores, schools, and parks. With excellent transit-accessibility and the Highway 401 on-ramp located only minutes away, this property provides easy access to destinations throughout the GTA.

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. Suites range from 450 square feet to 750 square feet. Amenities include common laundry facilities and lockers. This property's transit-friendly location will appeal to residents. It provides easy access to several public transit options including the upcoming Eglinton Crosstown LRT, the Kennedy subway and Kennedy GO stations.

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 mid-size four-storey building located in the eclectic Eglinton West neighbourhood of Toronto. It is situated on approximately 0.31 acres of land, and the building totals 29,020 square feet of area. Amenities include high-end finishes, appliances, and on-site laundry facilities. The building is in a bustling neighbourhood, steps away from the Eglinton Crosstown line. Residents are within walking distance to restaurants, parks, trails, shopping, and 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 consists of a single 3 ½ storey building located in the affluent Beaches neighbourhood of Toronto. It is situated on approximately 0.6 acres of land and the building totals approximately 26,000 square feet of area. Amenities include 51 surface parking spots and laundry facilities. The building is in a premier location, next to new condo developments and in walking distance to restaurants, shopping, amenities and the Beaches Park on Lake Ontario. It's in the immediate vicinity of 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 mid-size four-storey building located in the trendy Beaches neighbourhood of Toronto. It is situated on approximately 0.3 acres of land, and the building totals 32,080 square feet of area. Amenities include 27 surface parking spots, premium condo-style finishes, appliances, and laundry facilities. The building is in a premier location, near several parks, the lakefront boardwalk, shopping, amenities and the Beaches Park on Lake Ontario. It's in the immediate vicinity of public transit routes for downtown Toronto.

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
Chief Executive Officer

Helen Hurlbut
Chief Financial Officer

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

Paul Holowaty
VP, Operations Income-Producing Properties

Kathy Gjamovska
VP, Marketing & Communications

Ryan Donkers
VP, Acquisitions

Alan Dillabough
VP, Development

Martha Varinsky
VP, Human Resources

Residential Income Fund Independent Board Members

David Hamilton

Aida Tammer

Scot Caithness

Grant Thornton

Consolidated Financial Statements

Equiton Residential Income Fund Trust

For the years ended December 31, 2022 and 2021

Contents

Grant Thornton

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 statement of financial position as at December 31, 2022 and December 31, 2021, 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 year ended December 31, 2022 and December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and December 31, 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and December 31, 2021 in accordance with International Financial Reporting Standards (IFRS).

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.

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, 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 statement, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Grant Thornton LLP

Toronto, Canada
March 10, 2023

Chartered Professional Accountants
Licensed Public Accountants

Equiton Residential Income Fund Trust

Consolidated Statements of Financial Position

December 31	**2022**	2021
Assets		
Investment properties (Note 4)	**$ 791,494,826**	$ 493,180,000
Investment property under development (Note 5)	**43,711,951**	**-**
Cash	**5,016,263**	39,317,876
Restricted cash (Note 6)	**5,321,088**	7,355,963
Due from related parties (Note 12)	**4,194,496**	10,903
Land deposits	**300,000**	3,500,000
Tenant deposits and other receivables	**858,003**	1,429,895
Loan receivable (Note 8)	**1,547,500**	-
Prepaid expenses	**889,816**	3,014,454
Total assets	**$ 853,333,943**	$ 547,809,091
Liabilities		
Mortgages payable (Note 9)	**$ 365,644,474**	$ 236,267,442
Construction loan payable (Note 10)	**9,384,375**	-
Bank loan payable (Note 11)	**12,050,000**	-
Due to related parties (Note 12)	**15,890,284**	7,951,611
Unit subscriptions held in trust (Note 6)	**4,452,588**	7,355,963
Payables and accruals	**12,191,854**	4,333,862
Tenant deposits and deferred revenue	**3,825,900**	2,575,175
Distributions payable (Note 13 (b))	**2,450,881**	1,550,934
Total liabilities	**425,890,356**	260,034,987
Equity		
Net assets attributable to unitholders	**427,443,587**	287,774,104
Total liabilities and equity	**$ 853,333,943**	$ 547,809,091

Commitment (Note 17)
Subsequent event (Note 20)

On behalf of the Trustees

Trustee

Trustee

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of Income and Comprehensive Income

Years ended December 31	2022	2021
Revenue		
Rental income	**$ 33,066,984**	$ 21,511,068
Other revenue	**2,470,789**	1,379,732
	35,537,773	22,890,800
Operating expenses		
Property operating costs	**19,792,555**	15,714,958
Interest and finance costs	**10,124,444**	6,221,597
General and administrative	**333,172**	136,501
	30,250,171	22,073,056
Income (loss) from operations	**5,287,602**	817,744
Other expenses		
Performance incentive fee (Note 14)	**9,800,210**	4,843,124
Asset management fee (Note 14)	**7,262,499**	4,194,790
Professional fees	**715,720**	675,288
	17,778,429	9,713,202
Increase in fair value of investment properties (Note 4)	**44,894,199**	47,922,359
Net income and comprehensive income	**$ 32,403,372**	$ 39,026,901

Equiton Residential Income Fund Trust

Consolidated Statements of Changes in Net Assets Attributable to Unitholders

Years ended December 31, 2022

	Units (Note 13)	Retained Earnings	Contributed Surplus	Total Unitholders' Equity
Net assets attributable to Unitholders January 1, 2021	$ 135,025,840	$ 12,551,781	$ 825,183	$ 148,402,804
Issuance of units	116,061,523	-	-	116,061,523
Issuance of units under distribution investment plan	9,140,246	-	-	9,140,246
Redemption of units	(5,272,591)	-	-	(5,272,591)
Issuance costs	(5,395,597)	-	-	(5,395,597)
Net income	-	39,026,901	-	39,026,901
Distribution of unitholders	-	(14,189,182)	-	(14,189,182)
Net assets attributable to Unitholders December 31, 2021	$ 249,559,421	$ 37,389,500	$ 825,183	$ 287,774,104
Issuance of units	140,230,871	-	-	140,230,871
Issuance of units under distribution investment plan	16,239,898	-	-	16,239,898
Redemption of units	(18,122,959)	-	-	(18,122,959)
Issuance costs	(6,507,045)	-	-	(6,507,045)
Net income	-	32,403,372	-	32,403,372
Distribution of unitholders	-	(24,574,654)	-	(24,574,654)
Net assets attributable to Unitholders December 31, 2022	**$ 381,400,186**	**$ 45,218,218**	**$ 825,183**	**$ 427,443,587**

Equiton Residential Income Fund Trust
Consolidated Statements of Cash Flows

Years ended December 31	2022	2021
Operating activities		
Net income	**$ 32,403,372**	$ 39,026,901
Items not affecting cash:		
Increase in fair value of investment properties	**(44,894,199)**	(47,922,359)
Amortization of deferred financing fees	**1,197,369**	767,569
	(11,293,458)	(8,127,889)
Change in non-cash operating items (Note 16)	**20,138,142**	9,256,631
Cash provided by operating activities	**8,844,684**	1,128,742
Financing activities		
Proceeds from issuance of units	**132,749,681**	116,061,523
Redemption of units	**(18,122,959)**	(5,272,591)
Distribution to unitholders	**(7,434,781)**	(4,297,664)
Payment of issuance costs	**(6,507,045)**	(5,395,597)
Proceeds on loan payable	**12,050,000**	-
Payment of deferred financing fees	**(4,202,973)**	(4,482,274)
Interest reserve holdback	**350,741**	350,740
Proceeds from mortgage payable	**82,704,548**	114,545,198
Repayment of mortgage payable	**(5,488,444)**	(3,505,932)
Cash provided by financing activities	**186,098,768**	208,003,403
Investing activities		
Building improvements	**(6,578,901)**	(1,479,629)
Payment of advances on loan receivable	**(1,547,500)**	-
Land deposits	**3,200,000**	(3,500,000)
Acquisition of investment properties	**(182,641,588)**	(178,943,432)
Acquisition of investment property under development	**(43,711,951)**	-
Cash used in investing activities	**(231,279,940)**	(183,923,061)
Net change in cash	**(36,336,488)**	25,209,084
Cash beginning of year	**46,673,839**	21,464,755
Cash end of year	**$ 10,337,351**	$ 46,673,839
Cash presented as:		
Cash	**$ 5,016,263**	$ 39,317,876
Restricted cash	**5,321,088**	7,355,963
	$ 10,337,351	$ 46,673,839

Supplemental non-cash items

	2022	2021
Addition of investment properties through assumption of mortgages	**$ 68,563,238**	$ 134,581
Issuance and reinvestment of units under distribution reinvestment plan	**$ 16,239,898**	$ 9,140,246
Conversion of accrued participation fees into units	**$ 7,481,190**	$ -

See accompanying notes to the 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.

2. General information and statement of compliance with IFRS

The consolidated financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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 financial statements for the year ended December 31, 2022 were approved and authorized for issue by the Trust on March 10, 2023.

3. Summary of significant 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.

3. Summary of significant accounting policies (continued)

Joint arrangements (continued)

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 7). 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.

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.

3. Summary of significant accounting policies (continued)

Investment property under development (continued)

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.

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.

3. Summary of significant accounting policies (continued)

The Trust's financial assets include cash, due from related parties, 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, loan payable due to related party, unit subscriptions held in trust, payables and accruals, loan payable, deferred revenue 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.

3. Summary of significant 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, tenant deposits and other receivables, amounts due to/from related parties, payables, construction loan payable, 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, 2022 and December 31, 2021 market rates for debts of similar terms.

	December 31, 2022		
	Fair Value Hierarchy	**Carrying Value**	**Fair Value**
Assets:			
Investment properties	**Level 3**	**$ 791,494,826**	**$ 791,494,826**
Loan receivable	**Level 2**	**$ 1,547,500**	**$ 1,547,500**
Liabilities:			
Mortgages payable	**Level 2**	**$ 375,309,185**	**$ 326,015,349**

	December 31, 2021		
	Fair Value Hierarchy	Carrying Value	Fair Value
Assets:			
Investment properties	Level 3	$ 493,180,000	$ 493,180,000
Liabilities:			
Mortgages payable	Level 2	$ 243,277,290	$ 237,026,561

3. Summary of significant 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 4.

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 7).

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 net assets attributable to unitholders. The Trust units meet the necessary conditions and have therefore been presented as net assets attributable to unitholders under IAS 32.

4. 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, 2021	**$264,700,000**
Purchase of investment property	179,078,012
Building improvements to investment properties	1,479,629
Increase in fair value of investment properties	47,922,359
Balance, December 31, 2021	**$493,180,000**
Purchase of investment property	246,841,726
Building improvements to investment properties	6,578,901
Increase in fair value of investment properties	44,894,199
Balance, December 31, 2022	**$791,494,826**

On March 7, 2022, the Trust acquired an investment property located at 98 Farley Drive, Guelph, Ontario for a cost of $43,061,524.

On March 7, 2022, the Trust acquired an investment property located at 208 Woolwich Street South, Breslau, Ontario for a cost of $37,322,830.

On July 20, 2022, the Trust finalized the purchase of a property at 78 Braemar, Brampton, Ontario for a cost of $65,484,521.

On September 21, 2022, the Trust finalized the purchase of a property at 200 Edgar Lane, Sherwood Park, Alberta for a cost of $28,288,499.

On December 6, 2022, the Trust finalized the purchase of a property at 10001 Bellamy Hill, Edmonton, Alberta for a cost of $24,225,965.

On December 15, 2022, the Trust finalized the purchase of a property at 2303 Eglinton Ave East, Toronto, Ontario for a cost of $52,821,486.

At December 31, 2022 all Investment Properties that the Trust owned as at January 1, 2022 were valued 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.

4. Investment properties (continued)

The estimated fair values per these appraisals are as follows:

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.

	December 31, 2022	December 31, 2021
30-31 Campbell Court, Stratford	**$ 19,900,000**	$ 15,900,000
19 Lynnwood Drive, Brantford	**14,300,000**	12,500,000
120, 126 and 130 St Paul Avenue, Brantford	**8,810,000**	8,780,000
383-385 Wellington Street and 49 Lacroix Street, Chatham	**8,640,000**	7,750,000
780 Division Street, Kingston	**22,850,000**	20,450,000
1379 Princess Street, Kingston	**6,560,000**	6,090,000
75 and 87 Mary Street, Chatham	**10,100,000**	7,970,000
252 and 268 Conacher Drive, Kingston	**3,900,000**	3,320,000
1355 Commissioners Road West, London	**19,400,000**	18,800,000
65 Times Avenue, Markham	**30,200,000**	28,400,000
1050 Highland Street, Burlington	**6,530,000**	6,220,000
5 & 7 Wilsonview Avenue, Guelph	**10,800,000**	10,000,000
65 & 75 Paisley Boulevard West, Mississauga	**60,300,000**	56,300,000
223 Woodbine Avenue, Toronto	**25,400,000**	24,700,000
8-16 Wilsonview Avenue, Guelph	**38,500,000**	36,600,000
650 Woodbine Avenue, Toronto	**15,700,000**	15,200,000
787 Vaughan Road, Toronto	**12,700,000**	12,900,000
100-170 Old Carriage Drive, Kitchener	**77,700,000**	67,200,000
125 Wellington Street North & 50 Cathcart Street, Hamilton	**80,000,000**	74,000,000
12-14 Auburndale Court, Etobicoke	**27,000,000**	23,800,000
433 King Street, London	**41,000,000**	36,300,000
98 Farley Drive, Guelph	**43,061,524**	-
208 Woolwich Street South, Breslau	**37,322,830**	-
78 Braemar Drive, Brampton	**65,484,521**	-
200 Edgar Lane, Sherwood Park	**28,288,499**	-
10001 Bellamy Hill, Edmonton	**24,225,965**	-
2303 Eglinton Ave East, Toronto	**52,821,487**	-
	$ 791,494,826	$ 493,180,000

4. Investment properties (continued)

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 $55,795,139 (December 31, 2021 – decrease by $31,447,307). If the capitalization rate were to decrease by 25 bps, the value of investment properties would increase by $50,966,598 (December 31, 2021 – increase by $35,491,563). The capitalization rates used are as follows:

	December 31, 2022	December 31, 2021
30-31 Campbell Court, Stratford	**5.00%**	5.00%
19 Lynnwood Drive, Brantford	**4.75%**	4.75%
120, 126 and 130 St Paul Avenue, Brantford	**4.75%**	4.75%
383-385 Wellington Street and 49 Lacroix Street, Chatham	**5.00%**	5.00%
780 Division Street, Kingston	**4.40%**	4.40%
1379 Princess Street, Kingston	**4.30%**	4.30%
75 and 87 Mary Street, Chatham	**5.00%**	5.00%
252 and 268 Conacher Drive, Kingston	**4.50%**	4.50%
1355 Commissioners Road West, London	**3.90%**	3.75%
65 Times Avenue, Markham	**3.50%**	3.50%
1050 Highland Street, Burlington	**3.90%**	3.75%
5 & 7 Wilsonview Avenue, Guelph	**4.00%**	4.00%
65 & 75 Paisley Boulevard West, Mississauga	**2.75%**	2.75%
223 Woodbine Avenue, Toronto	**3.00%**	3.10%
8-16 Wilsonview Avenue, Guelph	**4.00%**	4.00%
650 Woodbine Avenue, Toronto	**3.25%**	3.25%
787 Vaughan Road, Toronto	**3.25%**	3.25%
100-170 Old Carriage Drive, Kitchener	**4.00%**	4.00%
125 Wellington Street North & 50 Cathcart Street, Hamilton	**4.25%**	4.25%
12-14 Auburndale Court, Etobicoke	**3.00%**	3.00%
433 King Street, London	**3.65%**	3.50%
98 Farley Drive, Guelph	**3.89%**	N/A
208 Woolwich Street South, Breslau	**3.74%**	N/A
78 Braemar Drive, Brampton	**3.01%**	N/A
200 Edgar Lane, Sherwood Park	**5.61%**	N/A
10001 Bellamy Hill, Edmonton	**6.05%**	N/A
2303 Eglinton Ave East, Toronto	**3.09%**	N/A

5. Investment property under development

	December 31, 2022	December 31, 2021
Purchase of investment property under development	$ 30,000,000	$ -
Property under development expenditures	13,711,951	-
Balance, December 31	**$ 43,711,951**	$ -

This property under development represents the Trust's 75% interest in Riverain (Note 7).

6. Retricted cash

At December 31, 2022, the restricted cash is $5,321,088 (2021 - $7,355,953). Restricted cash of $4,452,588 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. In addition, Riverain has a deposit held in trust of $1,158,000 with the City of Ottawa which represents the Riverain's estimated costs for the public and private lands. The Trust's portion of this deposit is $868,500.

7. 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. There is a building currently on the property that generated rental income from commercial tenants in 2020 and 2021, however the intention is to demolish the building for redevelopment. Therefore, the purchase price was allocated entirely to the land. 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%.

7. Joint arrangement (continued)

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

	December 31, 2022
Assets	
Cash	$ 1,531,578
Accounts receivable	136,738
Prepaid expenses	185
Investment property under development	43,711,951
Total assets	$ 45,380,452
Liabilities	
Accounts payable and accrued liabilities	$ 5,016,747
Construction loan payable	9,384,375
Total liabilities	14,401,122
Co-owners' equity	30,979,330
Total liabilities and co-owners' equity	$ 45,380,452

8. 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 7) 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.

8. Loan receivable (continued)

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, 2022 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, 2022, there was no provisions for loan investment losses. The fair value of the loan receivable is estimated to approximate its carrying value (Note 3).

9. Mortgages payable

	mortgage	Blended Monthly payments	Interest rate	Maturity date	**December 31, 2022**	December 31, 2021
BMO (1) - Brantford	1st (i)	33,464	3.91%	7/31/2026	**$ 5,298,308**	$ 5,488,661
BMO - Kingston Conacher	1st (i)	7,581	4.60%	10/1/2028	**1,224,960**	1,257,883
BMO - Kingston Princess	1st (i)	12,657	3.50%	6/1/2028	**2,224,756**	2,291,942
BMO - Chatham Mary	1st (i)	15,042	3.80%	9/1/2028	**2,595,298**	2,676,193
BMO - Chatham Mary	2nd (i)	2,518	4.35%	8/31/2028	**412,460**	424,448
FN (2) - Stratford	1st	20,288	2.73%	9/1/2026	**4,215,416**	4,342,563
FN - Chatham	1st	12,168	3.31%	3/1/2028	**2,150,530**	2,224,525
PT (3) - Kingston	1st (ii)	30,582	2.44%	3/1/2025	**5,188,002**	5,319,644
PT - Kingston	2nd	5,751	3.24%	3/1/2028	**915,970**	954,826
FN - London Commissioner	1st	41,055	3.18%	9/1/2029	**10,612,373**	10,767,113
FN - Markham 65 Times	1st	47,339	2.58%	9/1/2029	**12,285,030**	12,534,355
FN - Highland	1st	11,137	2.84%	6/1/2030	**2,522,759**	2,584,233
FN - 5-7 Wilsonview	1st	24,449	2.74%	6/1/2030	**4,850,945**	5,009,816
FN - Paisley	1st	71,999	2.49%	6/1/2030	**19,175,839**	19,559,638
FN - Paisley	2nd (iii)	39,177	6.50%	1/1/2025	**7,330,000**	7,330,000
FN - 223 Woodbine	1st	41,878	2.20%	6/1/2030	**11,636,135**	11,881,256
FN - 8 & 16 Wilsonview	1st	79,227	2.17%	6/1/2030	**19,787,138**	20,304,338
FN - 650 Woodbine	1st	30,073	2.00%	3/1/2031	**7,757,532**	7,961,688
FN - 787 Vaughan	1st	24,063	2.00%	3/1/2031	**6,207,102**	6,370,462
FN - 100 Old Carriage	1st	154,157	2.43%	12/1/2031	**42,582,330**	43,392,020
FN - Aurburndale (Bridge Loan)	1st	46,085	4.45%	3/1/2022	**-**	12,600,000
FN - 433 King (Bridge Loan)	1st	75,589	4.45%	2/1/2022	**-**	20,000,000
FN - 125 Wellington	1st (iv)	53,282	2.86%	12/1/2025	**12,358,482**	12,755,480
FN - 125 Wellington (Loan 2)	1st	100,727	2.53%	12/1/2031	**24,666,210**	25,246,206
FN - 433 King Street	1st	41,818	2.87%	1/1/2025	**17,485,000**	-
FN - 433 King Street	2nd	14,147	6.75%	1/1/2025	**2,515,000**	-
FN - 12 & 14 Auburndale	1st	46,285	2.83%	12/1/2031	**13,158,744**	-
PC (4) - 208 Woolwich	1st (v)	76,130	2.13%	8/1/2031	**23,448,619**	-
FN - 98 Farley	1st (vi)	95,276	2.83%	12/1/2031	**26,787,063**	-
CICI (5) - 200 Edgar Lane	1st (vii)	82,752	3.53%	9/1/2032	**17,851,580**	-
FN - 78 Braemar Drive	1st	124,893	3.92%	9/1/2032	**30,306,368**	-
FN - 10001 Bellamy	1st	69,615	4.38%	6/1/2033	**15,844,236**	-
FN - 2303 Eglinton Avenue East	1st	Variable payment	Prime Rate + 2.00%	5/1/2023	**21,915,000**	-
					$ 375,309,185	$ 243,277,290
			Less: Deferred financing charges		**(9,635,484)**	(6,629,880)
			Less: Interest reserve holdback		**(29,227)**	(379,968)
					$ 365,644,474	$ 236,267,442

(1) Bank of Montreal
(2) First National Financial LP
(3) People's Trust
(4) Peakhill Capital Inc.
(5) Canada ICI Capital Corporation

9. Mortgages payable (continued)

The mortgages payable are secured by the investment properties disclosed in Note 4 and are repayable as follows:

2023	$ 28,412,898
2024	6,690,046
2025	62,080,108
2026	14,613,309
2027	6,287,219
Thereafter	261,511,745
	$ 379,595,325

(i) There are financial and non-financial covenants pertaining to the Bank of Montreal facilities and they were all met as at December 31, 2022.
(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 $205,372 at the assumption date.
(iii) The First National second mortgage is an interest-only loan.
(iv) 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 $134,581 at the assumption date.
(v) 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 $660,053 at the assumption date.
(vi) 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 $274,766 at the assumption date.
(vii) 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 $3,516,420 at the assumption date.
(viii) The balances repayable as noted above are exclusive of the fair value adjustments recorded upon initial recognition of the mortgages that have been assumed during the year as noted by (v) – (vii) above. As at December 31, 2022 these fair value adjustments totalled $4,286,140.

10. Construction loan payable

Riverain entered into a $12,512,500 land loan facility (“Land Loan”) agreement with Caisse Populaire Rideau-Vision d’Ottawa Inc. (“Desjardins”) to finance the acquisition of the land located in Ottawa. The loan bore interest at a fixed rate of 3.69% for the first 18 months of the term and was converted to a variable rate loan based on the prime interest rate increased by fifty basis points (0.50%) for the remaining six months of the 24-month term with interest payable monthly. The loan which was to mature on February 1, 2022 was extended for an additional 12-month period and matures on February 1, 2023. As at December 31, 2022, the outstanding balance is $12,512,500 (2021 - $12,512,500) of which the Trust has recorded its 75%.

On January 19, 2023, Riverrain entered into a $26,000,000 Land Loan Facility agreement with Desjardins to refinance the land located in Ottawa. The original Land Loan facility of $12,512,500 was repaid upon issuance of proceeds. Desjardins retained a $2,000,000 holdback on the Land Loan facility, which is associated with the completion of environmental remediation work. The interest rate is fixed during the 18-month term at the lenders cost of funds plus 150 basis points. The Land Loan matures on August 1, 2024.

Riverain also has a $500,000 letter of credit facility agreement with Desjardins which can only be used for certain purposes and matures on February 1, 2023.

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

11. Bank loan payable

On January 25, 2022, the Limited Partnership entered into a $20,000,000 credit facility with TD Commercial Banking. The facility has a contractual term of 12 months from the date of the first draw down. The first draw down took place on December 14, 2022 in the form of an operating loan.

The facility bears interest as follows:

- Prime Based Loans: Prime rate plus 1.00% per annum
- Banker Acceptances: Stamping Fee at 2.00% per annum

A commitment standby fee of 0.25% per annum is payable on the undrawn portion of the facility. The commitment fee is payable on the third business day following the last business day of March, June, December and December.

There are financial and non-financial covenants pertaining to the facility. As at December 31, 2022, all covenants were met.

As at December 31, 2022, the Limited Partnership had drawn down $12,050,000 of the facility.

12. 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 $6,507,045 (December 31, 2021 - $5,395,626), which are included in issuance costs in the statements of changes in net assets attributable to unitholders.

(b) Due from related parties

	December 31, 2022	December 31, 2021
Due from Sandstones Condo Trust	**$ 526**	$ -
Due from Equiton Real Estate Income and Development Limited Partnership	**480**	-
Due from Equiton Partners' Inc.	**4,174,757**	-
Due from Equiton Real Estate Income and Development Fund Trust	**18,733**	10,903
	$ 4,194,496	$ 10,903

Sandstones Condo Trust, Equiton Real Estate Income and Development Fund Limited Partnership and Equiton Real Estate Income and Development Fund Trust have the same common management as the Trust.

Due from related parties are all unsecured, non-interest bearing, and due on demand.

(c) Due to related parties

	December 31, 2022	December 31, 2021
Due to Equiton Residential Income GP Inc. (general partner of Equiton Residential Income Limited Partnership)	**$ 15,624,065**	$ 5,824,593
Due to Equiton Partners' Inc.	**-**	2,124,941
Due to Equiton Capital Inc.	**266,219**	2,077
	$ 15,890,284	$ 7,951,611

Related parties are all unsecured, non-interest bearing, and due on demand.

13. Unitholders' equity

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.

13. Unitholders' equity (continued)

(a) Units outstanding

Class A Trust Units		
Balance, January 1, 2021	6,764,022	$ 64,736,865
Issuance of units	3,465,421	37,198,347
Issuance of units through distribution reinvestment plan	340,431	3,577,405
Redemption of units	(214,427)	(2,288,964)
Issuance of costs	-	(1,729,448)
Balance, December 31, 2021	**10,355,447**	**$101,494,205**
Issuance of units	3,544,586	40,775,922
Issuance of units through distribution reinvestment plan	493,257	5,551,075
Redemption of units	(465,125)	(5,320,375)
Issuance of costs	-	(1,892,100)
Balance, December 31, 2022	**13,928,165**	**$140,608,727**
Class B Trust Units		
Balance, January 1, 2022	-	$ -
Issuance of units	186,129	2,175,883
Issuance of units through distribution reinvestment plan	2,332	26,868
Redemption of units	-	-
Issuance of costs	-	(100,966)
Balance, December 31, 2022	**188,461**	**$ 2,101,785**
Class C Trust Units		
Balance, January 1, 2022	-	$ -
Issuance of units	464,931	5,436,210
Issuance of units through distribution reinvestment plan	2,465	28,420
Redemption of units	-	-
Issuance of costs	-	(252,253)
Balance, December 31, 2022	**467,396**	**$ 5,212,377**
Class F Trust Units		
Balance, January 1, 2021	4,168,428	$ 41,694,404
Issuance of units	3,837,289	40,944,621
Issuance of units through distribution reinvestment plan	249,985	2,627,848
Redemption of units	(208,869)	(2,236,286)
Issuance of costs	-	(1,909,521)
Balance, December 31, 2021	**8,046,833**	**$ 81,121,066**
Issuance of units	3,718,905	42,346,216
Issuance of units through distribution reinvestment plan	429,929	4,842,022
Redemption of units	(764,675)	(8,722,003)
Issuance of costs	-	(1,964,965)
Balance, December 31, 2022	**11,430,992**	**$117,622,336**

13. Unitholders’ equity (continued)

Class I Trust Units		
Balance, January 1, 2021	2,855,400	$ 28,594,571
Issuance of units	3,530,103	37,918,555
Issuance of units through distribution reinvestment plan	279,064	2,934,993
Redemption of units	(69,386)	(747,341)
Issuance of costs	-	(1,756,628)
Balance, December 31, 2021	**6,595,181**	**$ 66,944,150**
Issuance of units	4,329,073	49,496,640
Issuance of units through distribution reinvestment plan	514,077	5,791,513
Redemption of units	(350,543)	(4,080,581)
Issuance of costs	-	(2,296,761)
Balance, December 31, 2022	**11,087,788**	**$115,854,961**
Total A, B, C, F and I Units, December 31, 2022	**37,102,802**	**$381,400,186**

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 $24,574,654 (2021 - $14,189,182). Of this amount, $16,239,898 (2021 - $9,140,246) were reinvested through the DRIP.

14. 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.

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 Limited Partnership.

(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 Limited Partnership. The asset management fee is calculated and charged monthly.

14. Asset management agreement (continued)

(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.

(iv) Performance incentive fee

During the term of the Asset Management Agreement, the Manager shall be entitled to a 20% interest in cash distributions of the Limited 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 Limited Partnership. The Manager has indicated that it will either defer payment of such performance incentive fees until such time as sufficient cash is available or to elect to receive such performance incentive fees in the form of limited partnership units of the Partnership.

The Asset Management Agreement is for an initial term of five years and automatically renews for a further five years unless terminated by either of the parties.

The Manager charged the following fees under the property and asset management agreement during the year:

	December 31, 2022	December 31, 2021
Asset management fee	**$ 7,262,499**	$ 4,194,790
Transaction fee	**3,073,600**	1,947,104
Financing fee	**1,701,288**	1,188,422
Performance incentive fee	**9,800,210**	4,843,124
Property management fee	**1,408,815**	892,070
	$ 23,246,412	$ 13,065,510

The asset management, property management fee and performance incentive fees are recorded in the statement of income and comprehensive income. The transaction fee is recorded in investment properties on the statement of financial position. Financing fees are recorded as deferred financing fees in the mortgages payable on the statement of financial position.

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.

15. 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.

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:

	December 31, 2022	December 31, 2021
Mortgages payable	**$ 365,664,474**	$ 236,267,442
Construction loan payable	**9,384,375**	-
Bank loan payable	**12,050,000**	-
Cash	**(10,337,351)**	(46,673,839)
Net debt	**376,741,498**	189,593,603
Net assets attributable to unitholders	**427,443,587**	287,774,104
	$ 804,185,085	$ 477,367,707

16. Changes in non-cash operating items

	December 31, 2022	December 31, 2021
Payables and accruals	**$ 7,857,992**	$ 2,477,697
Tenant deposits	**1,184,819**	940,594
Deferred revenue	**65,906**	158,243
Tenant and other receivables	**571,892**	(313,981)
Prepaid expenses	**2,124,638**	(2,695,581)
Unit subscriptions held in trust	**(2,903,375)**	3,634,061
Due to/from related parties	**11,236,270**	5,055,598
	$ 20,138,142	$ 9,256,631

17. Commitment

The Trust has committed to costs for future building improvements in the amount of $2,938,000 (2021 - $nil).

18. 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.

(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, 2022, 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 interest-free 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.

18. Financial instruments and risk management (continued)

Risks associated with financial assets and liabilities (continued)

(iii) Credit risk

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, 2022 is $722,999 (2021 - $300,448).

The Trust's maximum credit risk exposure at December 31, 2022 and December 31, 2021 is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(iv) 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, 2022, the Trust was holding cash of $10,337,351 (2021 - $46,673,839) of which $4,452,588 (2021 - $7,355,963) was restricted for the future issuance of units and $868,500 (2021 - $nil) was restricted for deposits held in trust with a third party relating to Riverain (Note 7). The mortgages payable, construction loan payable and loan payable have repayment terms outlined in Note 9, Note 10 and Note 11, respectively.

December 31, 2022	On Demand	1 Year	2-5 Years	>5Years
Mortgages payable	$ -	$ 28,412,898	$ 89,670,682	$ 261,511,745
Construction loan payable	-	9,384,375	-	-
Bank loan payable	-	12,050,000	-	-
Due to related parties	21,863,456	-	-	-
Unit subscriptions held in trust	4,452,588	-	-	-
Distributions payable	-	2,450,881	-	-
Payables & accruals	-	12,471,726	-	-
	$ 26,316,044	$ 64,769,880	$ 89,670,682	$ 261,511,745

December 31, 2021	On Demand	1 Year	2-5 Years	>5Years
Mortgages payable	$ -	$ 37,279,222	$ 50,757,776	$ 154,941,614
Due to related parties	18,434,200	-	-	-
Unit subscriptions held in trust	7,355,963	-	-	-
Distributions payable	-	1,550,934	-	-
Payables & accruals	-	4,333,862	-	-
	$ 25,790,163	$ 43,164,018	$ 50,757,776	$ 154,941,614

18. Financial instruments and risk management (continued)

Risks associated with financial assets and liabilities (continued)

(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.

19. Comparative figures

Comparative figures have been reclassified to conform to changed in the current year presentation.

20. Subsequent events

Subsequent to December 31, 2022, the following events have occurred:

i. On January 19, 2023, Riverain entered into a $26,000,000 Land Loan Facility agreement with Desjardins to refinance the land located in Ottawa. The details are outlined in Note 10.

ii. The variable interest rate mortgage for 2303 Eglington was increased and converted to a fixed rate mortgage in January 2023. The mortgage is $22,745,843 and bears interest at a fixed rate of 4.2%. The mortgage matures on June 1, 2033 and is repayable in blended principal and interest payments of $97,393.