CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

Q2 2019 Report | Management's Discussion and Analysis

For the quarter ended June 30, 2019

PROFILE

Centurion Apartment Real Estate Investment Trust ("REIT" or the "Trust") is an income-producing, diversified real estate investment trust investing in multi-residential apartments, student housing, and mortgage investments in Canada and the United States.

Q2 2019 HIGHLIGHTS

- Consolidated assets increased 20.3% to $2.170 billion from December 31, 2019
- Net Income and Comprehensive Income increased 18.1% to $58.9 million from the same quarter last year
- Increased Net Operating Income ("NOI") margin to 66.7% from 66.6%
- Same property NOI up by 10.5% from the same quarter last year
- Class A compounded return of 23.57% for the trailing 12-month period
- Class F compounded return of 24.45% for the trailing 12-month period

OBJECTIVES

- To provide investors with cash distributions, payable monthly; tax deferred, where reasonably possible, with the opportunity for long-term growth and a focus on preservation of capital
- To maintain and grow a diversified investment portfolio of income-producing multi-unit residential apartments and student housing properties in Canada and the U.S.
- To maximize unit value through the active management of the portfolio
- To leverage the strategic relationships within Centurion Asset Management Inc.'s network to increase investment opportunities and manage risk

FINANCIAL HIGHLIGHTS

PORTFOLIO PERFORMANCE

(expressed in thousands of Canadian dollars, except per unit amounts)

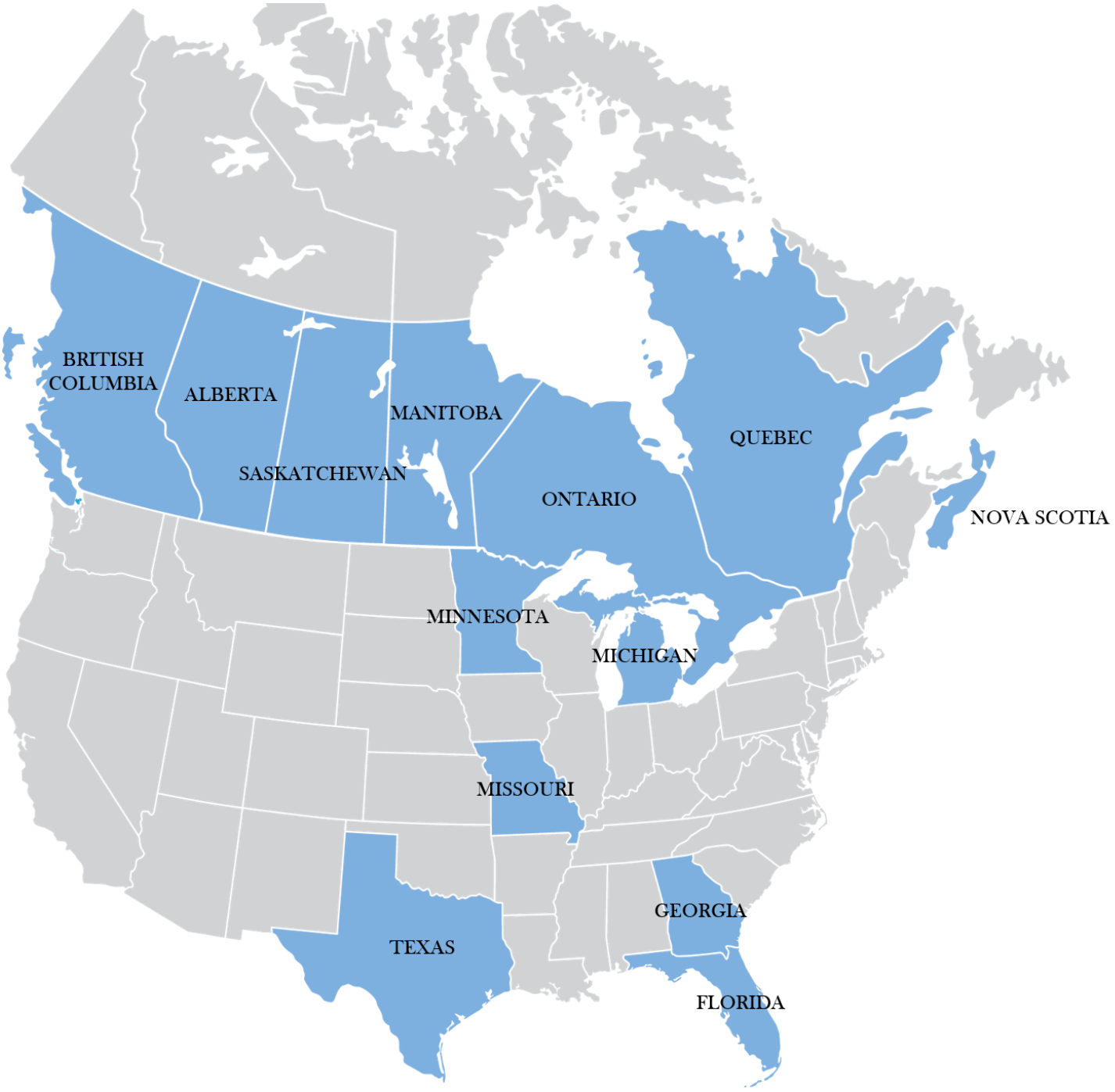
	Notes	Three Months Ending		Six Months Ending	
		2019	2018	2019	2018
Overall Portfolio Occupancy		97.1%	96.4%	97.8%	97.4%
Operating Revenues		$19,342	$16,303	$39,398	$32,868
NOI		$12,902	$10,866	$26,227	$21,567
NOI Margin		66.70%	66.65%	66.57%	65.62%
OPERATING PERFORMANCE					
Net Income and Comprehensive Income per Unit	1	$0.23	$0.85	$1.53	$1.34
Funds From Operations per Unit	2	$0.23	$0.22	$0.47	$0.44
Normalized Funds From Operations per Unit	2	$0.29	$0.27	$0.58	$0.53
Weighted Average Number of Units (Adjusted)		76,616,195	58,815,979	73,410,260	56,914,875
Distributions per Class "A" Unit		$0.204	$0.204	$0.408	$0.408
Distributions per Class "F" Unit		$0.232	$0.232	$0.464	$0.464
Total Annual Return – Class A		4.23%	2.50%	5.59%	5.47%
Total Annual Return – Class F		4.41%	2.70%	5.95%	5.89%
OTHER					
Number of Rental Units Acquired		893	-	893	-
Number of Rental Units		7,713	6,412	7,713	6,412
New Mortgage Investments Made		$24,598	$67,672	$112,360	$134,901
Repayments of Mortgage Investments		$3,223	$19,944	$21,505	$37,248

		June 30, 2019	Dec 31, 2018	June 30, 2018
LIQUIDITY AND LEVERAGE				
Total Debt to Gross Book Value		28.32%	29.31%	33.15%
Net Debt to Adjusted Gross Book Value	3	11.25%	12.70%	9.12%
Weighted Average Mortgage Liability Interest Rate		3.19%	3.27%	3.10%
Weighted Average Mortgage Liability Term (years)		5.1 years	4.4 years	4.4 years
Weighted Average Mortgage Investment Interest Rate		9.33%	9.22%	9.82%
Weighted Average Mortgage Investment Term (years)		0.73 years	0.77 years	0.93 years
Gross Interest Expense Coverage Ratio (times)	4	5.42	5.66	4.58
Available Liquidity – Acquisition and Operating Facility		$142,462	$77,000	$94,357
OTHER				
Closing Price of Trust Units		$16.622	$16.149	$14.180
Total Assets		$2,170,155	$1,803,623	$1,498,506
Market Capitalization		$1,307,387	$1,089,643	$851,240

NOTES

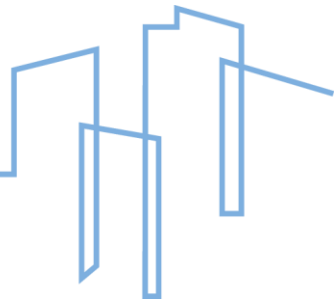
1 Net Income and Comprehensive Income less Minority Interest
2 Refer to page 14 for definitions and page 25 for calculations
3 Calculated by taking (Mortgage Liabilities less Mortgage Assets) and divided by (Gross Book Value less Mortgage Investments)
4 Calculated by taking NOI plus Interest Income divided by Finance Costs

PORTFOLIO DIVERSIFICATION



INCLUDES PROPERTIES AND MORTGAGE INVESTMENTS

PROPERTY DIVERSIFICATION



23 CITIES | 64 PROPERTIES | 7,713 UNITS*

APARTMENTS

CITIES	PROPERTIES | SUITES
ALBERTA	
Edmonton	1 | 126
BRITISH COLUMBIA	
Langford	5 | 136
Victoria	1 | 134
ONTARIO	
Acton	1 | 33
Barrie	2 | 43
Brighton	2 | 59
Cambridge	5 | 679
Gravenhurst	1 | 39
Guelph	1 | 66
Huntsville	1 | 25
Kitchener	8 | 742
Mississauga	3 | 269
Oshawa	2 | 71
Toronto	12 | 1,156
Whitby	1 | 36

CITIES	PROPERTIES | SUITES
NOVA SCOTIA	
Dartmouth	1 | 114
SASKATCHEWAN	
Regina	4 | 395
WINNIPEG	
Manitoba	1 | 416
GEORGIA, U.S.A.	
Athens	1 | 204
TEXAS	
Waller	1 | 224
TOTAL RENTAL UNITS	**4,967**

STUDENT HOUSING

CITIES	PROPERTIES | SUITES
ONTARIO	
The MARQ London	4 | 950
The MARQ Waterloo	5 | 1,356
QUEBEC	
La MARQ Montreal	1 | 440
TOTAL RENTAL UNITS	**2,746**

LETTER FROM THE PRESIDENT

The second quarter saw the continuation of the portfolio's strong performance.

- Net Operating Income ("NOI") increased 18.7%
- Same Store NOI increased 10.48%
- Total Same Store Operating Revenues increased 7.21%
- Same Store NOI Ratio rose to 67.69% from 65.68% in Q2-19 versus Q2-18
- Overall NOI ratio was largely stable at 66.70% in Q2-19 vs Q2-18 at 66.65%, factoring in the recent acquisitions.

Portfolio occupancy is excellent at 97.1% up from 96.4% as we have made progress leasing up some of the newer properties. We expect occupancy to decline slightly in the short-term as we onboard new acquisitions and subject the properties to our value-add process.

The number of stabilized units was unchanged although the proportion of the portfolio considered stabilized dropped to 80.2% from 87.3% at YE-18, with the addition of the new properties. Rental momentum has been excellent with the apartment portfolio seeing market rent increases of 11.97% and rent increases on unit turnover of an astounding 31.18% in Q2-19 versus Q2-18 compared to 3.1% and 8.2%, respectively, in the student portfolio.

The market rent gap (the difference between market rents and in place contract rents) increased 24.4% to $14.72 million, up from $11.83 million at YE-18 as a result of the strong increase in market rents. The apartment rental gap is 17.64% and the student rental gap is 2.91%, with the strongest markets showing rental gaps in the 25% range, demonstrating how tight the rental markets are. At a 4.5% capitalization rate, the current market rental gap implies a potential $327 million increase in portfolio value when/if these rents are fully realized.

Management believes that we will see continued rental growth as it works to close the market rent gap. Trailing 12-month Net Income and Comprehensive Income increased 54.3% to $230.8 million, up from $149.6 million at the same time last year. Property fair value gains in the first six months of the year was $69.44 million, up from $45.82 million in the same period in 2018. Of this, approximately 15% came from acquisitions, 58% from increases in NOI, and 27% from changes in capitalization rates. Trailing 12-month returns to the end of Q2 have been 23.57% for Class A and 24.45% for Class F units.

The apartment market has been very active and the REIT has executed on a number of opportunities. It purchased a total of 1,333 apartment units on an undiluted basis and 910 apartment units on a diluted basis in 12 buildings worth a total of about $250 million on a diluted basis year-to-date. The table below summarizes the purchases year-to-date and the properties under contract to purchase as of the date of writing:

No.	Property	Size	Price *(expressed in thousands of Canadian dollars)*	Ownership Share	Closing Date
1	2035 Timothy Road, Athens, Georgia, U.S.	204 Units	$26,300 USD	75%	April 25, 2019
2	1488 Cook Street, Victoria, BC	134 Units	$66,000	50%	May 30, 2019
3	772 Hockley Ave, Langford, BC	20 Units	$6,495	100%	June 26, 2019
4	777 Hockley Ave, Langford, BC	30 Units	$9,223	100%	June 26, 2019
5	778 Hockley Ave, Langford, BC	33 Units	$9,579	100%	June 26, 2019
6	784 Hockley Ave, Langford, BC	29 Units	$8,362	100%	June 26, 2019
7	790 Hockley Ave, Langford, BC	24 Units	$6,608	100%	June 26, 2019

LETTER FROM THE PRESIDENT

No.	Property	Size	Price *(expressed in thousands Of Canadian dollars)*	Ownership Share	Closing Date
8	701-721 Sterling Lyon Parkway, Winnipeg, MB	416 Units	$93,400	50%	June 28, 2019
9	9930 Bellamy Hill Road, Edmonton, AB	82 Units	$14,200	100%	July 15, 2019
10	345-375 Bridge Lake Drive, Winnipeg, MB	176 Units	$37,000	45%	July 15, 2019
11	433 Boleskine Road, Victoria, BC	95 Units	$32,700	100%	August 7, 2019
12	2766 Claude Road, Langford, BC	90 Units	$31,300	100%	August 26, 2019
13	13555 96th Avenue, Surrey, BC	146 Units	$56,000	100%	Anticipated Sept 2019
14	Canadian Student Housing	480 Units	$59,010	100%	Anticipated June 2021
	TOTAL	**1,959 Units**	**$464,995**		

There were four purchases from the REIT's pipeline via REOT (nos. 2, 8, 10, and 13 in the table above), and there is the potential for up to four more within the next few months. The REIT and REOT are continuing to see a steady flow of new rental apartment construction opportunities for the REIT's pipeline.

The portfolio is currently comprised of 8,156 rental units on an undiluted basis and 7,273 rental units on a diluted basis, factoring in the acquisitions after quarter end and up to the date of writing, diversified over 68 properties, 23 cities, and 9 provinces/states. Geographic diversity has continued to increase with the addition of new properties outside Ontario. Portfolio concentration in the REIT's key Ontario market declined to 66.98% from 72.01%, offset by increases in British Columbia to 9.6% (6.31% at YE-18), Manitoba to 4.0% (1.94% at YE-18), and the U.S. to 6.1% (4.8% at YE-18) at quarter end and not factoring in the acquisitions from then to the date of writing.

Based on closings of approximately $84 million since quarter end, purchase commitments of about $115 million in British Columbia, approximately $315 million of properties in due diligence outside Ontario, and a large pipeline of opportunities under negotiation, we see geographic diversification continuing to increase in the quarters ahead. The portfolio's weighted average capitalization rate declined to 4.48% down from 4.55% at YE-18.

Financing rates have been declining with the REIT recently locking in long-term fixed-rate mortgages at 2.13% with ten-year terms, which is a new record low for the REIT in this maturity bucket. The weighted average maturity of mortgage liabilities increased to 5.1 years with Management's continued focus on securing long-term financing to lock in these attractive rates even though Management has a view that interest rates will continue to decline in the foreseeable future.

The REIT's Weighted Average Mortgage Liability Interest Rate declined to 3.19% from 3.27% at YE-18. Portfolio leverage remains low at 28.32% down from 29.31% at YE-18. Liquidity is excellent with more that $140 million of available liquidity at quarter end. The REIT has largely provisioned for the capital it anticipates for its investment pipeline and as such remains capped to new investments.

The REIT filled the vacant board seat with Stephen Sender joining as a Trustee for both the REIT and the REOT. As part of the process of conducting its search for this board member, the board and Management felt that it was time to increase the number of board members to bring additional talent and diversity. It has proposed three additional board members to be appointed at the Annual General Meeting of Unitholders to be held on September 17, 2019. These proposed members are Andrew Jones, Paula Gasparro and Laetitia Pacaud. Their profiles are available in the Information Circular and in the Q2 newsletter.

LETTER FROM THE PRESIDENT

To make room for the additional three board members, Robert Orr (Executive Vice President of Finance, Chief Financial Officer, and Chief Compliance Officer), a management appointee to the board, will give up his board seat for an independent member. Mr. Orr remains in his existing management roles and will continue to report to the board at meetings.

Upon the completion of these appointments, the REIT will have seven board members, of whom six will be independent of management, up from five members currently, of which three are independent of management. Management and the board believe that increasing the independence of the board will further strengthen governance of the REIT. The board is looking to draw on the experience of its expanded membership to revisit the REIT's governance procedures with the goal of keeping in line with current thinking on best practices.

GREG ROMUNDT
President, CEO, and Trustee

Q2 2019: MANAGEMENT'S DISCUSSION AND ANALYSIS

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Forward-Looking Statements

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The Management's Discussion and Analysis ("MD&A") of Centurion Apartment Real Estate Investment Trust ("Centurion", "Centurion REIT", "Centurion Apartment REIT", the "Trust" or the "REIT") contains "forward-looking statements" within the meaning of applicable securities legislation. This document should be read in conjunction with the material contained in the Trust's unaudited condensed consolidated interim financial statements for the quarter ended June 30, 2019, along with Centurion REIT's other documents available on the Trust's website. Forward-looking statements appear in this MD&A under the heading "Outlook" and generally include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations, including but not limited to financial performance, equity or debt offerings, new markets for growth, financial position, comparable multi-residential REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Centurion REIT to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the market for Centurion REIT's trust Units, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by Centurion REIT, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding Centurion REIT's trust Units, lack of availability of growth opportunities, diversification, potential unitholders' liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the unit price of Centurion REIT's trust Units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in Appendix C "Risks and Uncertainties" and in other sections of the MD&A.

In addition, certain material assumptions are applied by the Trust in making forward-looking statements including, without limitation, factors and assumptions regarding;

- Overall national economic activity
- Regional economic factors, such as employment rates
- Inflationary/deflationary factors
- Long, medium, and short-term interest rates
- Legislated requirements
- Availability of financing
- Vacancy rates

Although the forward-looking information contained herein is based upon what Management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Centurion REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, however, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Centurion REIT does not intend to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Certain statements included herein may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

The REIT is a private real estate investment trust focused on apartment buildings, student housing, and mortgage investments in Canada. It is organized as an unincorporated open-ended investment trust created by a declaration of trust made as of August 31, 2009, and as amended and restated, (the "Declaration of Trust") and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See "Declaration of Trust" and "Description of Units".

The objectives of the REIT are: (i) to provide Unitholders with stable cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income-producing multi-unit residential properties located in Canada; and (ii) to maximize REIT Unit value through the ongoing management of the REIT's assets and through the future acquisition of additional multi-unit residential properties.

DECLARATION OF TRUST

The policies of the Trust are outlined in the updated Declaration of Trust (the "DOT") dated September 19, 2017, or as it is amended and restated from time to time. The DOT can be found at:

https://www.centurion.ca/investment-solutions/centurion-apartment-reit

The investment guidelines and operating policies set out in the DOT.

ACCOUNTING POLICIES

The REIT's significant accounting policies are described in Note 3 of the unaudited condensed consolidated interim financial statements (see "Appendix D") for the quarter ended June 30, 2019. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of consolidated financial statements.

In applying these policies, in certain cases it is necessary to use estimates, which Management determines using information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness and any change to these estimates is applied prospectively in compliance with IFRS. Significant estimates are made with respect to the fair values of investment properties and the fair values of financial instruments.

Langford Apartments, British Columbia

Summit at Seasons, Manitoba

Timothy Woods, Georgia (U.S.)

NON-IFRS MEASURES

Centurion Apartment REIT prepares unaudited condensed consolidated interim financial statements and audited consolidated financial statements in accordance with IFRS. In this MD&A, as a complement to the financial results provided in accordance with IFRS, Centurion Apartment REIT also discloses and discusses certain financial measures not recognized by IFRS including Net Operating Income ("NOI"), Normalized Net Operating Income ("NNOI") and Funds From Operations ("FFO").

These metrics (or, in each case, substantially similar terms) are measures used by Canadian real estate investment trusts as indicators of financial performance, however they do not have standardized meanings prescribed by and these measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly-termed measures reported by other such issuers.

Net Operating Income ("NOI") is a key measure of operating performance used in the real estate industry and includes all rental revenues generated at the property level, less related direct costs such as utilities, realty taxes, insurance and on-site maintenance wages and salaries. As one of the factors that may be considered relevant by readers, Management believes that NOI is a useful supplemental measure that may assist prospective investors in assessing the Trust.

NNOI is a key measure of potential operating performance used in the real estate industry and differs from NOI mainly in that certain long-term stabilizing assumptions are made in the calculation of NNOI. Such assumptions may reflect a stabilized (normalized) view of key inputs in the calculation of NNOI such as forward-looking rents, vacancy ratios, property taxes, wages, repairs and maintenance and other costs. NNOI is often used by property appraisers in valuing a property. NNOI's have been used, among other things for evaluating potential property acquisitions, to determine fair values of the investment properties held by the Trust, and to estimate the capacity to make and the level of distributions. Management believes that given the rapid rate of growth of the portfolio and that new acquisitions often require stabilization and repositioning periods and that many in the real estate industry use NNOI when purchasing or selling a property, that NNOI is a useful tool in evaluating the portfolio.

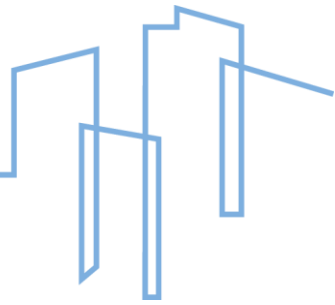
FFO is a financial measure used by some REITs to define their operating performance to provide an idea of the REIT's cash performance, which is a better indicator of a REIT's performance than earnings which includes large non-cash items. As a rapidly growing REIT with a number of properties that are currently unstabilized or in a period of repositioning, Management does not look at FFO to be a very useful indicator of stabilized cash flow or earnings but calculates and presents FFO as an input into the calculation of the measures such as NFFO.

NFFO is a financial measure that adjusts Funds From Operations for non-recurring items. Some of these items Management considers to be capital in nature but for accounting purposes are expensed under IFRS (e.g. portfolio stabilization costs). Adjustments may include things such as portfolio stabilization costs (e.g. extra vacancy costs, rental promotions costs and non-normalized collections and evictions costs) that are not expected to be ongoing once stabilization is achieved, adjustments for the difference between underwritten Internal Rates of Return on participating mortgage type investments and minimum coupon rates on those investments to show the impact of timing differences on earnings related to these investments, leakage costs on excess capital (for undeployed capital) that has dragged on current period earnings but that is non-recurring and new recurring measures such as internalization of the asset and property management teams and their influence on earnings capacity. Management looks at NFFO as a better measure of the REIT's current cash generating capacity than FFO as it takes a stabilized view of the portfolio and adjusts for items that are not expected to influence earnings capacity over the medium to long-term. It excludes identified opportunities and costs that Management has identified and believes may be realized over time.

Readers are cautioned that these metrics and calculations are not alternatives to measures under IFRS and should not, on their own, be construed as indicators of the Trust's performance, cash flows, measures of liquidity or as measures of actual returns on Units of the Trust. These non-IFRS measures, as presented, should only be used in conjunction with the consolidated financial statements of the Trust. In addition, these measures may be calculated differently by other similar organizations and may not be comparable.

The Trust currently has six classes of units, the Class "A" Units, Class "F" Units, Class "I" Units, Class "M" Units (formerly Class "B" Units), Class "R" units, and Exchangeable "B" and "C" LP Units. Under IFRS, the REIT has no instrument qualifying for equity classification on its Consolidated Statement of Financial Position and as such, all units are classified as financial liabilities. The classification of all units as financial liabilities with the presentation as net assets attributable to Unitholders does not alter the underlying economic interest of the Unitholders in the net assets and net operating results attributable to Unitholders.

NON-IFRS MEASURES RECONCILIATION



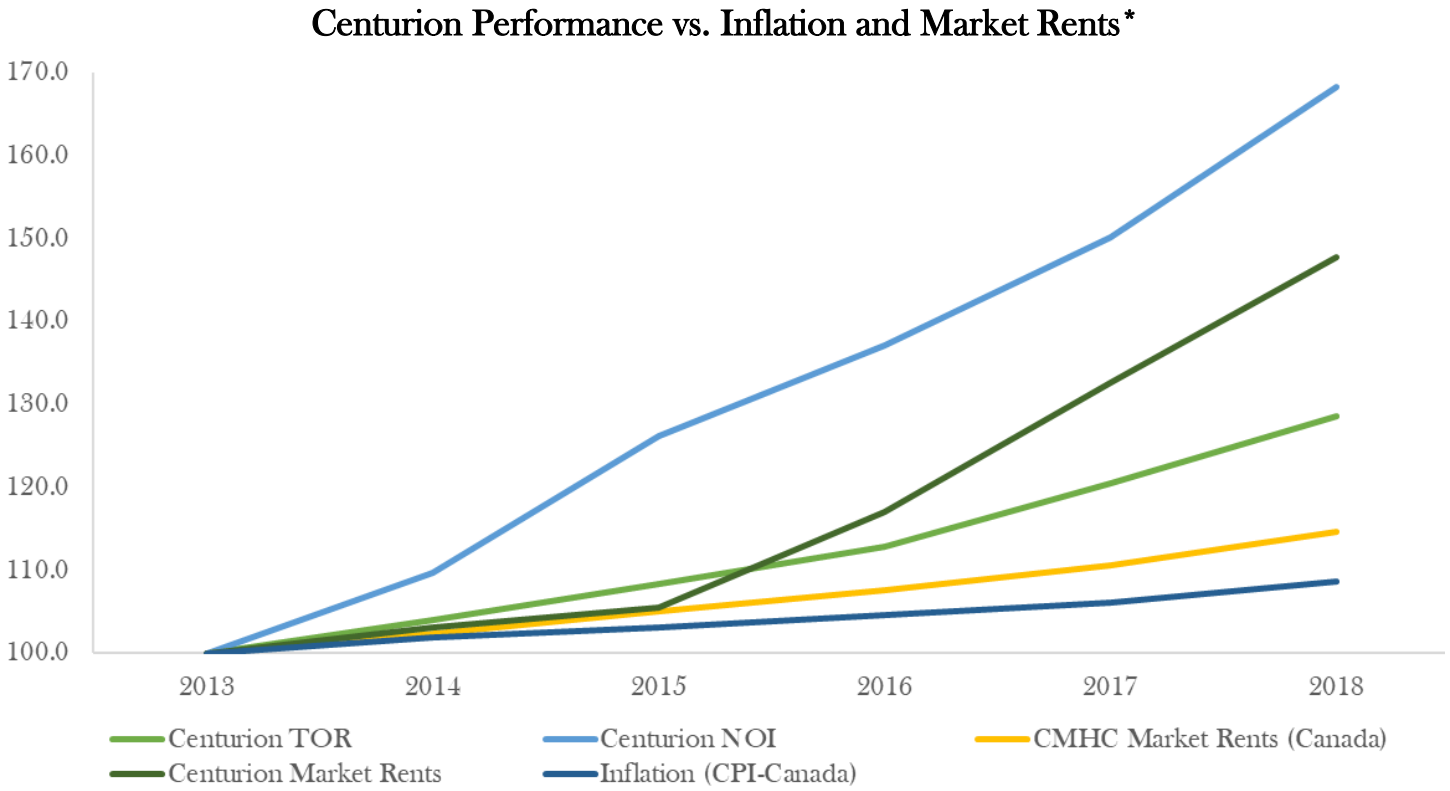
Reconciliation of IFRS to Management Reporting	
Total Gross Mortgage Investments, per IFRS	**$434,734**
Add: Allowance for ECL	$1,403
Add: Participating Loan Interests classified as Mortgage Investments, per Management	$77,696
Total Gross Mortgage Investments, per Management	**$513,833**
Total Participating Loan Interests, per IFRS	**$130,411**
Less: Participating Loan Interests classified as Mortgage Investments, per Management	($77,696)
Add: Equity Accounted Investments classified as Participating Loan Interests, per Management	$58,183
Total Participating Loan Interests, per Management	**$110,898**
Total Equity Accounted Investments, per FS	**$136,300**
Less: Equity Accounted Investments classified as Participating Loan Interests, per Management	($58,183)
Equity Accounted Investments, per Management Reporting	**$78,117**

Management reporting of investments is an alternative reporting method used to present the composition of investments held by the Trust in alignment with the business.

Specifically, Management believes this method better reflects the underlying nature of the risk profile and expected returns of these investments when compared to the reporting requirements in accordance with IFRS, and consequently, this method provides Management with a platform to evaluate investments with similar characteristics and actively manage risk.

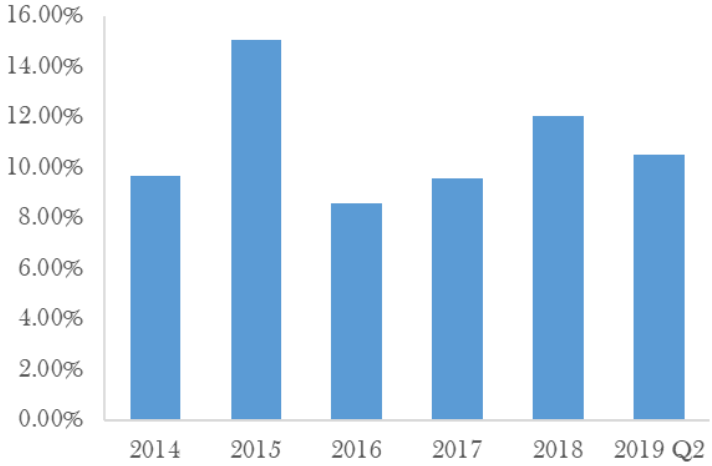
Management believes the Trust holds certain investments that include the characteristics of participating loan interests, which are classified as equity accounted investments in accordance with IFRS. Furthermore, Management believes the Trust holds certain investments that include the characteristics of mortgage investments, which are classified as participating loan interests in accordance with IFRS.

OUTLOOK AND BUSINESS STRATEGY



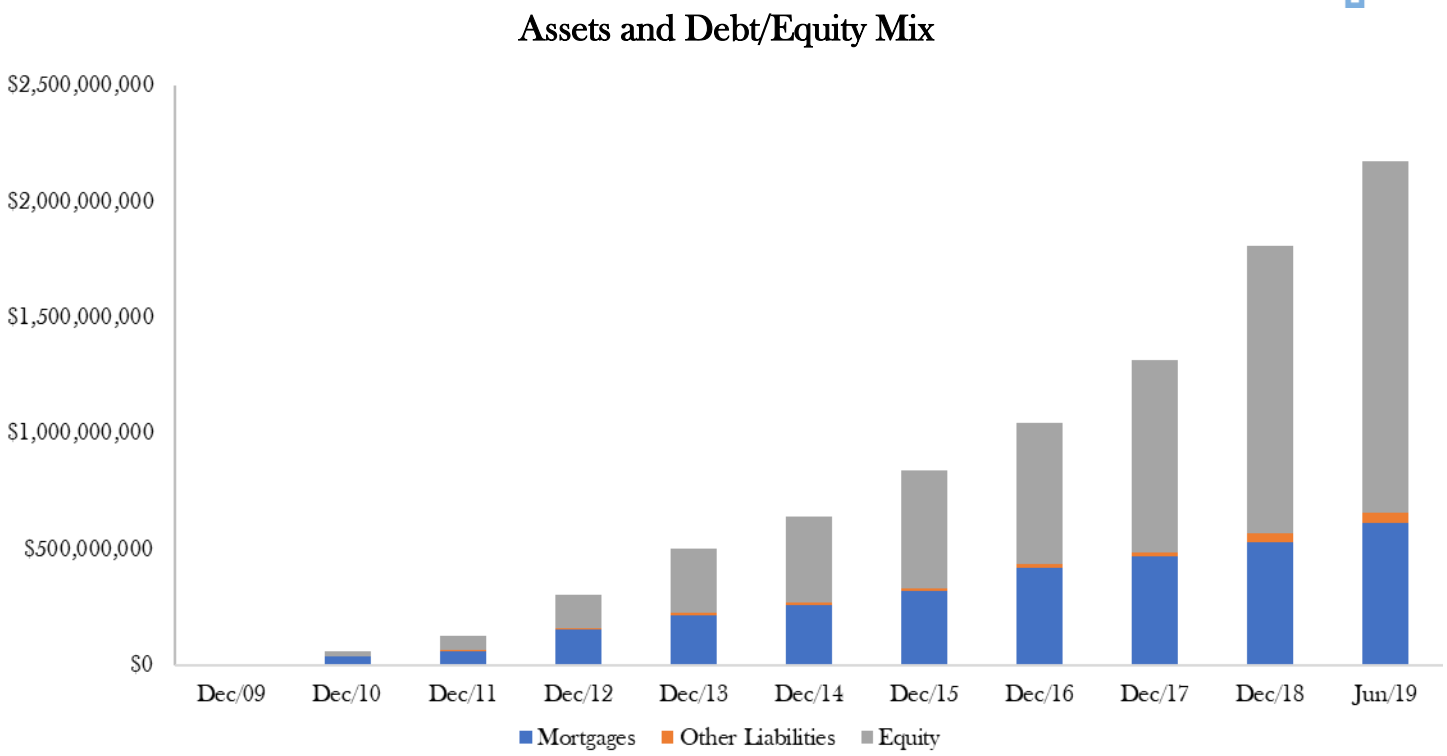
**The REIT has grown its Same Store NOI, Total Operating Revenues and Market rents significantly faster than market averages and inflation benchmarks.*

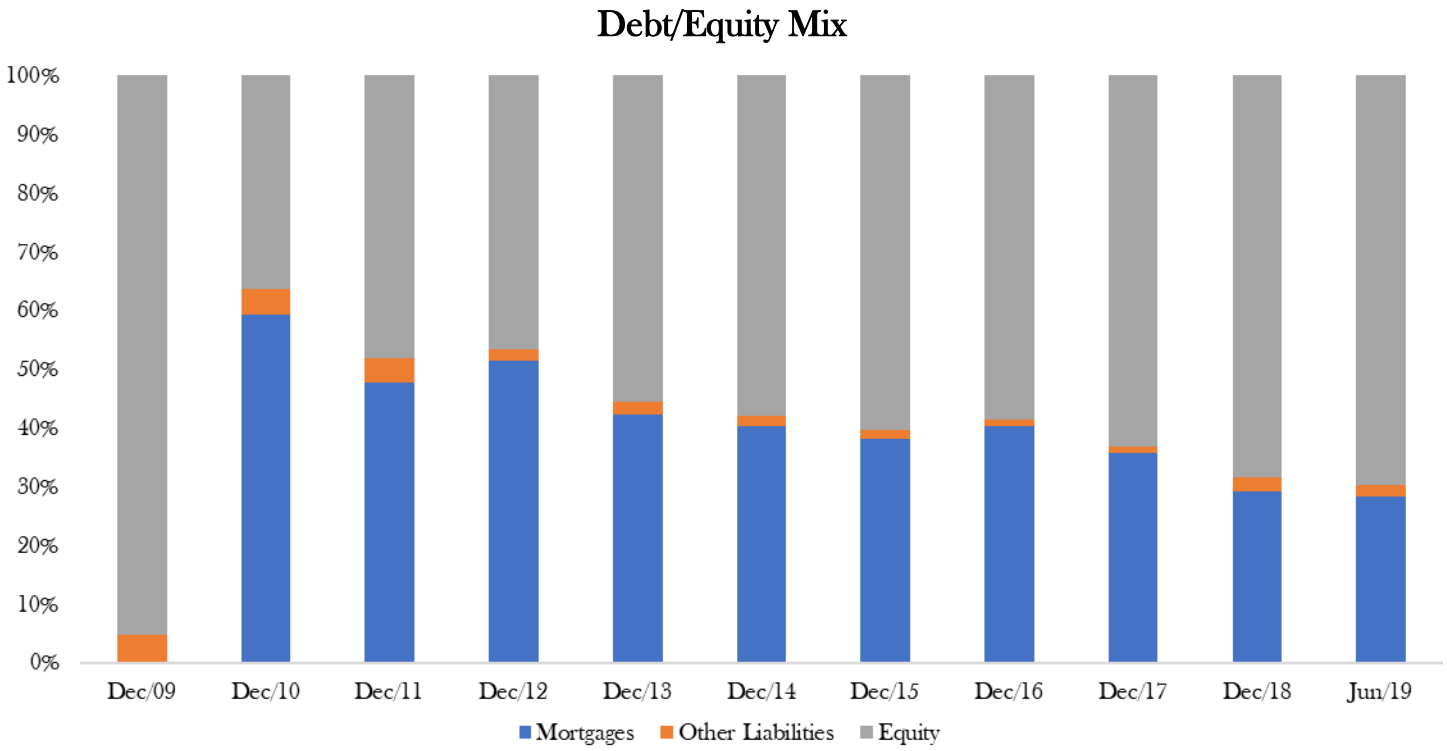
*Total Operating Revenues has grown on average by 5.18% per annum.



*Same Store NOI has grown at an average of 10.97% per annum.

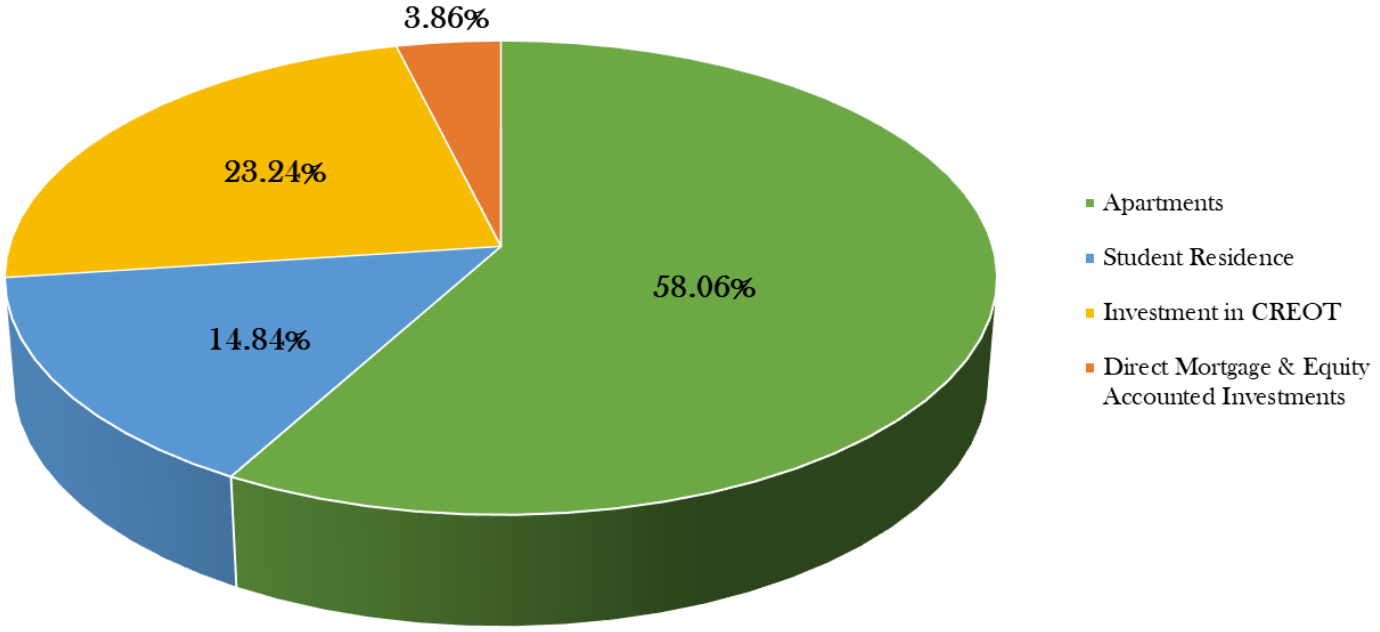
FINANCE AND TREASURY



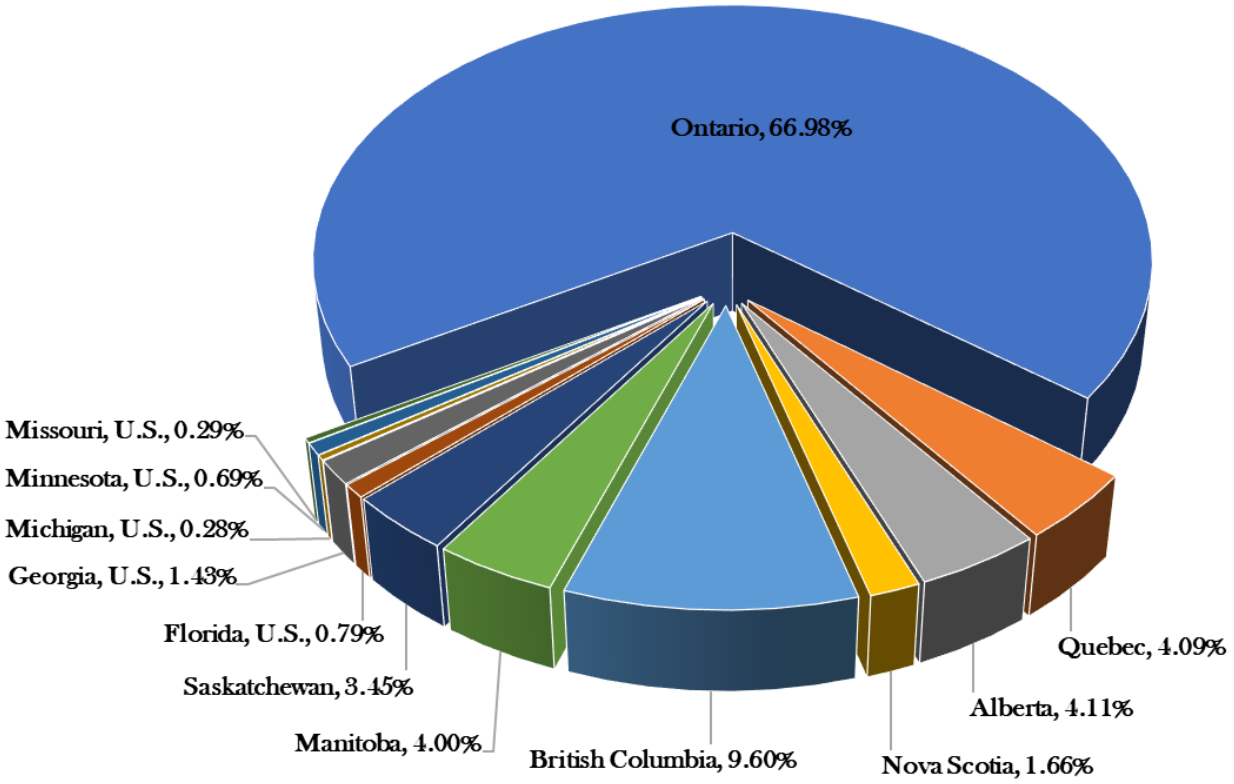


PORTFOLIO SUMMARY

Portfolio Summary (% of assets)



Geographic Exposure by $ Value of Assets

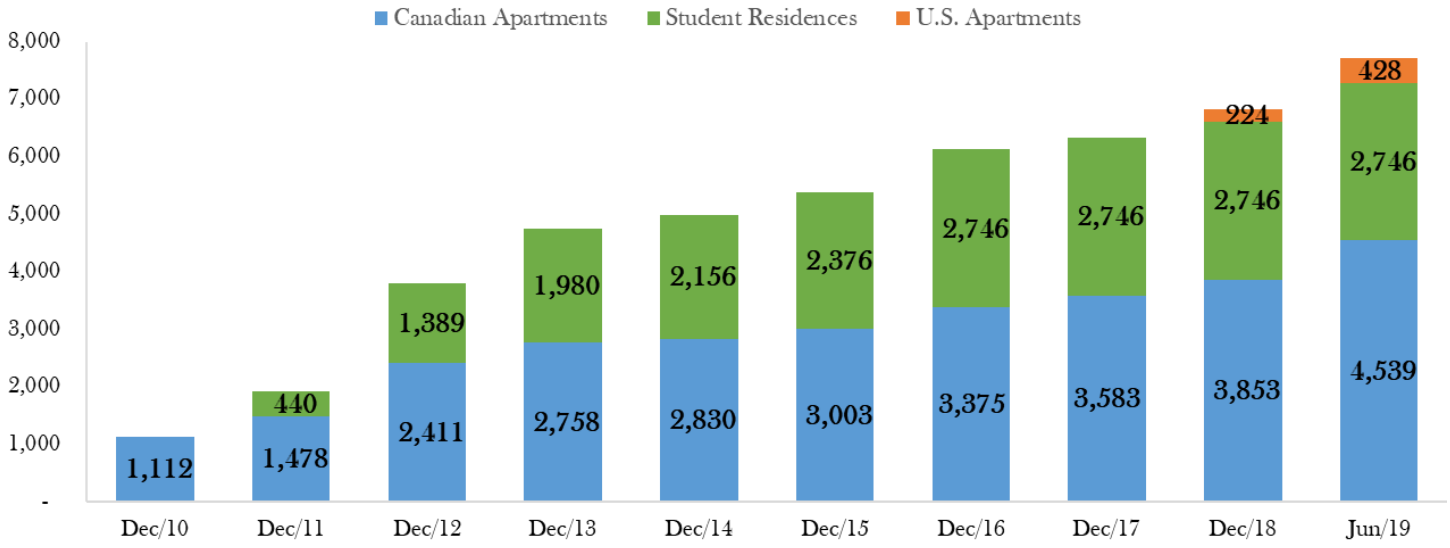


PROPERTY METRICS

BY PERCENTAGE PORTFOLIO (% OF $ VALUE OF ASSETS) AS AT JUNE 30, 2019				
Province	**Property Holdings**	**Percentage Weight of REOT Portfolio**	**Direct Mortgage and Equity Accounted Investments**	**Total**
Ontario	52.44%	12.45%	2.08%	66.98%
Quebec	4.09%	-	-	4.09%
Alberta	1.58%	1.61%	0.91%	4.11%
Nova Scotia	1.51%	0.16%	-	1.66%
British Columbia	4.23%	5.38%	-	9.60%
Manitoba	2.70%	1.30%	-	4.00%
Saskatchewan	3.19%	0.27%	-	3.45%
Florida, U.S.	-	0.79%	-	0.79%
Georgia, U.S.	1.43%	-	-	1.43%
Michigan, U.S.	-	0.28%	-	0.28%
Minnesota, U.S.	-	-	0.69%	0.69%
Missouri, U.S.	-	0.11%	0.17%	0.29%
Texas, U.S.	1.73%	0.88%	-	2.62%
Total	72.90%	23.24%	3.86%	100.00%

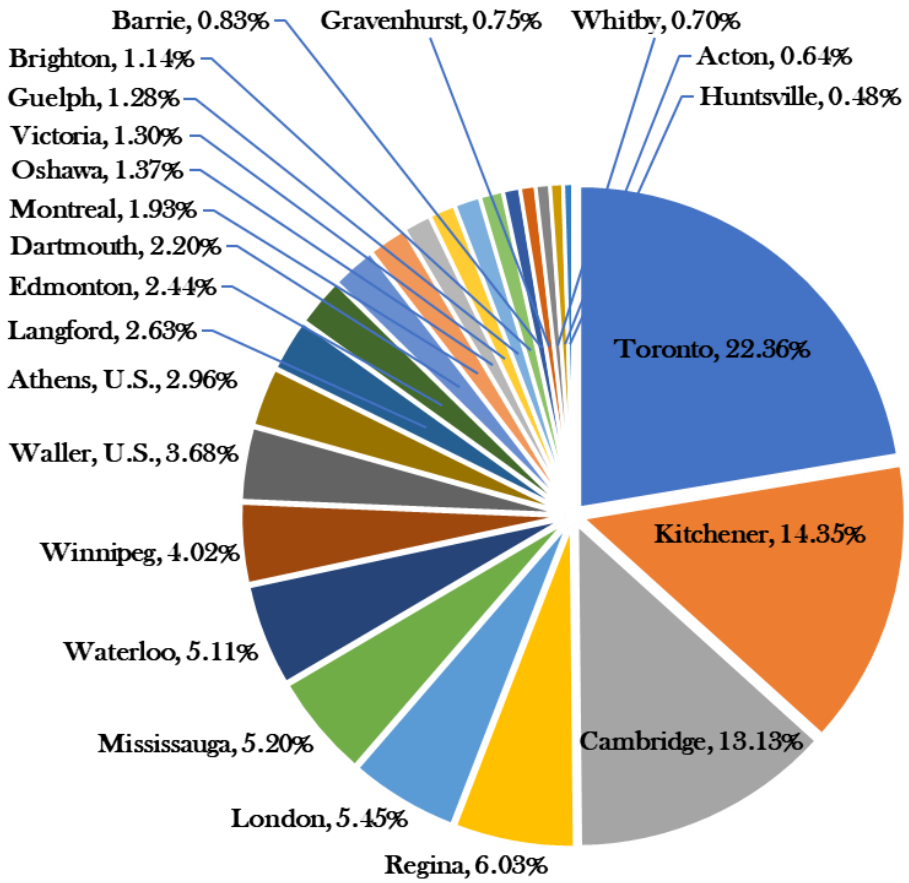
As at June 30, 2019, the Trust owned 64 properties. The charts below provide additional details of the property portfolio.

Number of Rental Units (undiluted)

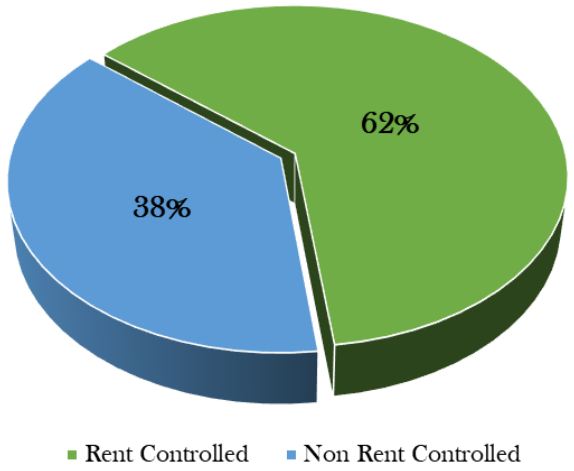


OTHER PROPERTY METRICS

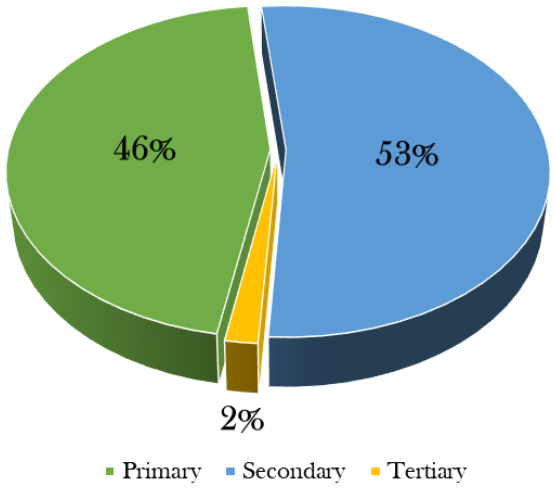
Percentage of Suites by City (diluted)



Property Summary by Rent Control Status
(by rent unit count – diluted)



Property Summary by Market Size Type
(by rent unit count – diluted)



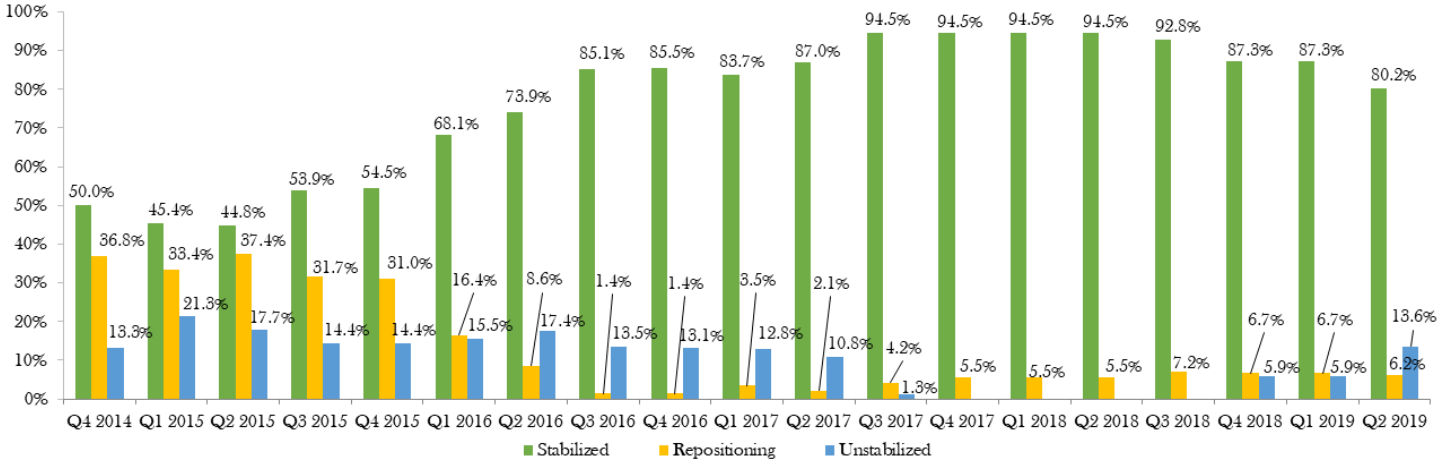
PROPERTY STABILIZATION AND REPOSITIONING PROGRESS

The following charts breakdown the Trust's portfolio into three categories as at June 30, 2019:

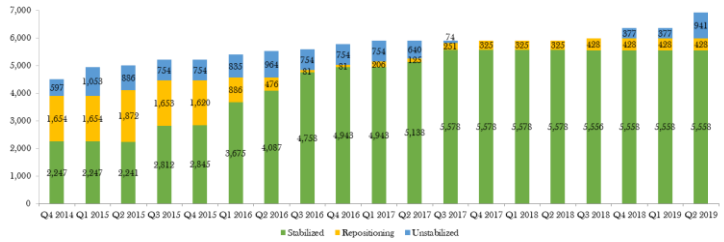
(1) Stabilized **(2) Unstabilized** **(3) Repositioning**

There has been significant improvement in stabilizing the Trust's properties over the years.

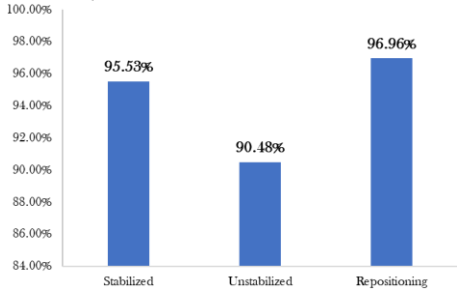
Portfolio Stabilization by Percentage (weighted)



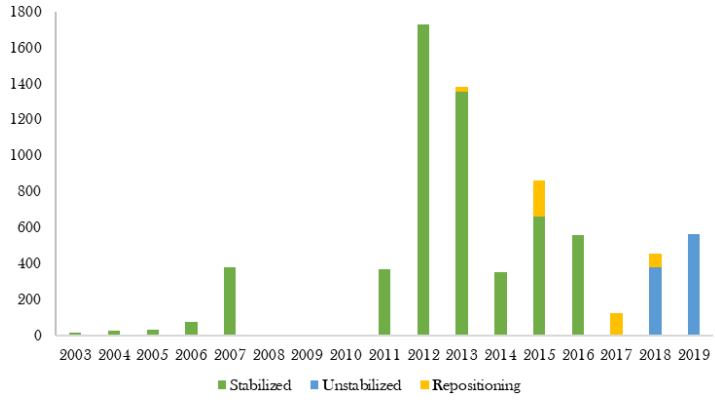
Portfolio Stabilization by Units



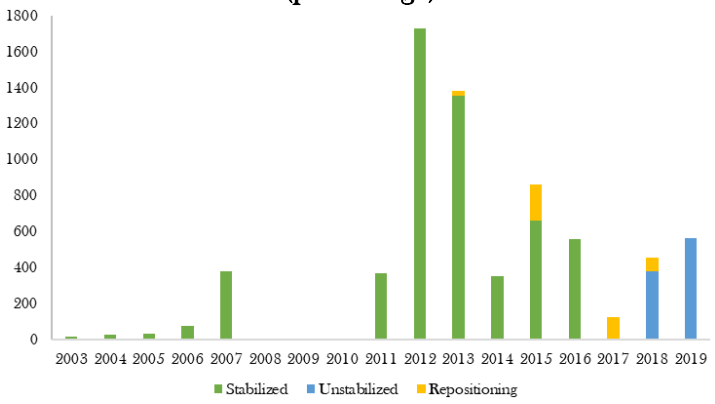
Summary of Property Occupancy by Stabilization Status



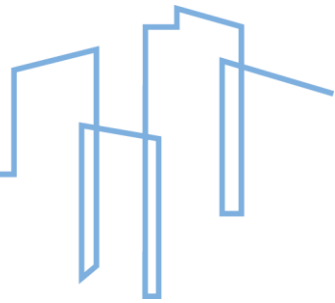
Stabilization by Year of Acquisition (rental units)



Stabilization by Year of Acquisition (percentage)



PROPERTY STABILIZATION AND REPOSITIONING PROGRESS

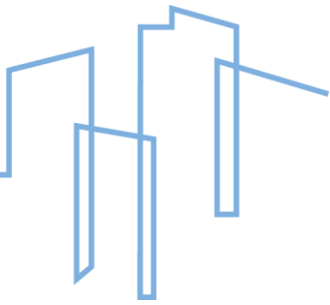


Q2 2018 vs Q2 2019 Renewal and Turnover Analysis

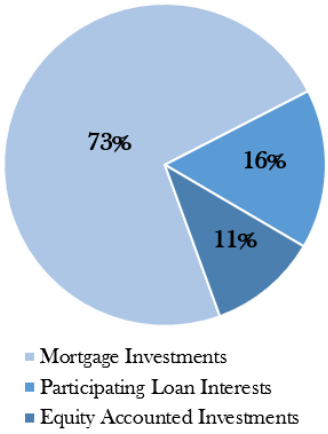
By Stabilization - Apartments			
Status	Market Rent Increase	Renewals	New Tenants (including unit transfers)
Stabilized	11.97%	3.18%	31.18%
Repositioning	4.66%	1.17%	4.02%
Unstabilized	-	-	-

By Stabilization - Students			
Status	Market Rent Increase	Renewals	New Tenants (including unit transfers)
Stabilized	3.09%	0.31%	8.20%
Repositioning	-	-	-
Unstabilized	-	-	-

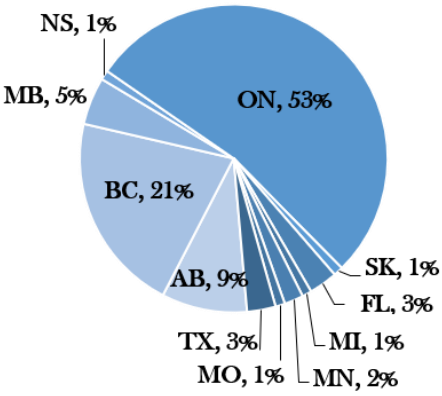
MORTGAGE INVESTMENT STRATEGY



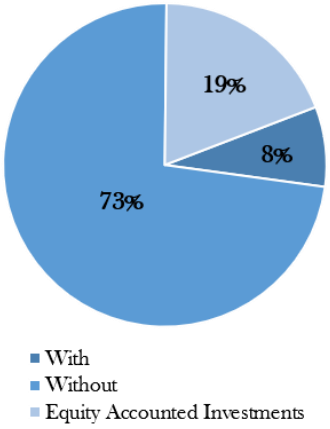
BY PARTICIPATION



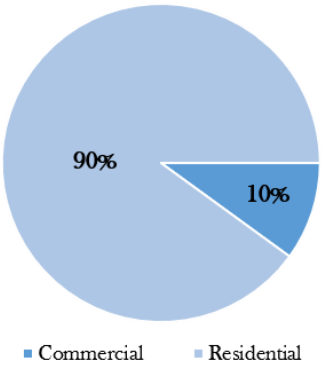
BY PROVINCE / STATE



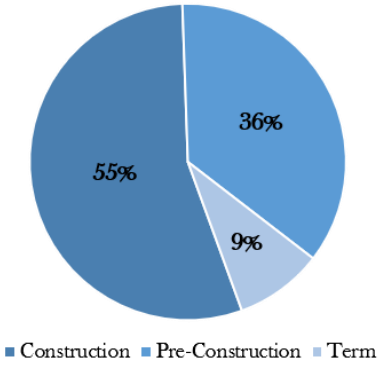
BY PURCHASE OPTIONS



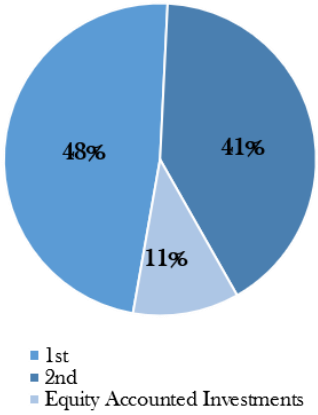
BY LOAN TYPE



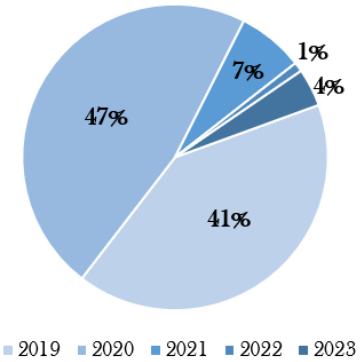
BY DEVELOPMENT STAGE



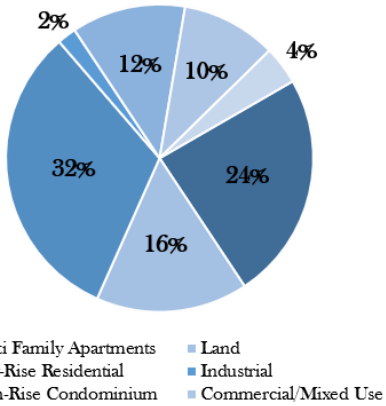
BY RANK



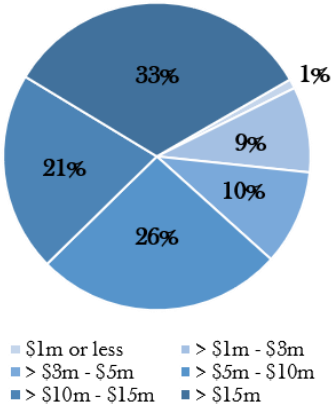
BY MATURITY



BY UNDERLYING SECURITY



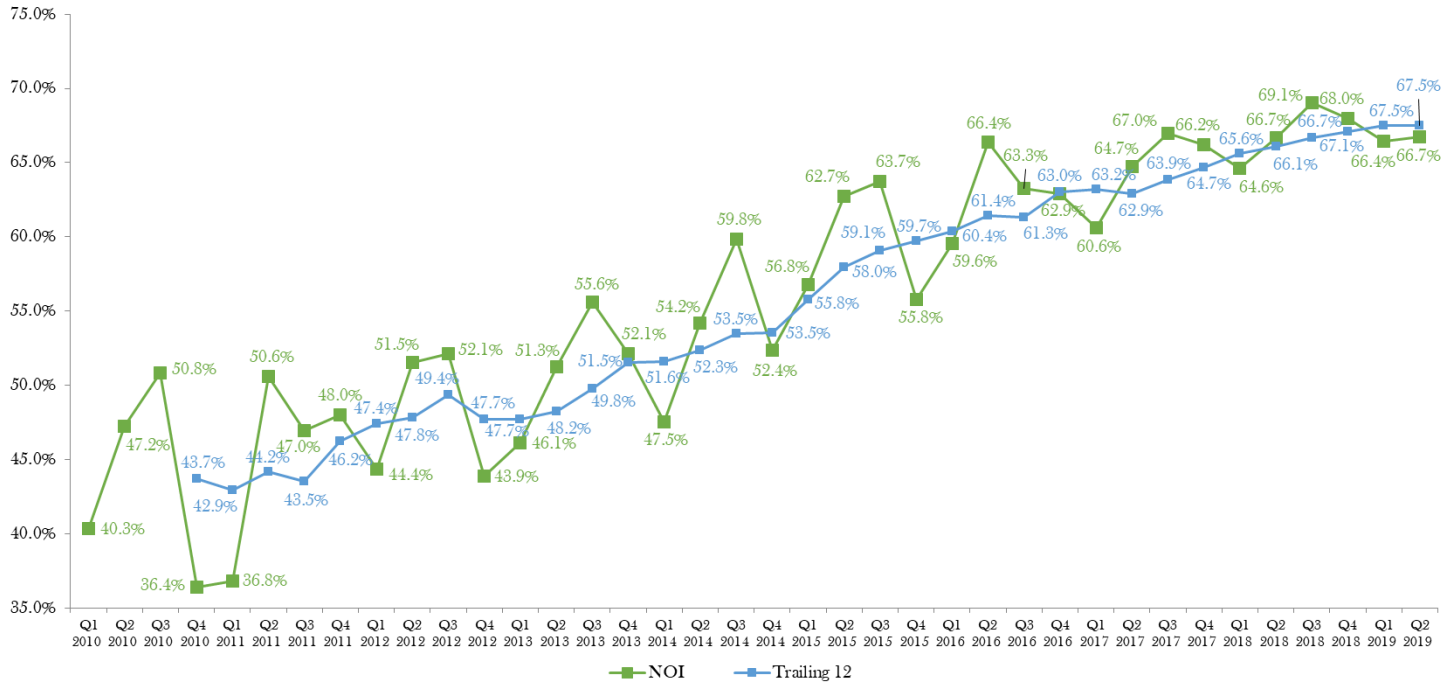
BY INVESTMENT SIZE



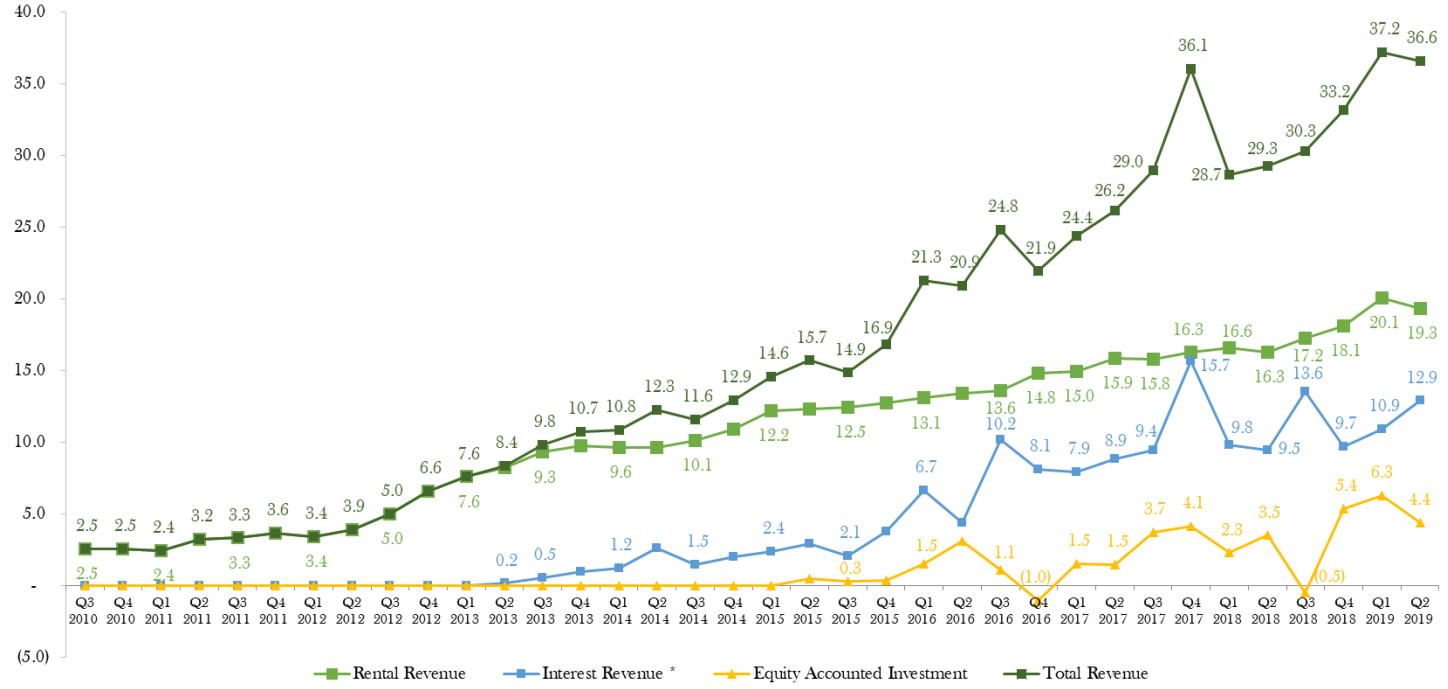
Please refer to Appendix B for Summary Information on the Mortgage Investment Portfolio.

NOI AND REVENUE GROWTH

Quarterly NOI Growth Trend



Quarterly Revenue Growth
(in millions)



SAME STORE ANALYSIS[1]

Asset Type	Stable (expressed in thousands of Canadian dollars)			Repositioning (expressed in thousands of Canadian dollars)		
Year	Q2 2018	Q2 2019	Change	Q2 2018	Q2 2019	Change
Income						
Total Operating Revenue	$60,756	$65,060	7.08%	$4,703	$5,119	8.85%
Total NOI	$40,006	$44,112	10.26%	$2,988	$3,390	13.43%
NOI Ratio	65.85%	67.80%	1.95%	63.54%	66.21%	2.67%
Average Rent/unit as per End of Period Rent Roll	$916	$982	7.26%	$1,224	$1,271	3.81%
Expense Ratio (%)						
Taxes	13.39%	12.11%	-1.28%	8.91%	8.86%	-0.05%
R&M	5.00%	5.05%	0.05%	7.48%	7.88%	0.40%
Wages	2.94%	2.96%	0.02%	3.17%	3.08%	-0.09%
Insurance	1.10%	1.05%	-0.04%	1.02%	1.09%	0.06%
Utilities	8.90%	8.61%	-0.28%	7.31%	7.64%	0.32%
G&A	2.38%	1.97%	-0.42%	5.94%	3.89%	-2.05%
Expense Dollars ($)						
Taxes	($8,138)	($7,879)	($258)	($419)	($454)	$35
R&M	($3,039)	($3,287)	$248	($352)	($403)	$52
Wages	($1,786)	($1,925)	$139	($149)	($158)	$8
Insurance	($667)	($686)	$19	($48)	($56)	$8
Utilities	($5,404)	($5,603)	$199	($344)	($391)	$47
G&A	($1,447)	($1,279)	($168)	($279)	($199)	($80)

Asset Type	Unstabilized			Total – Same Store (expressed in thousands of Canadian dollars)		
Year	Q2 2018	Q2 2019	Change	Q2 2018	Q2 2019	Change
Income						
Total Operating Revenue	-	-	-	$65,459	$70,179	7.21%
Total NOI	-	-	-	$42,995	$47,501	10.48%
NOI Ratio	-	-	-	65.68%	67.69%	2.00%
Average Rent/unit as per End of Period Rent Roll	-	-	-	$933	$999	7.06%
Expense Ratio (%)						
Taxes	-	-	-	13.07%	11.87%	-1.20%
R&M	-	-	-	5.18%	5.26%	0.08%
Wages	-	-	-	2.96%	2.97%	0.01%
Insurance	-	-	-	1.09%	1.06%	-0.04%
Utilities	-	-	-	8.78%	8.54%	-0.24%
G&A	-	-	-	2.64%	2.11%	-0.53%
Expense Dollars ($)						
Taxes	-	-	-	($8,557)	($8,333)	($224)
R&M	-	-	-	($3,391)	($3,690)	$300
Wages	-	-	-	($1,935)	($2,083)	$147
Insurance	-	-	-	($715)	($742)	$27
Utilities	-	-	-	($5,748)	($5,994)	$246
G&A	-	-	-	($1,726)	($1,478)	($248)

[1] *Same store analysis includes the results for all properties that were owned throughout the period from December 31, 2017 to June 30, 2018 and the results for the same properties for the period from December 31, 2018 to June 30, 2019.*

"FFO" AND "NFFO"

Funds From Operations and Normalized Funds From Operations

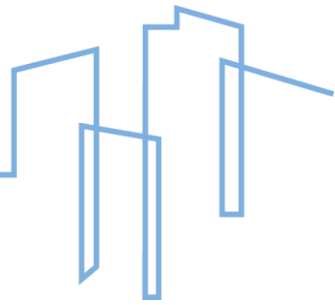
	Trailing 12-Months		Three Months Ending		Six Months Ending	
(expressed in thousands of Canadian dollars)	2019	2018	2019	2018	2019	2018
FFO (Funds From Operations)						
Net Income and Comprehensive Income	$230,800	$149,566	$58,911	$49,882	$112,438	$76,048
Less: FV gains on investment properties	($149,039)	($78,268)	($37,088)	($34,253)	($69,441)	($45,823)
Less: Minority Interest [1]	($17,545)	($19,009)	($4,876)	($3,627)	($9,262)	($6,941)
Plus: Allowance for expected credit losses	($2,258)	$1,798	$218	$809	$240	$1,441
Plus: Amortizations	$1,085	$616	$87	$34	$123	$73
Plus: Capital raising costs expensed through G&A	$386	$332	$153	$176	$332	$109
FFO	**$63,428**	**$55,036**	**$17,405**	**$13,021**	**$34,430**	**$24,907**
NFFO (Normalized Funds From Operations)						
FFO	$63,428	$55,036	$17,405	$13,021	$34,430	$24,907
Plus: Unlevered cash [2]	$2,244	$500	$991	$52	$1,682	$120
Plus: Gap to market rents	$13,007	$8,810	$3,595	$2,724	$6,829	$4,906
NFFO	**$78,679**	**$64,346**	**$21,992**	**$15,797**	**$42,942**	**$29,932**
Average Number of Outstanding Units	68,673,847	54,548,160	76,616,195	58,815,979	73,410,260	56,914,875
Per Unit Statistics (Per Adjusted Number of Outstanding Units)						
Net Income and Comprehensive Income	$3.36	$2.74	$0.77	$0.85	$1.53	$1.34
FFO	$0.92	$1.01	$0.23	$0.22	$0.47	$0.44
NFFO	$1.15	$1.18	$0.29	$0.27	$0.58	$0.53

Notes:

[1] *Represents the Non-Controlling Interest*

[2] *Represents the average cash balance deployed at 10.0% net return*

TOTAL RETURNS

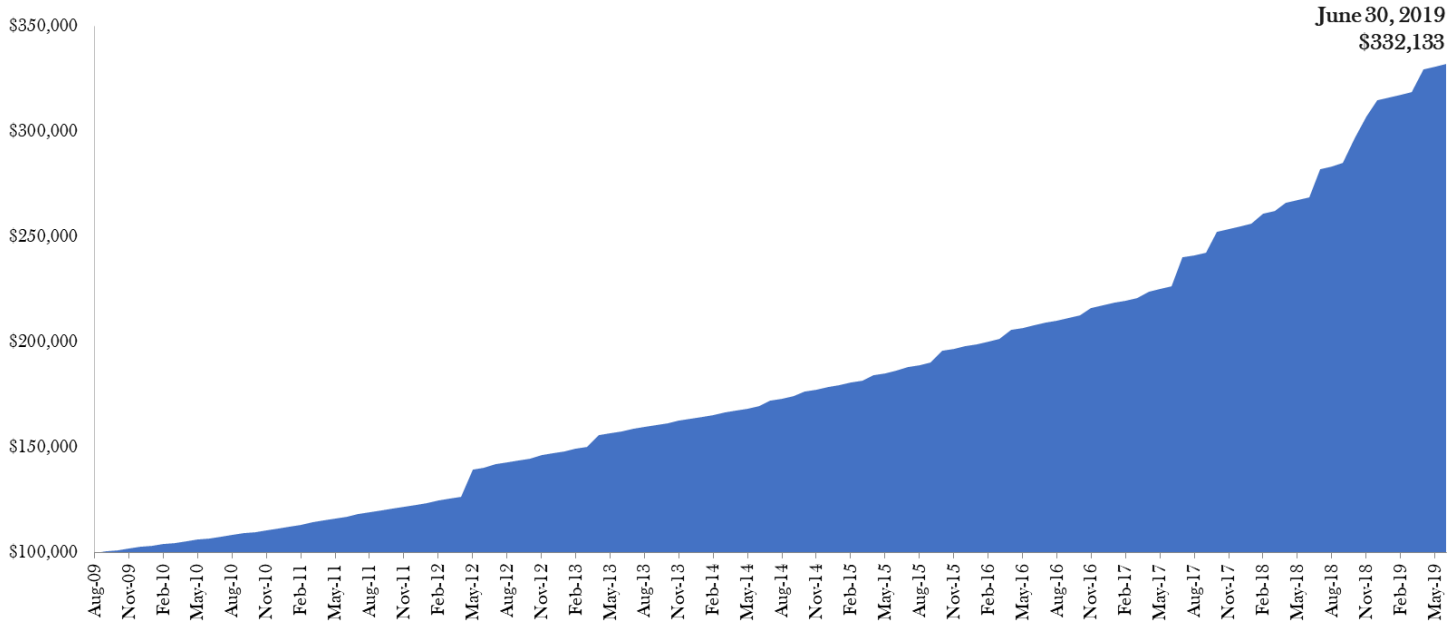


REIT Returns for Class A Units (excluding history of CAPLP)

Calendar Returns	2009 [1]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 YTD
Centurion CAPLP/REIT TR	2.7%	8.5%	10.2%	20.0%	11.0%	9.2%	10.2%	9.8%	17.2%	23.4%	5.6%

Compound Returns (%)	1-Year	2-year	3-Year	4-Year	5-Year	Since Inception of REIT
Centurion CAPLP/REIT TR	23.6%	21.1%	16.9%	15.3%	14.0%	12.9%

Centurion Apartment REIT Growth of $100,000 Invested [2,3]



Notes:

[1] For partial year from 31 Aug 09 to 31 Dec 09

[2] Refer to detailed Disclaimer on Sheet labeled "Disclaimer" in the calculation spreadsheet published by Management here: www.centurion.ca/noindex/Historic-Returns

[3] Class "A" Units

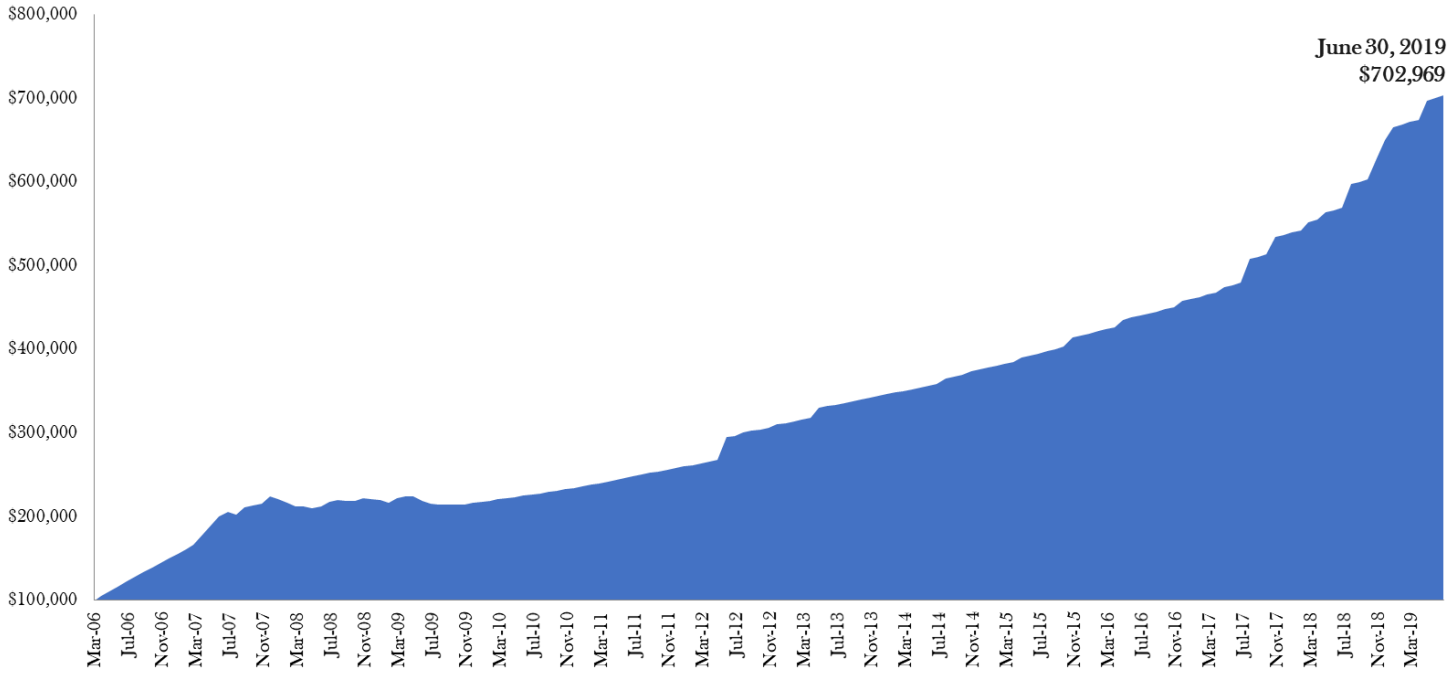
TOTAL RETURNS

REIT Returns for Class A Units (including history of CAPLP)

Calendar Returns	2006 [1]	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 YTD
CAPLP	55.8%	41.9%	(0.7%)	(0.8%)	8.3%	10.2%	20.0%	11.0%	9.2%	10.2%	9.8%	17.2%	23.4%	5.6%

Compound Returns	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	Since Inception
Centurion CAPLP/REIT TR	23.6%	21.1%	16.9%	15.3%	14.0%	13.1%	12.9%	13.8%	13.3%	12.6%	15.6%

CAPLP Growth of $100,000 Invested [2, 3]



Notes:
[1] For partial year from Mar 06 to 31 Dec 06
[2] Refer to detailed Disclaimer on Sheet labeled "Disclaimer".
[3] Class "A" Units

APPENDIX A

Summary Information About The Properties

Property Address	Type of Building [1]	Ownership (%)	Bachelor	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Total Suite Count (undiluted) [2,4]	Total Suite Count (diluted) [2,5]	Total Rental Units (undiluted) [2,4]	Total Rental Units (diluted) [2,5]
262-320 Kingswood Dr	Apt	100%		122	318				440	440	440	440
15, 19, and 25 Hugo Cres	Apt	100%		7	46				53	53	53	53
196 Churchill St S	Apt	100%	3	7	23				33	33	33	33
21 and 31 Jean Ave	Apt	100%		20	12				32	32	32	32
1631 Victoria Park Ave	Apt	100%	4	19	12				35	35	35	35
4 and 8 Rannock St, and 880 Pharmacy Ave	Apt	100%		34	51				85	85	85	85
60 Prince Edward St	Apt	100%		3	27				30	30	30	30
707 and 711 Dundas St W	Apt	100%			24	12			36	36	36	36
165 Old Muskoka Rd	Apt	100%	1	4	33	1			39	39	39	39
2 and 4 Yonge St	Apt	100%		6	13	6			25	25	25	25
167 Morgan Ave	Apt	100%	2	10	20	15			47	47	47	47
362 Shanty Bay Rd	Apt	100%		4	11				15	15	15	15
275 North Service Rd	Apt	100%		35	41	7			83	83	83	83
356 and 360 Hoffman	Apt	100%		36	60				96	96	96	96
173 King St N	SH	100%		1	1		54		56	56	219	219
133-143 Woodside Ave	Apt	100%		125	206	2			333	333	333	333
St. George St and Ann St	SH	100%					24		24	24	96	96
25 and 45 Briardale Rd	Apt	100%		14	76				90	90	90	90
1,2,3,5, and 7 Biggin Crt	Apt	100%	11	179	108	10			308	308	308	308
Auburn Student Residence	SH	100%				10	40	50	100	100	440	440
6 Grandstand Place	Apt	100%		21	33	6			60	60	60	60
219 St. Andrews St	Apt	100%	3	13	12				28	28	28	28
252 and 256 St. Andrews St	Apt	100%		3	129				132	132	132	132
1175 Dundas St W	Apt	100%	1	53	50				104	104	104	104
277 Anderson Ave	Apt	100%			47				47	47	47	47
122 Elizabeth St	Apt	100%	1		26	2			29	29	29	29
36 and 70 Orchard View	Apt	100%		6	18				24	24	24	24
255 Dunlop St West	Apt	100%			2	26			28	28	28	28
26 Thorncliffe Park Drive	Apt	100%		35	25	2			62	62	62	62
27 Thorncliffe Park Drive	Apt	100%	2	45	39				86	86	86	86
50 Thorncliffe Park Drive	Apt	100%	1	10	34	12			57	57	57	57
1594 Victoria Park Ave	Apt	100%	1	13	14				28	28	28	28
5 Dufresne Crt	Apt	100%		108	82	28			218	218	218	218
1 Beaufort St	SH	75%						27	27	20	135	101
75 Ann St	SH	75%			2	45	90		137	103	499	374
167 King St N	SH	100%						41	41	41	205	205
345 King St N	SH	100%				28	28	38	94	94	386	386
3443 Bathurst St	Apt	100%		4	13	6			23	23	23	23
4 Antrim Cres	Apt	100%		41	24				65	65	65	65
168 King St N	SH	100%		1				35	36	36	176	176
58 Holtwood Crt	Apt	100%		9	99	6			114	114	114	114

APPENDIX A

Summary Information About The Properties

Property Address	Type of Building [1]	Ownership (%)	Bachelor	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Total Suite Count [2,3,4]	Total Suite Count (diluted) [2,5]	Total Rental Units (undiluted) [3,4]	Total Rental Units (diluted) [3,5]
3707-3711 Whitelaw Lane NW	Apt	100%		3	123				126	126	126	126
45-56 College Street, Kitchener	Apt	100%	8	26	12				46	46	46	46
64-66 Weber, 58-60 Weber, 96 Young	Apt	100%	3	24		1			28	28	28	28
205 Oxford St	SH	100%		50	85				135	135	220	220
11 Wendy Crt	Apt	100%		5	91				96	96	96	96
285 North Service Rd	Apt	100%		35	47				82	82	82	82
1731-1735-1739 Victoria Park Ave	Apt	100%	15	78	36				129	129	129	129
5 Schroder Cres	Apt	100%		7	50	9			66	66	66	66
1 Columbia St W	SH	50%						74	74	37	370	185
5501- 5549- 5601- 5649 Prefontaine Ave	Apt	60%		64	144				208	125	208	125
5960 Little Pine Loop (Sky Pointe)	Apt	100%		41	34				75	75	75	75
1291 North McEachern Drive (Madison Manor)	Apt	100%		16	48				64	64	64	64
1251 North McEachern Drive (Madison Ridge)	Apt	100%			8	40			48	48	48	48
31200 FM 2920 Road	Apt	85%		140	60	24			224	190	224	190
772 Hockley Avenue[6]	Apt	100%			20				20	20	20	20
777 Hockley Avenue[6]	Apt	100%		10	20				30	30	30	30
778 Hockley Avenue[6]	Apt	100%		13	10	10			33	33	33	33
784 Hockley Avenue[6]	Apt	100%		9	20				29	29	29	29
790 Hockley Avenue[6]	Apt	100%		8	16				24	24	24	24
2035 Timothy Road[6]	Apt	75%		88	76	40			204	153	204	153
1488 Cook Street[6]	Apt	50%	19	47	58	10			134	67	134	67
701-721 Sterling Lyon Parkway[6]	Apt	50%	6	160	236	14			416	208	416	208
Total			**81**	**1,812**	**2,925**	**372**	**236**	**265**	**5,691**	**5,170**	**7,713**	**6,927**

Notes:

1 "Apt" is short for Apartment and "SH" is short for Student Housing.

2 "Suites" means a rental suite, irrespective of the number of bedrooms or rental units in that suite. E.g., a 3-bedroom apartment that rents as a whole would be considered a single suite.

3 "Rental Units/Beds" adjusts for the number of student tenants renting individual units inside a suite. For example, a 5-bedroom student unit, would show as 1 suite, but 5 rental units as there may be 5 separate leases, each pertaining to a bed. This distinction only applies to properties classified as Student Residences. Thus, an apartment that had a 2-bedroom suite that had roommates sharing the apartment and was not classified as a "student residence" would be 1 Suite and 1 Rental Unit only. We make no distinction in "Rental Units" between individual leases on bedrooms and multi-tenant leases with all residents in the suite on a single lease (the two forms of lease in the student rental business).

4 "Undiluted" means that the number doesn't factor in any portion of the building that may be owned by partners. E.g., a 100-suite building owned 50/50 with a partner would show above as 100 suites on an undiluted basis and 50 suites on a diluted basis.

5 "Diluted" means that portions of the property owned by partners has been subtracted from the total. E.g., a 100-suite building owned with a partner would show above as 50 diluted suites.

6 New acquisitions as at June 30, 2019

APPENDIX A

Summary Information About The Properties

Property Summary by City									
City	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Acton	1	33	1%	33	1%	33	-	33	-
Barrie	2	43	1%	43	1%	43	1%	43	1%
Brighton	2	59	1%	59	1%	59	1%	59	1%
Cambridge	5	679	12%	679	13%	679	9%	679	10%
Dartmouth	1	114	2%	114	2%	114	1%	114	2%
Edmonton	1	126	2%	126	2%	126	2%	126	2%
Gravenhurst	1	39	1%	39	1%	39	1%	39	1%
Guelph	1	66	1%	66	1%	66	1%	66	1%
Huntsville	1	25	-	25	-	25	-	25	-
Kitchener	8	742	13%	742	14%	742	10%	742	11%
Langford	5	136	2%	136	3%	136	2%	136	2%
London	4	323	6%	282	5%	950	12%	791.5	11%
Mississauga	3	269	5%	269	5%	269	3%	269	4%
Montreal	1	100	2%	100	2%	440	6%	440	6%
Oshawa	2	71	1%	71	1%	71	1%	71	1%
Regina	4	395	7%	311.8	6%	395	5%	311.8	5%
Toronto	12	1,156	20%	1,156	22%	1,156	15%	1,156	17%
Waterloo	5	301	5%	264	5%	1,356	18%	1,171	17%
Winnipeg	1	416	7%	208	4%	416	5%	208	3%
Victoria	1	134	2%	67	1%	134	2%	67	1%
Whitby	1	36	1%	36	1%	36	-	36	1%
Athens (U.S.)	1	204	4%	153	3%	204	3%	153	2%
Waller (U.S.)	1	224	5%	190	4%	224	3%	190	3%
23 Cities	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

Property Summary by Province/State									
Province/State	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Ontario	48	3,842	68%	3,764	73%	5,524	72%	5,181	75%
Nova Scotia	1	114	2%	114	2%	114	1%	114	2%
Alberta	1	126	2%	126	2%	126	2%	126	2%
British Columbia	6	270	5%	203	4%	270	4%	203	3%
Manitoba	1	416	7%	208	4%	416	5%	208	3%
Saskatchewan	4	395	7%	312	6%	395	5%	312	5%
Quebec	1	100	2%	100	2%	440	6%	440	6%
Georgia (U.S.)	1	204	4%	153	3%	204	3%	153	2%
Texas (U.S.)	1	224	4%	190	4%	224	3%	190	3%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

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Summary Information About The Properties

Property Summary by Region/State									
Region/State	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Central Ontario	4	107	2%	107	2%	107	1%	107	2%
Eastern Ontario	2	59	1%	59	1%	59	1%	59	1%
Greater Toronto Area	19	1,565	27%	1,565	30%	1,565	20%	1,565	23%
Montreal	1	100	2%	100	2%	440	6%	440	6%
Kitchener-Waterloo-Cambridge	19	1,788	31%	1,751	34%	2,843	37%	2,658	38%
London Area	4	323	6%	282	5%	950	12%	792	11%
Halifax Regional Municipality	1	114	2%	114	2%	114	1%	114	2%
Greater Edmonton Area	1	126	2%	126	2%	126	2%	126	2%
Greater Regina Area	4	395	7%	312	6%	395	5%	312	5%
Greater Victoria Area	6	270	5%	203	4%	270	4%	203	3%
Winnipeg Capital Region	1	416	7%	208	4%	416	5%	208	3%
Georgia (U.S.)	1	204	4%	153	3%	204	3%	153	2%
Texas (U.S.)	1	224	4%	190	4%	224	3%	190	3%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

Summary by Market Type									
	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Primary	34	3,210	56%	2,818	55%	3,550	46%	3,158	46%
Secondary	26	2,358	42%	2,229	43%	4,040	52%	3,646	52%
Tertiary	4	123	2%	123	2%	123	2%	123	2%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

Summary Asset by Type									
Property Type	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Canadian Apartments	52	4,539	80%	4,181	81%	4,539	59%	4,181	60%
U.S. Apartments	2	428	8%	343	7%	428	6%	343	5%
Student Housing	10	724	12%	646	12%	2,746	35%	2,403	35%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

APPENDIX A

Summary Information About The Properties

Student Housing by City						
City	Type of Building	# of Complexes	# of Suites (Undiluted)	# of Suites (Diluted)	# of Beds (Undiluted)	# of Beds (Diluted)
Montreal	Student Housing	1	100	100	440	440
London	Student Housing	4	323	282	950	792
Waterloo	Student Housing	5	301	264	1,356	1,171
Total		**10**	**724**	**646**	**2,746**	**2,403**

Average Rents (undiluted basis)		
	Total Rental Units	Revenue/ Unit/ Month
Apartment	4,967	$1,268.20
Student Housing	724	$683.76
Total	**5,691**	**$1,855.71**

Rent Controlled vs Non-Rent Controlled[1] Properties									
	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Rent Controlled	41	3,453	72%	3,453	75%	3,878	57%	3,878	61%
Non-Rent Controlled	15	1,348	28%	1,153	25%	2,945	43%	2,485	39%
Total	**56**	**4,801**	**100%**	**4,606**	**100%**	**6,823**	**100%**	**6,363**	**100%**

[1] *For the purpose of this table, "Rent Controlled", means that the rent is controlled by regulation, but excludes purpose-built student properties which, although they may have formal rent controls in some cases, because of the nature of assured student turnover upon graduation, the property may be considered "Non-Rent Controlled".*

Property Summary by Affordability Type									
Property Type	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Apartment									
Affordable	-	-	-	-	-	-	-	-	-
Mid-Tier	42	3,389	60%	3,338	65%	3,389	44%	3,338	48%
Luxury	12	1,578	28%	1,186	23%	1,578	20%	1,186	17%
Apartment Subtotal	54	4,967	87%	4,524	88%	4,967	64%	4,524	65%
Student Housing									
Affordable	-	-	-	-	-	-	-	-	-
Mid-Tier	2	229	4%	229	4%	606	8%	606	9%
Luxury	8	495	9%	417	8%	2,140	28%	1,797	26%
Student Housing Subtotal	10	724	13%	646	12%	2,746	36%	2,403	35%
Summary by Affordability									
Affordable	-	-	-	-	-	-	-	-	-
Mid-Tier	44	3,618	64%	3,567	69%	3,995	52%	3,944	57%
Luxury	20	2,073	36%	1,603	31%	3,718	48%	2,983	43%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

APPENDIX A

Summary Information About The Properties

Property Portfolio by Year of Construction	Number of Buildings	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
After 2009	20	1,865	33%	1,436	28%	2,465	32%	1,888	27%
2000-2009	4	282	5%	241	5%	1,116	14%	958	14%
1990-1999	2	260	5%	209	4%	423	5%	372	5%
1980-1989	10	1,085	19%	1,085	21%	1,170	15%	1,170	17%
1970-1979	10	725	13%	725	14%	1,065	14%	1,065	15%
1960-1969	10	755	13%	755	15%	755	10%	755	11%
1950-1959	6	645	11%	645	12%	645	8%	645	9%
Pre-1950	2	74	1%	74	1%	74	1%	74	1%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

Property Summary by Affordability Type Property Type	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Apartment									
Townhouses	3	79	1%	79	2%	79	1%	79	1%
Garden-Style	25	2,573	45%	2,488	48%	2,573	33%	2,488	36%
Mid-Rise	19	1,601	28%	1,310	25%	1,601	21%	1,310	19%
High-Rise	7	714	13%	647	13%	714	9%	647	9%
Apartment Subtotal	54	4,967	87%	4,524	88%	4,967	64%	4,524	65%
Student Housing									
Townhouses	2	51	1%	44	1%	231	3%	197	3%
Garden-Style	-	-	-	-	-	-	-	-	-
Mid-Rise	-	-	-	-	-	-	-	-	-
High-Rise	8	673	12%	602	12%	2,515	33%	2,205	32%
Student Housing Subtotal	10	724	13%	646	12%	2,746	36%	2,403	35%
Summary by Building Style									
Townhouses	5	130	2%	123	2%	310	4%	276	4%
Garden-Style	25	2,573	45%	2,488	48%	2,573	33%	2,488	36%
Mid-Rise	19	1,601	28%	1,310	25%	1,601	21%	1,310	19%
High-Rise	15	1,387	24%	1,249	24%	3,229	42%	2,852	41%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

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Summary Information About The Properties

Property Summary by Construction Material	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Wood	22	1,411	25%	1,236	24%	1,591	21%	1,389	20%
Steel Frame	-	-	-	-	-	-	-	-	-
Steel and Wood	1	416	7%	208	4%	416	5%	208	3%
Concrete	41	3,864	68%	3,726	72%	5,706	74%	5,329	77%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

Property Summary by Unit Access	Number of Complexes	Undiluted # of Suites	Undiluted % of Suites	Diluted # of Suites	Diluted % of Suites	Undiluted Rental Units	Undiluted Rental Units % of Total RUs	Diluted Rental Units	Diluted Rental Units % of Total RUs
Walk Up	28	2,337	41%	2,246	43%	2,517	33%	2,399	35%
Elavatored	36	3,354	59%	2,925	57%	5,196	67%	4,528	65%
Total	**64**	**5,691**	**100%**	**5,170**	**100%**	**7,713**	**100%**	**6,927**	**100%**

APPENDIX B

Summary Information About the Mortgage Investment Portfolio of REIT (June 30, 2019)

The following charts provide additional information relating to the mortgage investments and equity accounted investments in the REIT.

REIT Consolidated								
Investments Segregation (excl. Foreclosed Properties)	Funded					Committed		
	$	#	% ($)	Wt.-Avg. Rate		$	#	% ($)
By Participation								
Mortgage Investments	$ 513,833	84	73%	9.52%		$ 701,995	89	82%
Participating Loan Interests	$ 110,898	17	16%	9.30%		$ 83,206	17	10%
Equity Accounted Investments	$ 78,117	8	11%	0.00%		$ 71,951	10	8%
Total	**$ 702,848**	**109**	**100%**	**9.49%**		**$ 857,152**	**116**	**100%**
By Rank								
1st	$ 337,884	47	48%	9.10%		$ 447,695	49	53%
2nd	$ 286,846	54	41%	10.01%		$ 337,506	57	39%
Equity Accounted Investments	$ 78,117	8	11%	0.00%		$ 71,951	10	8%
Total	**$ 702,848**	**109**	**100%**	**9.49%**		**$ 857,152**	**116**	**100%**
By Loan Type								
Commercial	$ 72,006	16	10%	9.47%		$ 99,769	18	12%
Residential	$ 630,842	93	90%	9.50%		$ 757,383	98	88%
Total	**$ 702,848**	**109**	**100%**	**9.49%**		**$ 857,152**	**116**	**100%**
By Province/State								
Canada								
AB	$ 60,388	15	9%	11.01%		$ 63,769	15	7%
BC	$ 146,501	13	21%	9.49%		$ 152,866	13	18%
MB	$ 35,465	5	5%	9.10%		$ 49,604	6	6%
NS	$ 4,235	1	1%	10.00%		$ 4,235	1	0%
ON	$ 376,895	67	53%	9.37%		$ 488,346	73	59%
SK	$ 7,233	1	1%	0.00%		$ 4,106	1	0%
Subtotal (A)	**$ 630,716**	**102**	**90%**	**9.52%**		**$ 762,926**	**109**	**90%**
United States								
FL	$ 21,605	2	3%	9.32%		$ 44,693	2	5%
MI	$ 7,712	1	1%	10.00%		$ 9,880	1	1%
MN	$ 12,469	1	2%	8.00%		$ 11,104	1	1%
MO	$ 6,233	2	1%	8.00%		$ 7,405	2	1%
TX	$ 24,112	1	3%	10.00%		$ 21,143	1	2%
Subtotal (B)	**$ 72,132**	**7**	**10%**	**9.28%**		**$ 94,226**	**7**	**10%**
Grand Total (A + B)	**$ 702,848**	**109**	**100%**	**9.49%**		**$ 857,152**	**116**	**100%**

APPENDIX B

Summary Information About the Mortgage Investment Portfolio of REIT (June 30, 2019)

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated							
	Funded				Committed			
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)	
By City								
Greater Toronto Area								
Ajax	$ 12,707	2	1.81%	9.64%	$ 20,997	2	2.45%	
Burlington	$ 357	1	0.05%	8.75%	$ 12,000	1	1.40%	
Caledon East	$ 582	1	0.08%	10.00%	$ 582	1	0.07%	
Clarington	$ 4,707	1	0.67%	10.00%	$ 9,307	2	1.09%	
Markham	$ 65,834	3	9.37%	9.68%	$ 74,700	3	8.71%	
Mississauga	$ 20,361	2	2.90%	8.46%	$ 21,873	3	2.55%	
Newcastle	$ 4,258	2	0.61%	14.46%	$ 6,361	2	0.74%	
Oakville	$ 14,305	2	2.04%	9.25%	$ 14,702	3	1.72%	
Pickering	$ 12,918	2	1.84%	8.25%	$ 14,909	2	1.74%	
Richmond Hill	$ 2,024	1	0.29%	16.75%	$ 2,024	1	0.24%	
Scarborough	$ 19,453	3	2.77%	8.74%	$ 35,616	3	4.16%	
Toronto	$ 57,265	11	8.15%	9.60%	$ 74,776	13	8.72%	
Vaughan	$ 20,132	1	2.86%	7.25%	$ 20,132	1	2.35%	
Subtotal (A)	**$ 234,903**	**32**	**33.42%**	**9.29%**	**$ 307,979**	**37**	**35.93%**	
Greater Vancouver Area								
Coquitlam	$ 5,042	1	0.72%	10.00%	$ 5,042	1	0.59%	
Delta	$ 10,514	1	1.50%	12.95%	$ 10,108	1	1.18%	
Langley	$ 3,524	1	0.50%	8.50%	$ 23,150	1	2.70%	
Port Moody	$ 2,404	1	0.34%	8.50%	$ 2,500	1	0.29%	
Surrey	$ 48,058	2	6.84%	8.86%	$ 48,058	2	5.61%	
Subtotal (B)	**$ 69,542**	**6**	**9.89%**	**9.51%**	**$ 88,858**	**6**	**10.37%**	
Vancouver Island								
Sooke	$ 15,847	1	2.25%	9.50%	$ 15,847	1	1.85%	
Victoria	$ 39,959	5	5.69%	10.04%	$ 38,797	5	4.53%	
Subtotal (C)	**$ 55,806**	**6**	**7.94%**	**9.84%**	**$ 54,644**	**6**	**6.38%**	
Guelph-Waterloo Area								
Guelph	$ 22,289	9	3.17%	9.95%	$ 22,289	9	2.60%	
Kitchener	$ 5,033	1	0.72%	8.00%	$ 5,033	1	0.59%	
Waterloo	$ 58,313	10	8.30%	9.90%	$ 54,783	10	6.39%	
Subtotal (D)	**$ 85,636**	**20**	**12.18%**	**9.79%**	**$ 82,105**	**20**	**9.58%**	

APPENDIX B

Summary Information About the Mortgage Investment Portfolio of REIT (June 30, 2019)

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated							
	Funded				Committed			
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)	
By City (continued)								
Other Canadian Cities								
Abbotsford	$ 20,788	1	2.96%	8.25%	$ 28,549	1	3.33%	
Barrie	$ 1,353	1	0.19%	9.50%	$ 3,000	1	0.35%	
Brantford	$ 8,356	1	1.19%	8.50%	$ 8,356	1	0.97%	
Calgary	$ 27,488	4	3.91%	10.00%	$ 25,836	4	3.01%	
Cochrane	$ 7,662	1	1.09%	0.00%	$ 9,776	1	1.14%	
Dartmouth	$ 4,235	1	0.60%	10.00%	$ 4,235	1	0.49%	
Edmonton	$ 21,247	7	3.02%	11.75%	$ 24,100	7	2.81%	
Elk Point	$ 857	1	0.12%	10.00%	$ 857	1	0.10%	
Grimsby	$ 1,269	1	0.18%	10.00%	$ 2,000	1	0.23%	
Hamilton	$ 26,160	3	3.72%	9.41%	$ 35,992	4	4.20%	
Kingston	$ 3,888	2	0.55%	8.55%	$ 4,016	2	0.47%	
Minett	$ 6,475	3	0.92%	8.50%	$ 10,396	3	1.21%	
Orillia	$ 2,198	1	0.31%	10.07%	$ 7,287	1	0.85%	
Peterborough	$ 1,318	1	0.19%	10.00%	$ 2,250	1	0.26%	
Regina	$ 7,233	1	1.03%	0.00%	$ 4,106	1	0.48%	
Squamish	$ 3,889	1	0.55%	11.00%	$ 3,966	1	0.46%	
St. Albert	$ 1,118	1	0.16%	9.00%	$ 1,185	1	0.14%	
Stony Plain	$ 2,016	1	0.29%	9.50%	$ 2,016	1	0.24%	
Timmins	$ 1,815	1	0.26%	10.00%	$ 1,815	1	0.21%	
Winnipeg	$ 35,465	5	5.05%	9.10%	$ 49,604	6	5.79%	
Subtotal (E)	**$ 184,830**	**38**	**26.30%**	**9.65%**	**$ 229,340**	**40**	**26.76%**	
United States								
Detroit	$ 7,712	1	1.10%	10.00%	$ 9,880	1	1.15%	
Estero	$ 15,369	1	2.19%	9.00%	$ 13,000	1	1.52%	
Irving	$ 24,112	1	3.43%	10.00%	$ 21,143	1	2.47%	
Kansas City	$ 6,233	2	0.89%	8.00%	$ 7,405	2	0.86%	
Minneapolis	$ 12,469	1	1.77%	8.00%	$ 11,104	1	1.30%	
Tampa	$ 6,237	1	0.89%	10.00%	$ 31,693	1	3.70%	
Subtotal (F)	**$ 72,132**	**7**	**10.26%**	**9.28%**	**$ 94,226**	**7**	**10.99%**	
Grand Total (SUM A to F)	**$ 702,848**	**109**	**100.00%**	**9.49%**	**$ 857,152**	**116**	**100.00%**	

APPENDIX B

Summary Information About the Mortgage Investment Portfolio of REIT (June 30, 2019)

Investments Segregation (excl. Foreclosed Properties)	REIT Consolidated							
	Funded				Committed			
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)
By Purchase Options							
With	$ 54,802	10	8%	9.91%	$ 38,211	11	4%
Without	$ 511,746	86	73%	9.51%	$ 694,338	90	81%
Equity Accounted Investments	$ 136,300	13	19%	9.09%	$ 124,603	15	15%
Total	**$ 702,848**	**109**	**100%**	**9.49%**	**$ 857,152**	**116**	**100%**
By Development Stage							
Construction	$ 380,102	66	55%	9.78%	$ 506,997	69	59%
Pre-Construction	$ 256,056	27	36%	9.01%	$ 274,301	29	32%
Term	$ 66,690	16	9%	9.98%	$ 75,854	18	9%
Total	**$ 702,848**	**109**	**100%**	**9.49%**	**$ 857,152**	**116**	**100%**
By Underlying Security							
Multi Family Apartments	$ 165,932	23	24%	9.99%	$ 198,223	25	23%
Land	$ 112,301	8	16%	8.97%	$ 113,003	8	13%
Low-Rise Residential	$ 218,199	37	32%	9.41%	$ 294,602	39	35%
Industrial	$ 15,920	3	2%	12.46%	$ 27,157	3	3%
High-Rise Condominium	$ 86,864	18	12%	9.66%	$ 104,695	19	12%
Commercial/Mixed Use	$ 73,629	17	10%	8.82%	$ 91,216	19	11%
Multi Student Housing	$ 30,004	3	4%	10.00%	$ 28,255	3	3%
Total	**$ 702,848**	**109**	**100%**	**9.49%**	**$ 857,152**	**116**	**100%**
By Investment Size							
$1m or less	$ 8,784	13	1%	9.97%	$ 72,523	20	8%
> $1m - $3m	$ 62,339	28	9%	10.33%	$ 86,078	28	10%
> $3m - $5m	$ 68,740	18	10%	9.55%	$ 93,485	18	11%
> $5m - $10m	$ 182,034	27	26%	9.69%	$ 213,209	27	25%
> $10m - $15m	$ 147,334	12	21%	9.51%	$ 148,459	12	17%
> $15m	$ 233,615	11	33%	9.11%	$ 243,397	11	29%
Total	**$ 702,848**	**109**	**100%**	**9.49%**	**$ 857,152**	**116**	**100%**

APPENDIX B

Summary Information About the Mortgage Investment Portfolio of REIT (June 30, 2019)

REIT Consolidated								
Investments Segregation (excl. Foreclosed Properties)	Funded				Committed			
	$	#	% ($)	Wt.-Avg. Rate	$	#	% ($)	
By Maturity (excl. Equity & FV Adj.)								
2019	$ 242,930	43	41%	9.48%	$ 281,500	44	36%	
2020	$ 276,029	42	47%	9.66%	$ 327,199	43	41%	
2021	$ 43,605	10	7%	8.90%	$ 103,263	12	13%	
2022	$ 7,712	1	1%	10.00%	$ 21,020	2	3%	
2023	$ 24,992	5	4%	8.62%	$ 52,218	5	7%	
Total	**$ 595,269**	**101**	**100%**	**9.49%**	**$ 785,201**	**106**	**100%**	
By Interest/Pref Rate (excl. Equity & FV Adj.)								
8% or less	$ 76,219	11	13%	7.77%	$ 77,989	11	10%	
> 8.0% - 8.5%	$ 73,112	13	12%	8.38%	$ 118,605	13	15%	
> 8.5% - 9.0%	$ 112,150	11	19%	8.93%	$ 165,801	12	21%	
> 9.0% - 9.5%	$ 87,614	9	15%	9.32%	$ 98,064	10	12%	
> 9.5% - 10.0%	$ 162,381	40	26%	10.00%	$ 219,717	41	29%	
> 10.0% - 10.5%	$ 28,496	2	5%	10.47%	$ 34,287	2	4%	
> 10.5% - 11.0%	$ 4,461	2	1%	11.00%	$ 6,641	2	1%	
> 11.0% - 11.5%	$ 9,238	2	2%	11.29%	$ 21,640	4	3%	
> 11.5% - 12.0%	$ 15,168	3	3%	11.90%	$ 15,293	3	2%	
> 12.5% - 13.0%	$ 12,083	2	2%	12.96%	$ 12,083	2	2%	
> 13.5% - 14.0%	$ 1,470	1	0%	13.60%	$ 1,470	1	0%	
> 14.5% - 15.0%	$ 10,851	4	2%	15.00%	$ 11,586	4	1%	
> 15.0%	$ 2,024	1	0%	16.75%	$ 2,024	1	0%	
Total	**$ 595,269**	**101**	**100%**	**9.49%**	**$ 785,201**	**106**	**100%**	
By Committed LTV - Mortgage Investments								
50% or less	$ 42,160	8	8%	8.43%	$ 44,040	9	6%	
> 50% - 60%	$ 43,545	5	8%	8.95%	$ 63,749	6	9%	
> 60% - 70%	$ 137,934	21	27%	9.53%	$ 203,624	22	29%	
> 70% - 80%	$ 209,650	29	41%	9.46%	$ 300,409	30	43%	
> 80% - 90%	$ 44,596	12	9%	9.93%	$ 54,040	13	8%	
> 90%	$ 35,946	9	7%	11.36%	$ 36,133	9	5%	
Total	**$ 513,833**	**84**	**100%**	**9.52%**	**$ 701,994**	**89**	**100%**	
By Payment Method - Mortgage Investments								
Interest Accrue	$ 225,830	42	50%	9.94%	$ 352,896	47	50%	
Interest Reserve Payment	$ 41,514	5	6%	9.06%	$ 42,487	5	6%	
Periodic Cheques	$ 34,490	5	5%	8.73%	$ 34,952	5	5%	
Pre Authorized Payment	$ 211,998	32	39%	9.30%	$ 271,659	32	39%	
Total	**$ 513,833**	**84**	**100%**	**9.52%**	**$ 701,994**	**89**	**100%**	
Estimated Built Out Value of Purchase Options	Undiluted				Diluted			
Mortgage Investments	$ 114,300	2	9%		$ 96,800	2	12%	
Participating Loan Interests	$ 369,774	8	28%		$ 313,975	8	40%	
Equity Accounted Investments	$ 853,014	8	64%		$ 366,510	8	47%	
Total	**$ 1,337,088**	**18**	**100%**		**$ 777,284**	**18**	**100%**	

APPENDIX C

Risks and Uncertainties

There are certain risk factors inherent in an investment in the REIT Units and in the activities of Centurion Apartment REIT, including the following, which Subscribers should carefully consider before subscribing for the REIT Units.

REAL PROPERTY OWNERSHIP

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for multi- unit residential premises, competition from other available residential premises and various other factors.

Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If Centurion Apartment REIT is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit Centurion Apartment REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Centurion Apartment REIT was required to liquidate its real property investments, the proceeds to Centurion Apartment REIT might be significantly less than the aggregate value of its properties on a going-concern basis.

Centurion Apartment REIT will be subject to the risks associated with debt financing, including the risk that existing mortgage indebtedness secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

FUTURE PROPERTY ACQUISITIONS

While Centurion Apartment REIT may enter into non-binding letters of intent with respect to properties under review, there can be no assurance that such properties will be acquired. Accordingly, there can be no assurance that Centurion Apartment REIT will be able to acquire Properties at the rates of return that the Asset Manager is targeting. No forecast has been made for the acquisition of properties under review.

REVENUE PRODUCING PROPERTIES

The Properties generate income through rental payments made by the tenants thereof. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Centurion Apartment REIT than the existing lease. Unlike commercial leases which generally are "net" leases and allow a landlord to recover expenditures, residential leases are generally "gross" leases and the landlord is not able to pass on costs to its tenants.

NO GUARANTEES OR INSURANCE ON MORTGAGE INVESTMENTS

A Mortgage borrower's obligations to the Centurion Apartment REIT or any other person are not guaranteed by the Government of Canada, the government of any province or any agency thereof nor are they insured under the National Housing Act (Canada). In the event that additional security is given by the borrower or a third party or that a private guarantor guarantees the Mortgage borrower's obligations, there is no assurance that such additional security or guarantee will be available or sufficient to make Centurion Apartment REIT whole if and when resort is to be had thereto.

RISKS RELATED TO MORTGAGE EXTENSIONS AND MORTGAGE DEFAULTS

The Asset Manager may from time to time deem it appropriate to extend or renew the term of a Mortgage past its maturity, or to accrue the interest on a Mortgage, in order to provide the borrower with increased repayment flexibility. The Asset Manager generally will do so if it believes that there is a very low risk to Centurion Apartment REIT of not being repaid the full principal and interest owing on the Mortgage. In these circumstances, however, Centurion Apartment REIT is subject to the risk that the principal and/or accrued interest of such Mortgage may not be repaid in a timely manner or at all, which could impact the cash flows of Centurion Apartment REIT during and after the period in which it is granting this accommodation. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that Centurion Apartment REIT may not recover all or substantially all of the principal and interest owed to it in respect of such Mortgage.

APPENDIX C

Risks and Uncertainties

When a Mortgage is extended past its maturity, the loan can either be held over on a month-to-month basis or renewed for an additional term at the time of its maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the Mortgage Servicer has the ability to exercise its Mortgage enforcement remedies in respect of the extended or renewed Mortgage. Exercising Mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of Centurion Apartment REIT during the period of enforcement. In addition, as a result of potential declines in Real Property values, the priority ranking of the Mortgage and other factors, there is no assurance that Centurion Apartment REIT will be able to recover all or substantially all of the outstanding principal and interest owed to it in respect of such Mortgages by the Mortgage Service Provider's exercise of Mortgage enforcement remedies for the benefit of Centurion Apartment REIT. Should Centurion Apartment REIT be unable to recover all or substantially all of the principal and interest owed to it in respect of such Mortgage loans, the assets of Centurion Apartment REIT would be reduced, and the returns, financial condition, and results of operations of Centurion Apartment REIT could be adversely impacted.

FORECLOSURE OR POWER OF SALE AND RELATED COSTS ON MORTGAGE INVESTMENTS

One or more borrowers could fail to make payments according to the terms of their loan, and Centurion Apartment REIT could therefore be forced to exercise its rights as mortgagee. The recovery of a portion of Centurion Apartment REIT`s assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of Centurion Apartments REIT`s rights as mortgagee. Legal fees and expenses and other costs incurred by Centurion Apartment REIT in enforcing its rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable they will be borne by Centurion Apartment REIT.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, Mortgage payments to prior charge holders, insurance costs and related charges must be made through the period of ownership of real property regardless of whether Mortgage payments are being made. Centurion Apartment REIT may therefore be required to incur such expenditures to protect its investment, even if the borrower is not honouring its contractual obligations.

LITIGATION RISKS

Centurion Apartment REIT may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. During litigation involving a borrower in respect of a Mortgage, Centurion Apartment REIT may not be receiving payments of interest on a Mortgage that is the subject of litigation, thereby impacting cash flows. The unfavourable resolution of any legal proceedings could have an adverse effect on the Centurion Apartment REIT and its financial position and results of operations that could be material.

COMPETITION FOR REAL PROPERTY INVESTMENTS

Centurion Apartment REIT competes for suitable real property investments with individuals, corporations, and institutions (both Canadian and foreign) and other real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those desired by Centurion Apartment REIT. A number of these investors may have greater financial resources than those of Centurion Apartment REIT or operate without the investment or operating guidelines of Centurion Apartment REIT or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in real property investments, may tend to increase competition for real property investments, thereby increasing purchase prices and/or reducing the yield on them.

COMPETITION FOR TENANTS

The real estate business is competitive. Numerous other developers, managers and owners of properties compete with Centurion Apartment REIT in seeking tenants. The

existence of competing developers, managers and owners for Centurion Apartment REIT's tenants could have an adverse effect on Centurion Apartment REIT's ability to lease suites in its properties and on the rents charged.

INTEREST RATES

It is anticipated that the market price for the REIT Units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the REIT Units. A decrease in interest rates may encourage tenants to purchase condominiums or other types of housing, which could result in a reduction in demand for rental properties. Changes in interest rates may also have effects on vacancy rates, rent levels, refurbishing costs and other factors affecting Centurion Apartment REIT's business and profitability.

DEBT FINANCING

Centurion Apartment REIT is subject to the risks associated with debt financing, including the risk that Centurion Apartment REIT may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness. A portion of Centurion's Acquisition and Operating Facilities are at floating interest rates, and accordingly, changes in short-term borrowing will affect Centurion Apartment REIT's costs of borrowing.

GENERAL ECONOMIC CONDITIONS

Centurion Apartment REIT is affected by general economic conditions, local real estate markets, competition from other available rental premises, including new developments, and various other factors. The competition for tenants also comes from opportunities for individual home ownership, including condominiums, which can be particularly attractive when home mortgage loans are available at relatively low interest rates. The existence of competing developers, managers and owners for Centurion Apartment REIT's tenants could have an adverse effect on Centurion Apartment REIT's ability to lease suites in its properties and on the rents charged, increased leasing and marketing costs and increased refurbishing costs necessary to lease and re-lease suites, all of which could adversely affect Centurion Apartment REIT's revenues and, consequently, its ability to meet its obligations. In addition, any increase in the supply of available space in the markets in which Centurion Apartment REIT operates or may operate could have an adverse effect on Centurion Apartment REIT.

GENERAL UNINSURED LOSSES

Centurion Apartment REIT carries comprehensive general liability, fire, flood, extended coverage, rental loss and pollution insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. Centurion Apartment REIT has insurance for earthquake risks, subject to certain policy limits, deductibles, and self- insurance arrangements, and will continue to carry such insurance if economical to do so. Should an uninsured or underinsured loss occur, Centurion Apartment REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its Properties, but Centurion Apartment REIT would continue to be obligated to repay any recourse mortgage indebtedness on such Properties.

AVAILABILITY OF CASH FOR DISTRIBUTIONS

Distributable income is calculated before deducting items such as principal repayments and capital expenditures and, accordingly, may exceed actual cash available to Centurion Apartment REIT from time to time. Centurion Apartment REIT may be required to use part of its debt capacity or raise additional equity in order to accommodate such items, and there can be no assurance that funds from such sources will be available on favourable terms or at all. In such circumstances, distributions may be reduced or suspended, which may therefore also have an adverse impact on the market price of the REIT Units. Accordingly, cash distributions are not guaranteed and cannot be assured. Further, Distributable Income can exceed net income and have the result of an erosion of Adjusted Unitholder's Equity. See "Distribution Policy".

Distributable Income is calculated in accordance with Centurion Apartment REIT's Declaration of Trust. Distributable Income is not a measure recognized under Canadian generally accepted accounting principles and does not have a standardized meaning prescribed by GAAP. Distributable income is presented herein because management of Centurion Apartment REIT believes this

non-GAAP measure is a relevant measure of the ability of Centurion Apartment REIT to earn and distribute cash returns to REIT Unitholders. Distributable Income as computed by Centurion Apartment REIT may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to distributable income as reported by such organizations. Distributable income is calculated by reference to the net income of Centurion Apartment REIT on a consolidated basis, as determined in accordance with GAAP, subject to certain adjustments as set out in the constating documents of Centurion Apartment REIT.

GOVERNMENT REGULATION

Centurion Apartment REIT currently has interests in properties located in the provinces of Ontario and Quebec. The nature of apartment construction and operation is such that refurbishment and structural repairs are required periodically, in addition to regular ongoing maintenance. In addition, legislation relating to, among other things, environmental and fire safety standards is continually evolving and changes thereto may give rise to ongoing financial and other obligations of Centurion Apartment REIT, the costs of which may not be fully recoverable from tenants. See below for further restrictions in the respective jurisdictions:

ONTARIO

The Government of Ontario drafted and finalized new residential tenancy legislation, The Residential Tenancies Act, 2006 (the "RTA"), which it characterized as "effective tenant protection." The RTA received Royal Assent June 22, 2006, and is now law, replacing the Tenant Protection Act, 1997 (Ontario) (the "TPA"). The RTA provides restrictions upon the ability of a landlord to increase rents above a prescribed guideline, which is established annually. The rent increase guideline is calculated under the RTA, and is based on the Ontario Consumer Price Index, which is calculated monthly by Statistics Canada. On June 13, 2012, the Government of Ontario passed legislation to amend the RTA, to ensure that the Rent Increase Guideline is capped at 2.5%. There is no prescribed guideline applicable to residential complexes constructed on or after November 1st of 1991, so Landlords can increase the rent on these complexes without limitation on the amount. The guideline increase for 2015 is 1.6%; the 2015 guideline increase has been calculated by averaging the percentage increase in the Ontario Consumer Price Index during the previous 12 months, from June 2013 to May 2014. Since the average CPI was 1.6%, the guideline is 1.6%. By comparison, the guideline increase for 2014 was 0.8%. In order to increase rents above the maximum guideline increase of 1.6% per annum for 2015, a landlord must make an application based on an extraordinary increase in the cost for municipal or utility levies and charges and/or capital expenditures incurred with respect to a residential complex or suite therein. As a result, the Trust may, in the future, incur capital expenditures which may not be fully recoverable from tenants. The RTA also permits tenants to bring proceedings to reduce rent due to reductions or discontinuances in services or facilities or due to a reduction in the applicable municipal taxes. The RTA provides tenants of residential rental properties with a high level of security of tenure and prescribes certain procedures, including mandatory notice periods, which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the Ontario Rental Housing Tribunal, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears. The applicable legislation may be subject to further regulations or may be amended, repealed, or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of the Trust to realize the full economic potential of any contemplated project or to maintain the historical level of earnings of its development properties.

QUEBEC

The Government of Québec relies upon the Civil Code of Québec, C.C.Q. ("C.C.Q.") and the Act Respecting the Régie du logement, R.S.Q. c. R-8.1 (the "Act") in administering landlord tenant concerns through the Régie du logement (the Régie). Similar to Ontario, there are restrictions upon the ability of a landlord to increase rents above a prescribed guideline, which is established annually. If the method to fix the rent of the Régie is applied, the guideline increase for the period starting after April 1st, 2014 but before April 2nd, 2015 ranges between 0.6% and 1.1% depending on the type of heating employed. By comparison, the range for the previous period was between 0.9% and 1.7%. A landlord, who undertakes major repairs or renovations, may make changes to the conditions of a lease, including an increase in the rental rate above the guideline that is based upon a prescribed calculation to justify the increase. Should the tenant, within

his or her right, refuse modifications and the new rental rate, the landlord may apply to the Régie (within 1 month of refusal, otherwise the lease is renewed under previous conditions) (1947 C.C.Q.). As a result, the Trust may, in the future, incur capital expenditures which may not be fully recoverable from tenants. In Québec, the cornerstone principle is the tenant's right to maintain occupancy (1936 C.C.Q.), and barring notice from either party to the contrary, automatic renewal for fixed term leases (maximum 12 months) (1941 C.C.Q.). Further, the landlord must provide notice to any new lessee, presenting the lowest rent paid in the preceding 12 months (1896 C.C.Q.); should the tenant dispute the new rental rate, they may make application to the Régie to set the rent.

ENVIRONMENTAL MATTERS

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive. Under various laws, Centurion Apartment REIT could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the owner by private plaintiffs. Where a property is purchased and new financing is obtained, Phase I Environmental Assessments are performed by an independent and experienced environmental consultant. In the case of mortgage assumption, the vendor will be asked to provide a satisfactory Phase I and/or Phase II Environmental Assessment that the Asset Manager will rely upon and/or determine whether an update is necessary.

UNITHOLDER LIABILITY

Because of uncertainties in the law relating to investment trusts, there is a risk, which is considered by counsel to be remote in the circumstance, that a REIT Unitholder could be held personally liable for obligations of Centurion Apartment REIT (to the extent that claims are not satisfied by Centurion Apartment REIT) in respect of contracts which Centurion Apartment REIT enters into and for certain liabilities arising other than out of contracts including claims in tort, claims for taxes and possibly certain other statutory liabilities. The Trustees intend to cause Centurion Apartment REIT's operations to be conducted in such a way as to minimize any such risk including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of Centurion Apartment REIT contain an express disavowal of liability against Unitholders.

In December 2004, a new statute, the Trust Beneficiaries' Liability Act (Ontario), was enacted to create a statutory limitation on the liability of Unitholders of trusts such as Centurion Apartment REIT. The legislation provides that a Unitholder, such as a REIT Unitholder, will not, as a beneficiary, be liable for any act, default, obligation, or liability of the Trust or any of its Trustees after the legislation comes into force. However, this legislation does not address potential liabilities arising before the date the legislation came into force. In addition, this legislation has not been judicially considered and it is possible that reliance on the legislation by a REIT Unitholder could be successfully challenged on jurisdictional or other grounds.

DEPENDENCE ON KEY PERSONNEL

The management of Centurion Apartment REIT depends on the services of certain key personnel. The termination of employment by the Asset Manager or the Property Manager of any of these key personnel could have a materially adverse effect on Centurion Apartment REIT.

FAILURE OR UNAVAILABILITY OF COMPUTER AND DATA PROCESSING SYSTEMS AND SOFTWARE

The Asset Manager is dependent upon the successful and uninterrupted functioning of its computer and data processing systems and software. The failure or unavailability of these systems could interrupt operations or materially impact the Asset Manager's ability to collect revenues and make payments on behalf of Centurion Apartment REIT and to manage risks. If sustained or repeated, a system failure or loss of data could negatively and materially adversely affect the ability of the Asset Manager to discharge its duties to Centurion Apartment REIT and the impact on Centurion Apartment REIT may be material.

POTENTIAL CONFLICTS OF INTEREST

Centurion Apartment REIT may be subject to various conflicts of interest because of the fact that the Trustees and senior officers of Centurion Apartment REIT, senior officers of the Asset Manager, the Property Manager, the Mortgage

APPENDIX C

Risks and Uncertainties

Manager and the Mortgage Servicer are engaged in a wide range of real estate and other business activities. Centurion Apartment REIT may become involved in transactions which conflict with the interests of the foregoing.

The Trustees may from time to time deal with persons, firms, institutions, or corporations with which Centurion Apartment REIT may be dealing, or which may be seeking investments similar to those desired by Centurion Apartment REIT. The interests of these persons could conflict with those of Centurion Apartment REIT. In addition, from time to time, these persons may be competing with Centurion Apartment REIT for available investment opportunities.

The Asset Manager, the Property Manager, the Mortgage Manager, and the Mortgage Servicer are not owned by Centurion Apartment REIT but are related by common management and personnel to Centurion Apartment REIT. This could create conflicts of interest between the Asset Manager, Property Manager, the Mortgage Manager and the Mortgage Servicer and Centurion Apartment REIT.

Centurion Apartment REIT is a connected issuer, and may be considered to be a related issuer, of Centurion Asset Management Inc. (the "Asset Manager"), its asset manager and an exempt market dealer, investment fund manager and restricted portfolio manager in certain jurisdictions, in connection with the distribution of the REIT's securities hereunder, which may result in potential conflicts of interest. Centurion Apartment REIT is a connected issuer of the Asset Manager due to the factors described in the Offering Memorandum under "Relationship between Centurion Apartment REIT, The Asset Manager and Affiliates of The Asset Manager" as a result of the fact that the President of Centurion Apartment REIT and the Asset Manager are the same and Mr. Gregory Romundt and his family beneficially own all of the shares of the Asset Manager, the Property Manager, the Mortgage Manager and the Mortgage Servicer. Centurion Apartment REIT may be considered to be a related issuer of the Asset Manager by virtue of the Asset Manager's right to appoint a prescribed number of nominees to the board of trustees of Centurion Apartment REIT. See "Trustees" and "Relationship Between Centurion Apartment REIT, The Asset Manager and Affiliates of The Asset Manager" in the Offering Memorandum.

The Centurion Apartment REIT Declaration of Trust contains "conflict of interest" provisions requiring Trustees to disclose material interests in Material Contracts and transactions and to refrain from voting thereon.

TAX RELATED RISKS

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects Centurion Apartment REIT or the Unitholders.

If Centurion Apartment REIT fails or ceases to qualify as a mutual fund trust for the purposes of the Tax Act, the tax consequences described under "Canadian Federal Income Tax Considerations" and "Eligibility for Investment" would in some respects be materially and adversely different. In addition, REIT Unitholders may become subject to provincial taxes, such as Ontario Land Transfer Tax, in respect of their REIT Units.

If investments in Centurion Apartment REIT become publicly listed or traded, there can be no assurances that Centurion Apartment REIT will not be subject to the SIFT Rules, as described under "Canadian Federal Income Tax Considerations – SIFT Rules", at that time. Centurion Apartment REIT or its subsidiaries may be reassessed for taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect Centurion Apartment REIT.

CRITICAL ESTIMATES, ASSUMPTIONS, AND JUDGMENTS

The preparation of financial statements as per IFRS requires management to make judgments, assumptions and estimates that affect the reported amounts in the consolidated financial statements. Actual results could differ from these estimates. Financial statement carrying values, in addition to other factors (See "Valuation Policy"), serve as the basis for the calculation of the Fair Market Value of REIT Units. If such carrying values should prove to be incorrect, the Fair Market Value of the REIT Units could be different. To the extent that the carrying values or critical estimates, assumptions and judgments are inaccurate, and given that property portfolio values, which comprise the vast majority of the REITs assets, are calculated quarterly on a lagging basis, the Posted Price per REIT Unit in any given month may be understated or

APPENDIX C

Risks and Uncertainties

overstated as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of its Units will be paid an amount less than it would otherwise be paid if the critical estimates, assumptions, and judgments were different and that the calculation of property values wasn't calculated on a quarterly basis and thus potentially lagging the market. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual Fair Market Value is lower than the calculated Fair Market Value. In addition, there is a risk than an investment in the REIT by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the Posted Price of the REIT Units is higher than the actual Fair Market Value of the REIT Units. Further, there is a risk that a new Unitholder (or an existing Unitholder than makes an additional investment) could pay more than it might otherwise if the actual Fair Market Value of the REIT Units is lower than the Posted Price. Centurion Apartment REIT does not intend to adjust the Fair Market Value of the REIT retroactively.

As set forth in the definitions of "Fair Market Value" in the Offering Memorandum, the value of the REIT Units is determined by the Trustees, in their sole discretion, using reasonable methods of determining fair market value. Fair Market Value may or may not be equal to the net asset value of the Units. The description of the methodology of investment property valuations and the calculation of Fair Market Value and Post Prices of REIT Units reflects the methodology used by the Trustees as at the date hereof in calculating Fair Market Value. The Trustees may, in their discretion, adopt alternative methodologies to calculate investment property values and Fair Market Value from time to time, without notice to, or approval by, REIT Unitholders.

DILUTION

The number of REIT Units Centurion Apartment REIT is authorized to issue is unlimited. The Centurion Apartment REIT Trustees have the discretion to issue additional REIT Units in other circumstances, pursuant to Centurion Apartment REIT's various incentive plans. Any issuance of additional REIT Units may have a dilutive effect on the holders of REIT Units.

RESTRICTIONS ON POTENTIAL GROWTH AND RELIANCE ON CREDIT FACILITIES

The payout by Centurion Apartment REIT of a substantial part of its operating cash flow could adversely affect Centurion Apartment REIT's ability to grow unless it can obtain additional financing. Such financing may not be available, or renewable, on attractive terms or at all. In addition, if current credit facilities were to be cancelled or could not be renewed at maturity on similar terms, Centurion Apartment REIT could be materially and adversely affected.

POTENTIAL INABILITY TO FUND INVESTMENTS

Centurion Apartment REIT may commit to making future investments in anticipation of repayment of principal outstanding and/or the payment of interest under existing Mortgage investments and/or in reliance on its credit facilities. In the event that such repayments of principal or payments of interest are not made, or where credit facilities aren't available, Centurion Apartment REIT may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may be required to obtain interim financing and to fund such commitments or face liability in connection with its failure to make such advances.

LIQUIDITY OF REIT UNITS AND REDEMPTION RISK

The REIT Units are not listed on an exchange. There is currently no secondary market through which the REIT Units may be sold, there can be no assurance that any such market will develop and the REIT has no current plans to develop such a market. Accordingly, the sole method of liquidation of an investment in REIT Units is by way of a redemption of the REIT Units. Aggregate redemptions are limited to $50,000 per month unless approved by the Board of Trustees. Accordingly, in the event that the REIT experiences a large number of redemptions, the REIT may not be able to satisfy all of the redemption requests. Depending upon the Purchase Option selected and the amount of time the REIT Units have been held, there may be a Deferred Sales Charge or Short-Term Trading Fee associated with an early redemption (see "Redemption of REIT Units").

NATURE OF REIT UNITS

The REIT Units are not the same as shares of a corporation. As a result, the Unitholders will not have the statutory rights and remedies normally associated with share ownership, such as the right to bring "oppression" or "derivative" actions.

APPENDIX D

Unaudited Condensed Consolidated Interim Financial Statements

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2019 (unaudited)

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CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

As at	Note		June 30, 2019		December 31, 2018
Assets					
Cash		$	66,742	$	36,306
Restricted cash	11		3,697		7,600
Receivable and other assets	9		33,190		13,583
Investment properties held for sale	4		9,950		9,790
Investment properties	4		1,337,168		1,109,421
Mortgage investments	6		434,734		341,713
Participating loan interests	7		130,411		137,123
Equity accounted investments	5		136,300		131,087
Foreclosed property	8		17,963		17,000
Total Assets		$	2,170,155	$	1,803,623
Liabilities					
Unit subscriptions in trust	11	$	3,697	$	7,600
Accounts payable and other liabilities	13		19,959		15,961
Syndicated mortgage investment liabilities	6		18,092		18,092
Mortgages payable and credit facilities	12		613,466		526,389
Total Liabilities excluding net assets attributable to Unitholders			655,214		568,042
Net assets attributable to Unitholders		$	1,514,942	$	1,235,581
Represented by:					
Net assets attributable to unitholders of the Trust		$	1,279,878	$	1,034,355
Net assets attributable to non-controlling interest		$	235,063	$	201,226

Commitments and contingencies (Notes 6, 8, 13, 17 and 18)
Subsequent events (Note 26)

See accompanying notes to the condensed consolidated interim financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

		THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
For the period ended	Note	**2019**	2018	**2019**	2018
Revenue from investment properties	15	**$ 19,342**	$ 16,303	**$ 39,398**	$ 32,868
Property operating costs		**(6,440)**	(5,437)	**(13,171)**	(11,301)
Net rental income		**12,902**	10,866	**26,227**	21,567
Fair value gains on investment properties	4	**37,088**	34,253	**69,441**	45,823
Interest income	6	**12,897**	9,844	**23,815**	18,506
Interest on syndicated mortgage liabilities	6	**(276)**	-	**(552)**	-
Fair value gains on participating loan interests	7	**645**	(384)	**302**	772
Income on equity accounted investments	5	**4,377**	3,506	**10,642**	5,786
Other income		**377**	87	**979**	176
General and administrative expenses	17	**(4,147)**	(2,967)	**(8,284)**	(6,725)
Allowance for expected credit losses	6	**(218)**	(809)	**(240)**	(1,441)
Income from operations		**63,645**	54,395	**122,330**	84,464
Finance costs	16	**(4,607)**	(4,369)	**(9,129)**	(8,406)
Currency translation adjustment		**(127)**	236	**(763)**	372
Net Income and Comprehensive Income		**$ 58,911**	$ 50,262	**$ 112,438**	$ 76,430
Attributable to:					
Unitholders of the Trust		**$ 54,035**	$ 40,245	**$ 103,176**	$ 62,870
Non-controlling interest		**$ 4,876**	$ 9,636	**$ 9,262**	$ 13,178

See accompanying notes to the condensed consolidated interim financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

For the period ended June 30, 2019	Net assets attributable to Unitholders of the REIT	Net assets attributable to non-controlling interest	Net assets attributable to Unitholders
Net assets attributable to Unitholders at beginning of the period	**$ 1,034,355**	**$ 201,226**	**$ 1,235,581**
Net Income and Comprehensive Income	**103,176**	**9,262**	**112,438**
Redeemable unit transactions			
Proceeds from Units issued (net of issuance costs)	176,836	30,171	207,007
Reinvestments of distributions by Unitholders	15,614	7,041	22,655
Redemption of Units	(17,946)	(1,535)	(19,481)
Distributions to Unitholders	(32,157)	(11,102)	(43,259)
Net increase from Unit transactions	**142,347**	**24,575**	**166,922**
Net increase in net assets attributable to Unitholders	**245,523**	**33,837**	**279,360**
Net assets attributable to Unitholders at end of the period	**$ 1,279,878**	**$ 235,063**	**$ 1,514,941**

For the period ended June 30, 2018	Net assets attributable to Unitholders of the REIT	Net assets attributable to non-controlling interest	Net assets attributable to Unitholders
Net assets attributable to Unitholders at beginning of the period	$ 700,253	$ 132,136	$ 832,389
Net Income and Comprehensive Income	63,186	13,244	76,430
Redeemable unit transactions			
Proceeds from Units issued (net of issuance costs)	101,030	6,907	107,938
Reinvestments of distributions by Unitholders	12,715	2,851	15,566
Redemption of Units	(12,636)	(912)	(13,548)
Distributions to Unitholders	(24,649)	(4,382)	(29,031)
Net increase from Unit transactions	76,460	4,465	80,925
Net increase in net assets attributable to Unitholders	139,646	17,709	157,355
Net assets attributable to Unitholders at end of the period	$ 839,898	$ 149,846	$ 989,744

See accompanying notes to the condensed consolidated interim financial statements.

CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

		THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
For the period ended	Note	**2019**	2018	**2019**	2018
Operating activities					
Net income		**$ 58,911**	$ 49,881	**$ 112,438**	$ 76,048
Interest income		**(12,897)**	(9,047)	**(23,815)**	(16,961)
Interest received on mortgage investments		**12,853**	4,456	**19,971**	8,465
(Recovery of) Allowance for expected credit losses	6	**218**	809	**240**	1,441
Fair value gains on investment properties	4	**(37,088)**	(34,253)	**(69,441)**	(45,823)
Non-cash portion of income from equity accounted investments	5	**(4,377)**	(3,506)	**(10,642)**	(5,786)
Fair value gains on participating loan interests	8	**(645)**	(413)	**(302)**	(2,317)
Finance costs	16	**4,607**	4,550	**9,129**	8,768
Amortization of property and equipment	17	**87**	34	**123**	73
Currency translation adjustment		**127**	(236)	**763**	(372)
Realized fair value gains on participating loan interests and equity accounted investments		**16,765**	-	**16,765**	-
Changes in non-cash operating account balances		**2,038**	(152)	**(4,147)**	(2,607)
Net cash from operating activities		**40,600**	12,123	**51,082**	20,928
Financing activities					
Proceeds from Units issued		**154,382**	57,112	**214,954**	110,940
Unit issue costs		**(5,350)**	(1,607)	**(7,948)**	(3,002)
Cash distributions to Unitholders		**(10,864)**	(9,617)	**(20,604)**	(15,152)
Redemption of Units		**(12,816)**	(7,907)	**(19,481)**	(13,548)
Capitalized financing fees		**(1,681)**	(467)	**(2,084)**	(527)
Mortgage advances and refinancing	24	**89,361**	2,909	**89,361**	6,584
Mortgage repayments	24	**(8,367)**	(3,985)	**(12,261)**	(6,975)
Credit Facility advances (repayments)		**(13,982)**	14,443	**11,480**	27,136
Finance costs paid		**(4,684)**	(4,189)	**(8,588)**	(7,983)
Net cash from financing activities		**185,999**	46,691	**244,829**	97,473
Investing activities					
Investment property acquisitions	4	**(146,305)**	-	**(146,305)**	-
Investment property acquisition costs	4	**(3,689)**	-	**(3,961)**	(6)
Investment property improvements	4	**(5,988)**	(5,965)	**(8,040)**	(11,156)
Investment property acqusition deposits	9	**(6,595)**	-	**(6,595)**	-
Acquisition of property and equipment	9	**(2,720)**	(12)	**(2,720)**	(14)
Participating loan interests funded	7	**(2,483)**	-	**(11,468)**	-
Participating loan interests repaid	7	**12,306**	(2,814)	**12,661**	(2,814)
Equity accounted investment funded	5	**(11,496)**	(3,883)	**(16,784)**	(9,083)
Equity accounted investment repaid	5	**10,546**	-	**10,546**	-
Mortgage investments principal repaid, net of syndication		**3,223**	19,944	**21,505**	37,248
Mortgage investments principal funded, net of syndication		**(26,552)**	(67,672)	**(114,315)**	(134,901)
Net cash used in investing activities		**(179,753)**	(60,402)	**(265,475)**	(120,727)
Net (decrease) increase in cash		**46,846**	(1,588)	**30,436**	(2,327)
Cash, beginning of period		**19,896**	3,226	**36,306**	3,964
Cash, end of period		**$ 66,742**	$ 1,638	**$ 66,742**	$ 1,637

See accompanying notes to the condensed consolidated interim financial statements.

1. Trust Information

Centurion Apartment Real Estate Investment Trust ("REIT" or the "Trust") is an unincorporated, open-ended real estate private investment trust which was created pursuant to a Declaration of Trust initially dated August 31, 2009, as further amended from time to time and most recently amended on September 19, 2017 ("Declaration of Trust") and is governed by the laws of the Province of Ontario. The registered office of the Trust is located at 25 Sheppard Avenue West, Suite 710, Toronto, Ontario, M2N 6S6.

The Trust invests primarily in multi-suite residential properties, student residence properties, mortgages and other real estate investments in Canada and the United States.

2. Basis of Presentation

a) Statement of Compliance

These condensed consolidated interim financial statements for the three and six months ended June 30, 2019, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements have been approved for issue by the Board of Trustees on August 20, 2019.

b) Basis of Measurement

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for real estate held in equity accounted investments, one investment in a joint arrangement elected to be accounted for as a portfolio investment, participating loan interests, and foreign currency forward contracts which have been measured at fair value through profit or loss ("FVTPL") as determined at each reporting date.

c) Principles of Consolidation

The condensed consolidated interim financial statements reflect the operations of the Trust, its wholly-owned subsidiaries and its proportionate share of joint arrangements which are classified as joint operations. Entities subject to joint arrangements characterized as joint ventures are accounted for using the equity method. Centurion Real Estate Opportunities Trust ("REOT") is a subsidiary of the Trust as it has been determined that the Trust has control. The Trust owns 66.23% (December 31, 2018 – 63.81%) of the units of REOT.

2. Basis of Presentation (continued)

c) Principles of Consolidation (continued)

The summarized financial information of REOT is as follows:

As at		June 30, 2019		December 31, 2018
Total assets	$	722,235	$	557,515
Total liabilities	$	19,028	$	32,439
Net assets attributable to Unitholders	$	703,207	$	525,076

For the period ended		June 30, 2019		June 30, 2018
Net interest income	$	21,043	$	16,254
Fair value and equity income		9,466		6,168
Expenses		(3,059)		(3,391)
Net Income and Comprehensive Income	$	27,450	$	19,031

The financial statements of the subsidiaries included in the condensed consolidated interim financial statements are from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries are consistent with the accounting policies of the Trust and their financial statements have been prepared for the same reporting period as the Trust. All intercompany transactions and balances have been eliminated upon consolidation.

d) Functional and Presentation Currency

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency unless otherwise stated.

e) Critical Accounting Estimates, Assumptions and Judgments

The preparation of the condensed consolidated interim financial statements requires management to make estimates, assumptions, and judgments that affect accounting policies and the reported amounts of assets, liabilities at the date of the condensed consolidated interim financial statements, and income and expenses during the reporting period.

The preparation of the condensed consolidated interim financial statements requires management to make estimates, assumptions, and judgments that affect accounting policies and the reported amounts of assets, liabilities at the date of the condensed consolidated interim financial statements, and income and expenses during the reporting period.

2. Basis of Presentation (continued)

e) Critical Accounting Estimates, Assumptions and Judgments (continued)

Estimates, assumptions, and judgments have been applied in a manner consistent with prior year and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments. While management makes its best estimates and assumptions, actual results could differ from these and other estimates.

The significant estimates, assumptions, and judgments used in the preparation of the condensed consolidated interim financial statements are as follows:

Measurement of Fair Value

Fair value measurements are recognized in financial and non-financial assets and liabilities categorized using a fair value hierarchy that reflects the significance of inputs used in determining their fair values:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Quoted prices in active markets for similar assets or liabilities or valuation techniques where significant inputs are based on observable market data.
Level 3:	Valuation techniques for which any significant input is not based on observable market data.

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety. The information about assumptions made in the fair value is included in the following notes:

Note 4: Real Estate held within Investment properties

Note 5: Equity accounted investments

Note 7: Participating loan interests

Note 8: Foreclosed property

Note 21: Fair value measurement disclosures

2. Basis of Presentation (continued)

e) Critical Accounting Estimates, Assumptions and Judgments (continued)

Measurement of Expected Credit Loss ("ECL")

The ECL model requires evaluation and recognition of an allowance for expected credit losses over the next 12 months for investments without evidence of change to credit risk and an allowance of lifetime losses on investments that have experienced a significant increase in credit risk since origination.

Management assesses financial assets for objective evidence of significant changes in credit risk at each reporting period by specifically considering, but not limited to, the following:

- Payment default by a borrower is not cured within a reasonable period
- Whether the security of the mortgage is significantly negatively impacted by recent events
- Financial difficulty experienced by a borrower
- Changes in assumptions about local economic and other real estate market conditions in the geographic area in which a borrower's project is located
- Management's judgment as to whether current economic and credit conditions are such that potential losses at the reporting date are likely to be higher or lower than the amounts suggested by historic experience

The calculation of expected credit losses requires significant judgment to determine the variables that are relevant for each mortgage investment and probability weights that should be applied. Management exercises expert credit judgment in determining the amount of ECLs at each reporting date by considering reasonable and supportable information that is not already incorporated in the quantitative modeling process. Changes in these inputs, assumptions, models and judgments directly impact the measurement of ECLs.

Business Combinations

The Trust excised judgment in determining whether the acquisition of a property should be accounted for an asset purchase or business combination. This assessment impacts the treatment of transaction costs (including commissions, land transfer tax, appraisals, and legal fees associated with an acquisition), allocation of acquisition costs and whether or not goodwill is recognized. A business generally consists of inputs, processes applied to these inputs and resulting outputs that are, or will be, used to generate revenues. In absence of such criteria, a group of assets is deemed to have been acquired. The Trust generally accounts for its investment property acquisitions as asset acquisitions.

2. Basis of Presentation (continued)

e) Critical Accounting Estimates, Assumptions and Judgments (continued)

Classification of Co-Investments

The Trust makes judgments as to whether its co-investments provide it with joint control, significant influence or no influence. The Trust has determined that it has joint control in all of its co-ownerships and therefore has accounted for its investment in these co-ownerships as joint operations and has used the share of net assets, liabilities, revenues and expenses method to account for these arrangements.

f) Leases

Effective January 1, 2019, the Trust adopted IFRS 16 using the modified retrospective approach. The new standard requires a lessee to recognize in the condensed consolidated statement of financial position, a liability for future lease payments (the “lease liabilities”) and an asset for the right to use the underlying leased asset during the lease term (the “lease assets”).

The Trust recognized the initial effect of applying IFRS 16 as an adjustment to the condensed consolidated statement of financial position at January 1, 2019 (the date of initial application). There was no impact on retained earnings at the date of initial application. Comparative information has not been restated and continues to be reported in accordance with the standards and accounting policies in effect prior to January 1, 2019.

For leases previously classified as operating leases, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Trust’s weighted-average incremental borrowing rate at January 1, 2019 of 5%. All lease assets were measured at the amount equal to the lease liabilities.

Leased assets, not meeting the definition of investment property, are measured at cost less any accumulated amortization.

Practical expedients applied:

In applying IFRS 16 for the first time, the Trust has used the following practical expedient permitted by the standard:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Applied short term leases exemptions to leases with lease terms that ends with 12 months at the date of initial application

3. Significant Accounting Policies

a) Investment Properties

The Trust accounts for its investment properties using the fair value model in accordance with *IAS 40 - Investment Properties* ("IAS 40"). Investment property is defined as property held to earn rentals or for capital appreciation or both. Investment properties are initially recorded at cost, including related transaction costs if the transaction is deemed to be an asset acquisition. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date.

Any changes in the fair value are included in operating income in the consolidated statement of comprehensive income. Fair value is supported by independent external valuations or detailed internal valuations using market-based assumptions, each in accordance with recognized valuation techniques.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

b) Financial Instruments

Recognition and measurement

Financial instruments are classified as one of the following: (i) FVTPL, (ii) fair value through other comprehensive income ("FVOCI") or iii) amortized cost or iv) other liabilities. The classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Trusts designation of such instruments. The Trust has no financial instruments classified as FVOCI.

Interest income from financial assets, not classified as FVTPL, is determined using the effective interest rate method.

3. Significant Accounting Policies (continued)
b) Financial Instruments (continued)

Derecognition of financial assets and liabilities

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

The Trust derecognizes a financial liability when the obligation under the liability is discharged, canceled or expires.

c) Joint Arrangements

The Trust enters into joint arrangements through joint operations and joint ventures. A joint arrangement is a contractual arrangement pursuant to which the Trust 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. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint arrangements that involve the establishment of a separate entity in which each party to the venture has rights to the net assets of the arrangement are referred to as joint ventures.

The Trust accounts for its interest in joint ventures using the equity method. The Trust's investment in joint ventures are initially accounted for at cost, and the carrying amount is increased or decreased to recognize the Trust's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition. If an arrangement is considered a joint operation, the Trust will recognize its proportionate share of assets, liabilities, income, and expenses on a line-by-line basis.

The Trust elects to measure one investment in the associates and joint ventures at fair value through profit and loss.

3. Significant Accounting Policies (continued)
d) Mortgage Investments

Mortgage investments are classified and measured at amortized cost using the effective interest method, less any impairment losses. Mortgage investments are assessed at each reporting date to determine whether there is objective evidence of significant changes in credit risk. A mortgage investment's credit risk increases when objective evidence indicates that factors have occurred after the initial recognition of an investment and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The Trust's internal credit risk rating process involves judgment and combines multiple factors to arrive at a specific score to assess each mortgage investment the probability of default. These factors include the loan to value ratio, borrower's net worth and ability to service debt, project location, experience with the borrower and credit score. Significant changes in the internal credit risk rating have resulted in reclassifications of mortgage investments into Stage 2 and Stage 3.

Allowance for ECL on Mortgage Investments

The Trust maintains an allowance in order to cover impairment in the existing portfolio for loans that have not yet been individually identified as impaired. Under the IFRS 9, the ECL methodology, an allowance is recorded for ECL on financial assets according to the following stages:

Stage 1	When mortgage investments are recognized they are classified into Stage 1. The Trust recognizes an allowance based on 12 months ECL, which represent lifetime ECLs related to default events that are expected to occur within 12 months after the reporting date. Stage 1 mortgage investments also include investments where the credit risk has subsequently improved such that the increase in credit risk since initial recognition is no longer significant and the mortgage investments have been reclassified from Stage 2.
Stage 2	When a mortgage investment has shown a significant increase in credit risk since origination, the Trust reclassifies the mortgage investment to Stage 2 and an allowance is recognized at an amount equal to ECL over the remaining life. Stage 2 mortgage investments also include investments where the credit risk has improved and the mortgage has been reclassified from Stage 3.
Stage 3	The Trust classifies mortgage investments to Stage 3 when payment defaults by the borrower are not cured within a reasonable period. In certain other cases, where qualitative thresholds indicate unlikeliness to pay as a result of a credit event, the Trust carefully considers whether the event should result in an assessment at Stage 2 or Stage 3 for ECL calculations. Allowances required for impaired loans are recorded for individually identified impaired investments to reduce their carrying value to the expected recoverable amount. The Trust reviews investments on an ongoing basis to assess whether any loans should be classified as impaired and whether an allowance or write-off should be recorded.

3. Significant Accounting Policies (continued)
d) Mortgage Investments (continued)

An impairment loss is calculated as the difference between the carrying amount of the mortgage investment and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are charged to the consolidated statement of net income and comprehensive income and are reflected in the provision for mortgage losses. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of net income and comprehensive income.

e) Property, Plant, and Equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and mainly comprise head office and regional offices leasehold improvements, corporate and information technology systems. These items are amortized on a straight-line basis over their estimated useful lives ranging from three to five years, or, in the case of leasehold improvements, are amortized over the shorter of the lease term and their estimated useful lives.

f) Leases

These policies apply to contracts entered into or changed on or after January 1, 2019.
A contract contains a lease if it conveys the right to control the use of a specified asset for a time period in exchange for consideration. To identify a lease, the Trust determines whether it has the right to direct the use of the specified underlying asset and also obtains substantially all the economic benefits from its use. The Trust does not apply the provisions of IFRS 16 to intangible assets.

When assessing the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgment is based on factors such as contract rates compared to market rates, significance of other assets such as leasehold improvements, termination and relocation costs, location characteristics, and any sublease term.

The Trust has elected not to recognize lease assets and lease liabilities for low-value assets or short-term leases with a term of 12 months or less. Fixed lease payments on such leases are recognized in administrative or operating expenses, as applicable, on a straight-line basis over the lease term.

The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Trust's incremental borrowing rate. The Trust estimates the incremental borrowing rate based on the lease term, collateral, and the applicable economic environment. The lease liability is subsequently measured at amortized cost using the effective

3. Significant Accounting Policies (continued)
f) Leases (continued)

interest method. The lease liability is remeasured when the expected lease payments change as a result of certain modifications, changes in payments based on an index or rate, or due to changes in lease term.

The lease asset is recognized at the present value of the liability at the commencement date of the lease. The lease asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term. The lease asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

g) Participating Loan Interests

The Trust enters into debt investments that comprise of a combination of contractual interest and enhanced returns such as profit participation. Participating loan interests are measured at FVTPL due to the characteristics of the instrument not being solely for the payment of principal and interest. The Trust recognizes interest income on participating loan interests based on the contractual terms of the agreement and is included as part of interest income on the consolidated statement on net income and comprehensive income. At the end of each reporting period, the Trust determines the fair value of the entire instrument with the corresponding gain or loss recorded as fair value gain/loss in the consolidated statement of net income and comprehensive income. Any interest income arising from the contractual portion of the mortgage investment and/or the participating loan interest are recorded as interest income and any remaining non-contractual gains or losses are recognized through FVTPL.

h) Foreclosed Property

When REIT obtains the legal title of the underlying security of a default mortgage investment, the carrying value of the mortgage investment, which comprises principal, accrued interest, the related provision for mortgage investment loss and costs incurred, if any, are reclassified to foreclosed properties at fair value. At each reporting date, foreclosed properties are measured at fair value, with changes in fair value included in the consolidated statement of net income and comprehensive income in the period they arise.

REIT uses management's best estimate to determine the fair value of the foreclosed properties; which may involve frequent inspections, engaging realtors to assess market conditions based on previous property transactions, costs consultants to estimate completion costs on development or construction projects, or retaining professional appraisers to provide independent valuations.
Contractual interest on the mortgage investment is discontinued from the date of transfer from the mortgage investments to foreclosed properties. Any net income or loss generated from foreclosed properties is recorded as net operating gain (loss) from foreclosed properties and recorded separately from fair value adjustments on foreclosed properties.

3. Significant Accounting Policies (continued)

i) Foreign Currency Forward Contracts

The Trust may enter into foreign currency forward contracts to economically hedge the foreign currency risk exposure of its mortgage and other investments that are denominated in foreign currencies. The value of foreign currency forward contracts entered into by the Trust is recorded as the difference between the value of the contract on the reporting period and the value on the date the contract originated. Any resulting gain or loss is recognized in the statement of net income and comprehensive income unless the foreign currency contract is effective as a hedging instrument and designated as such under IFRS. The Trust has elected to not account for the foreign currency contracts as an accounting hedge.

j) Revenue Recognition

Revenue from investment properties includes rents from tenants under leases and ancillary income (such as utilities, parking and laundry) paid by the tenants under the terms of their existing leases. Revenue recognition under a lease commences when a tenant has a right to use the leased asset, and revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the REIT expects to be entitled in exchange for those goods or services. The REIT has not transferred substantially all of the risks and benefits of ownership of its income producing properties and, therefore, accounts for leases with its tenants as operating leases.

Rental income is accounted for on a straight-line basis over the lease terms. Ancillary income 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.

k) Provisions

Provisions are recognized when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

The amount of a provision is based on management's best estimate of the expenditure that is required to settle the obligation at the end of the reporting year. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

3. Significant Accounting Policies (continued)
l) Borrowing Costs and Interest on Mortgages Payable

Mortgage expenses include mortgage interest, which is expensed at the effective interest rate and transaction costs incurred in connection with the revolving credit facilities which are amortized.

m) Employee Benefits

Short-term employee benefit obligations, including vacation and bonus payments, are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities are recognized for the amounts expected to be paid within 12 months as the Trust has an obligation to pay this amount as a result of a past service provided by the employee, and the obligation can be estimated reliably. Short-term employee benefits are recorded in Accounts payable and accrued liabilities.

The Trust maintains a deferred trust unit plan for some of its employees. This plan is considered cash settled and the fair value of the amount payable is recognized as an expense with a corresponding increase in liabilities, over the vesting period of the units issued. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized in the consolidated statement of financial position.

n) Distribution Reinvestment and Unit Purchase Plan ("DRIP")

The Trust has instituted a Dividend Reinvestment Plan ("DRIP") in accordance with Article 5.8 of the Declaration of Trust which provides that the Trustees may in their sole discretion establish a distribution reinvestment plan at any time providing for the voluntary reinvestment of distributions by some or all the Trust Unitholders as the Trustees determine. Currently Unitholders receive a 2% discount on Units purchased through DRIP. No commissions, service charges or brokerage fees are payable by participants in connection with the DRIP.

o) Net Assets Attributable to Unitholders

In accordance with *IAS 32 - Financial Instruments: Presentation* ("IAS 32"), puttable instruments are generally classified as financial liabilities. The Trust's units are puttable instruments, meeting the definition of financial liabilities in IAS 32. There are exception tests within IAS 32 that could result in a classification as equity; however, the Trust's units do not meet these exception requirements. Therefore, the Trust has no instrument that qualifies for equity classification on its Statement of Financial Position pursuant to IFRS. The classification of all units as financial liabilities with the presentation as net assets attributable to Unitholders does not alter the underlying economic interest of the Unitholders in the net assets and net operating results attributable to Unitholders.

3. Significant Accounting Policies (continued)
o) Net Assets Attributable to Unitholders (continued)

The Trust's units are carried on the Statement of Financial Position at net asset value. Although puttable instruments classified as financial liabilities are generally required to be remeasured to fair value at each reporting year, the alternative presentation as net assets attributable to Unitholders reflects that, in total, the interests of the Unitholders are limited to the net assets of the Trust.

p) Income Taxes

The Trust qualifies as a Mutual Fund Trust for Canadian income tax purposes. In accordance with the terms of the Declaration of Trust, the Trust intends to distribute its income for income tax purposes each year to such an extent that it will not be liable for income taxes under Part I of the Income Tax Act (Canada). The Trust is eligible to claim a tax deduction for distributions paid and, intends to continue to meet the requirements under the Income Tax Act (Canada). Accordingly, no provision for income taxes payable has been made. Income tax obligations relating to distributions of the Trust are the obligations of the Unitholders.

q) Future Accounting Policy Changes

Business Combinations ("IFRS 3")

The IASB published an amendment to the requirements of IFRS 3 in relation to whether a transaction meets the definition of a business combination. The amendments narrowed and clarified the definition of a business and provides additional illustrative examples, including those relevant to the real estate industry. A significant change in the amendment is the option for an entity to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This will be relevant where the value of the acquired entity is concentrated in one property, or a group of similar properties. The amendment is effective for periods beginning on or after January 1, 2020 with earlier application permitted. There will be no impact on transition as the amendments are effective for business combinations for which the acquisition date is on or after the transition date.

4. Investment Properties

Investment properties are measured at fair value as at the consolidated statement of financial position dates. Any changes in the fair value are included in the consolidated statement of net income and comprehensive income. Fair value is supported by independent external valuations or detailed internal valuations using market-based assumptions, each in accordance with recognized valuation techniques. The techniques used comprise the capitalized net operating income method and include estimating, among other things (all considered Level 3 inputs), future stabilized net operating income, capitalization rates, discount rates and other future cash flows applicable to investment properties. Fair values for investment properties are classified as Level 3 in the fair value hierarchy.

The Trust investment properties consist of the following:

		June 30, 2019		December 31, 2018
Balance, beginning of period	**$**	**1,109,421**	$	896,712
Property acquisitions		**146,305**		64,861
Increase in property valuation		**81,442**		157,638
Transfer of Investment properties held for sale		**-**		(9,790)
Balance, end of period	**$**	**1,337,168**	$	1,109,421

		June 30, 2019		December 31, 2018
Increase in property valuation	**$**	**81,442**	$	157,638
Less: Acquisition costs		**(3,961)**		(1,546)
Less: Property improvements		**(8,040)**		(28,618)
Fair Value Adjustment on Investment Properties	**$**	**69,441**	$	127,474

The following valuation techniques were considered in determining the fair value:

1. Consideration of recent prices of similar properties within similar market areas;
2. The direct capitalization method, which is based on the conversion of current and future normalized earnings potential directly into an expression of market value. The Normalized Net Operating Income ("NNOI") for the year is divided by an overall capitalization rate (inverse of an earnings multiplier) to arrive at the estimate of fair value.

As each reporting date, the Trust assembles the property specific data used in the valuation model based on the process set forth in the valuation framework, reviews the valuation framework to determine whether any changes or updates are required, inputs the capitalization rates, set-offs and normalization assumptions provided by the valuators, and delivers the completed valuation framework to the external appraisers for review. The external appraisers determine the capitalization rates that should be used in valuing the properties, provide charts of comparable sales and supporting relevant market information, determining the appropriate industry standard.

4. Investment Properties (continued)

set off amounts and normalization assumptions used in the calculation of NOI; and supplying a fair value report for the Trust to reflect in the condensed consolidated interim financial statements.

Capitalization Rate Sensitivity Analysis

The Trust conducted a valuation on an individual property basis, with no portfolio effect considered, to determine the fair value of its investment properties. Capitalization rates used to generate fair values for the investment properties varied from 3.50% to 5.75% at June 30, 2019 (December 31, 2018: 3.50% to 6.00%) and the weighted average was 4.48% for the total portfolio (December 31, 2018: 4.55%).

The table below presents the sensitivity of the fair valuation of investment properties to the changes in capitalization rate (inclusive of investment property held for sale).

Capitalization rate sensitivity increase (decrease)	Weighted average capitalization rate		Fair value of proportionate investment property		Fair value variance	% change
(0.75%)	3.73%	$	1,606,319	$	269,151	20.1%
(0.50%)	3.98%	$	1,505,320	$	168,152	12.6%
(0.25%)	4.23%	$	1,416,270	$	79,102	5.9%
June 30, 2019	4.48%	$	1,337,168	$	-	-
0.25%	4.73%	$	1,266,434	$	(70,734)	(5.3%)
0.50%	4.98%	$	1,202,808	$	(134,360)	(10.0%)
0.75%	5.23%	$	1,145,270	$	(191,898)	(14.4%)

Acquisitions

During the six months ended June 30, 2019, the Trust completed the following investment property asset acquisitions, which contributed to the operating results effective from the acquisition date.

Acquisition Date	Rental Units	% Holding		Total Purchase Price		Mortgage Funding	Mortgage Interest Rate	Mortgage Maturity Date
April 25, 2019	204	75%		**26,339**		**17,261**	2.35%	May 3, 2022
May 31, 2019	136	50%		**33,000**		**21,716**	2.48%	December 1, 2028
June 26, 2019	137	100%		**40,267**		**10,267**	2.40%	September 1, 2029
June 28, 2019	416	50%		**46,700**		**31,479**	2.37%	December 1, 2028
			$	**146,305**	**$**	**80,721**		

4. Investment Properties (continued)

During the year ended December 31, 2018, the Trust completed the following investment property asset acquisitions, which contributed to the operating results effective from the acquisition date.

Acquisition Date	Rental Units	% Holding	Total Purchase Price	Mortgage Funding	Mortgage Interest Rate	Mortgage Maturity Date
November 21, 2018	75	100%	$ 11,927	$ 6,597	4.35%	February 1, 2028
November 21, 2018	64	100%	11,503	5,149	2.57%	January 1, 2019
November 21, 2018	48	100%	9,291	7,380	2.95%	January 5, 2021
November 30, 2018	224	85%	32,140	65,494	4.99%	November 30, 2030
			$ 64,861	$ 84,620		

Dispositions

During the three and six months ended June 30, 2019, the Trust did not complete any investment property dispositions.

During the year ended December 31, 2018, the Trust did not complete any investment property dispositions.

Investment in Joint Arrangements

Included within investment properties are the following joint operations, which are co-ownership arrangements:

	June 30, 2019	December 31, 2018
75 Ann & 1 Beaufort Co-ownership	75%	75%
1 Columbia	50%	50%
Harbourview Estates LP	60%	60%
Oxford on the Ranch	85%	85%
Timothy Woods	75%	-
Pandora	50%	-
The Residence of Seasons LP	50%	-

4. Investment Properties (continued)

The Trust's share of assets, liabilities, revenues, expenses and net income and cash flows from investments in joint operations that are reflected in the condensed consolidated interim financial statements are as follows:

For the period ended		June 30, 2019		December 31, 2018
Non-current assets	$	211,451	$	111,032
Current assets		1,869		(17,515)
Total assets	$	213,320	$	93,517
Non-current liabilities	$	152,400	$	77,060
Current liabilities		1,684		1,296
Total liabilities	$	154,084	$	78,356
Revenues	$	4,982	$	6,306
Expenses		(3,471)		(4,193)
Fair value adjustment on investment properties		7,525		432
Net income	$	9,036	$	2,545

Investment Properties Held for Sale

Investment properties are reclassified to assets held for sale when the criteria set out in IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, are met. The conditions of held for sale is met : (a) if management is committed to a plan to achieve the sale, (b) the asset is available for immediate sale (c) there is an active program to find a buyer, (d) the asset is being actively marketed at a reasonable price, (e) the sale is anticipated to be completed within one year from the date of classification, and (f) it is unlikely there will be changes to the plan.

The Trust is currently actively trying to sell two investment properties located in Kitchener, Ontario comprising of a 74 unit multiple-residential portfolio. The sale of these investment properties is in line with the Trust's long-term investment strategy. The investment properties were reported at fair value therefore there is no financial impact due to the change in classification.

5. Equity Accounted Investments

Investment properties held within equity accounted investments are measured at fair value as at the consolidated statement of financial position dates. Any changes in the fair value are included in the consolidated statement of comprehensive income. Fair value is supported by independent external valuations or detailed internal valuations using market-based assumptions, each in accordance with recognized valuation techniques. The techniques used comprise the capitalized net operating income method and include estimating, among other things, future stabilized net operating income, capitalization rates, discount rates and other future cash flows applicable to investment properties. Fair values for investment properties are classified as Level 3 in the fair value hierarchy.

The carrying value of equity accounted investments consists of the following:

Entity	Ownership	December 31, 2018	Net Contributions/ (Distributions)	Income and Fair Value adjustment	Currency Translation Adjustment	Disposition	June 30, 2019
The Residences of Seasons LP	50%	$ 19,554	$ 350	$ (1,471)	$ -	$ (18,433)	$ -
ME Living Phase LP [1]	50%	15,744	-	865	-	-	16,609
Bridgewater Trails Apartments LP	45%	8,154	-	143	-	-	8,297
No. 21 Apartments LP	50%	5,041	-	2,193	-	-	7,234
BW2 Apartments LP	45%	6,334	-	1,247	-	-	7,581
4Square LP	70%	10,954	3,668	1,901	-	-	16,522
MINN CBD Holding LLC	47%	12,336	-	636	(545)	-	12,426
Trillium Mountain Ridge Inc	50%	7,360	-	302	-	-	7,662
CCA Crossroad Kansas City LLC	62%	1,794	4,353	163	(138)	-	6,170
Sage Apartments LP	40%	7,107	3,603	829	-	-	11,539
Acron CMCC Lake Carolyn Holding L	48%	23,656	723	1,433	(1,700)	-	24,112
9 Dawes LP	21%	2,778	-	-	-	-	2,778
Lee-Tamiami LLC	75%	10,277	4,088	2,400	(1,397)	-	15,370
		$ 131,088	**$ 16,784**	**$ 10,642**	**$ (3,780)**	**$ (18,433)**	**$ 136,300**

[1] The Trust has elected to measure investments in associates and joint ventures at FVTPL.

5. Equity Accounted Investments (continued)

Entity	Ownership	December 31, 2017	Net Contributions/ (Distributions)	Income and Fair Value adjustment	Currency Translation Adjustment	Disposition	June 30, 2018
The Residences of Seasons LP	50%	$ 19,309	$ -	$ 562	$ -	$ -	$ 19,871
ME Living Phase LP	50%	14,092	(91)	637	-	-	$ 14,638
Bridgewater Trails Apartments LP	45%	5,704	505	2,021	-	-	$ 8,230
No. 21 Apartments LP	50%	3,705	-	810	-	-	$ 4,515
BW2 Apartments LP	45%	4,457	1	1,282	-	-	$ 5,740
4Square LP	83%	5,008	3,251	(5)	-	-	$ 8,254
MINN CBD Holding LLC	47%	-	5,178	89	-	-	$ 5,267
Trillium Mountain Ridge Inc	50%	8,750	2	389	-	-	$ 9,142
DBS Funding LP	50%	-	237	-	-	-	$ 237
		$ 61,025	**$ 9,083**	**$ 5,786**	**$ -**	**$ -**	**$ 75,894**

The Trust's portion of income and fair value adjustments for the three and six months ended June 30, 2019 was $4,377 and $10,642 (three and six months ended June 30, 2018: $3,506 and $5,786), which includes a currency translation adjustment of $3,780.

As at June 30, 2019, the Trust has additional commitments for equity accounted investments of $38,000 (December 31, 2018: $23,000).

The following is the summarized financial information of the above investments:

For the six months ended June 30, 2019	ME Living Phase LP (2)	Acron CMCC Lake Carolyn Holding LLC	Lee-Tamiami LLC	Other	Total
Non-current assets	$ 73,286	$ 50,762	$ 20,491	$ 45,432	**$ 189,971**
Current assets	2,563	-	-	70,170	**72,733**
Total assets	$ 75,849	$ 50,762	$ 20,491	$ 115,602	**$ 262,704**
Non-current liabilities	(42,787)	-	-	(58,404)	**(101,191)**
Current liabilities	(16,489)	-	-	(6,320)	**(22,809)**
Total liabilities	$ (59,276)	$ -	$ -	$ (64,724)	**$ (124,000)**
Total revenue	-	-	-	1,061	**1,061**
Total expenses	-	-	-	(962)	**(962)**
Total fair value gains	1,730	2,986	3,157	8,079	**15,952**
Net income	$ 1,730	$ 2,986	$ 3,157	$ 8,178	**$ 16,051**

(1) Certain equity accounted investments include economic interests above their ownership interests.

5. Equity Accounted Investments (continued)

For the year ended Decembe 31, 2018	The Residences of Seasons LP	ME Living Phase LP (1)	Acron CMCC Lake Carolyn Holding LLC	Lee-Tamiami LLC	Other	Total
Non-current assets	$ 46,821	$ 71,555	$ 49,802	$ 365	$ 99,698	$ 268,241
Current assets	45,669	2,563	-	-	70,338	118,570
Total assets	$ 92,490	$ 74,118	$ 49,802	$ 49,802	$ 170,401	$ 386,811
Non-current liabilities	(53,065)	(42,787)	-	-	(58,404)	(154,256)
Current liabilities	(1,029)	(16,489)	-	-	(8,041)	(25,559)
Total liabilities	$ (54,094)	$ (59,276)	$ -	$ -	$ (66,445)	$ (179,815)
Total revenue	4,151	-	-	-	2,123	6,274
Total expenses	(3,033)	-	-	-	(1,940)	(4,973)
Total fair value gains	489	3,486	5,720	-	15,044	24,739
Net income	$ 1,607	$ 3,486	$ 5,720	$ -	$ 15,227	$ 26,040

(1) Certain equity accounted investments include economic interests above their ownership interests.

During the 6 months ended June 30, 2019, the Trust completed the disposition of an equity accounted investment in the Residences of Seasons LP with the Centurion Apartment REIT.

Property	Disposition Date	% of Holding	Disposition Proceeds	Net Contributions	Prior Years Cumulative Fair Value Gains	Loss Recognized in 2019
The Residence of Seasons LP	June 28, 2019	50%	18,433	10,546	9,358	(1,471)

6. Mortgage Investments

Mortgages investments represent amounts under loan arrangements. The weighted average effective interest rate is 9.33% (December 31, 2018: 9.22%) and the estimated weighted average term of maturity is 0.73 years (December 31, 2018: 0.77 years). Interest income for the three and six months ended June 30, 2019 was 12,897 and $23,815 (three and six months ended June 30, 2018: $9,046 and $16,961).

	Note	2019	2018	2019	2018
Interest income from mortgage investments		$ 9,945	$ 9,046	$ 18,072	$ 16,961
Interest income from participating loan interests	7	2,952	797	5,743	1,546
Total interest income		$ 12,897	$ 9,844	$ 23,815	$ 18,506
Allowance for expected credit losses (ECL)		$ (218)	$ (809)	$ (240)	$ (1,441)

As at June 30, 2019, mortgage investments and syndicated mortgage investment liabilities are as follows:

As at June 30, 2019	Gross Mortgage Investments	Syndicated Mortgage Investments	Net Mortgage Investments
Non-current mortgage investments	$ 102,070	-	$ 102,070
Current mortgage investments	334,067	(18,092)	315,975
	436,137	(18,092)	418,045
Allowance for ECL	(1,403)	-	(1,403)
Total mortgage investments	**$ 434,734**	**$ (18,092)**	**$ 416,642**

As at December 31, 2018	Gross Mortgage Investments	Syndicated Mortgage Investments	Net Mortgage Investments
Non-current mortgage investments	$ 97,379	$ (6,027)	$ 91,352
Current mortgage investments	245,497	(12,065)	233,432
	342,876	(18,092)	324,784
Allowance for ECL	(1,163)	-	(1,163)
Total mortgage investments	$ 341,713	$ (18,092)	$ 323,621

As at June 30, 2019, the Trust holds mortgage investments which contain participation agreements with third-party lenders, whereby the Trust retains residual interests subordinate to the interests syndicated to these third-party lenders. All interest and fee income earned by the Trust recognized is included in the consolidated statement of net income and comprehensive income.

6. Mortgage Investments (continued)

Interest paid to syndicate participants for the three and six months ended June 30, 2019 was $276 and $552 (three and six months ended June 30, 2018: $nil). As at June 30, 2019, the Trust has additional mortgage investment commitments of approximately $169,000 (December 31, 2018: $158,800).

As at June 30, 2019, continuity of mortgage investments, including the allowance for ECL, is allocated between the internal credit risk stages as follows:

For the six months ended June 30, 2019		Stage 1		Stage 2		Stage 3		Total
Gross mortgage investments, beginning of the period	$	305,979	$	33,280	$	3,617	$	342,876
Funding / remeasurement		128,584		1,364		311		130,259
Repayment		(30,681)		(6,278)		(39)		(36,998)
Transfers to (from)		(1,900)		(6,559)		8,459		-
Gross mortgage investments, end of the period	$	401,982	$	21,807	$	12,348	$	436,137
Allowance for ECL, beginning of the period	$	475	$	608	$	80	$	1,163
Funding / remeasurement		95		137		158		390
Repayment		(25)		(125)		-		(150)
Transfers to (from)		(10)		(142)		152		-
Allowance for ECL, end of the period	$	535	$	478	$	390	$	1,403
Total mortgage investments	**$**	**401,447**	**$**	**21,329**	**$**	**11,958**	**$**	**434,734**

As at June 30, 2018, mortgage / debt investments, including the allowance for ECL, is allocated between the internal credit risk stages as follows:

For the six months ended June 30, 2018		Stage 1		Stage 2		Stage 3		Total
Gross mortgage investments, beginning of the period	$	346,567	$	-	$	-	$	346,567
Adjustment to IFRS 9		(150,384)		24,927		19,757		(105,700)
Funding / remeasurement		106,649		1,535		169		108,354
Repayment		(25,380)		(5,465)		-		(30,845)
Gross mortgage investments, end of the period	$	277,452	$	20,997	$	19,927	$	318,376
Allowance for ECL, beginning of the period	$	2,220	$	-	$	-	$	2,220
Adjustment to IFRS 9		-		-		1,233		1,233
Funding / remeasurement		368		-		-		368
Repayment		(159)		-		-		(159)
Allowance for ECL, end of the period	$	2,428	$	-	$	1,233	$	3,661
Total mortgage investments	**$**	**275,023**	**$**	**20,997**	**$**	**18,694**	**$**	**314,715**

6. Mortgage Investments (continued)

Future repayments for gross mortgage investments excluding the allowance for ECL are as follows:

Future repayments are as follows:

		June 30, 2019		June 30, 2018
Within 1 year	$	334,067	$	219,094
1 to 2 years		86,105		166,360
2 to 3 years		-		6,715
3 to 4 years		13,949		-
Thereafter		2,016		7,059
Total repayments	**$**	**436,137**	**$**	**399,228**

The nature of the underlying assets for the Trust's mortgage investments as at June 30, 2019, is as follows:

	June 30, 2019	December 31, 2018
Low-Rise Residential	**38%**	42%
Land	**26%**	13%
Commercial/Mixed Use	**15%**	19%
High-Rise Condominium	**10%**	19%
Multi Family Apartments	**6%**	6%
Industrial	**4%**	-
Multi Student Housing	**1%**	1%
	100%	100%

For the three and six months ended June 30, 2019, the Trust's prior year comparative segregation of the nature of the underlying assets was revised to better reflect management's view of the relevance of the above sub-categories to the mortgage investments to which they relate. As at June 30, 2019, the Trust's mortgage investments are comprised of a 75% interest (December 31, 2018: 71%) in first mortgages and a 25% interest (December 31, 2018: 29%) in second mortgages.

7. Participating Loan Interests

In the three and six months ended June 30, 2019, interest income was $2,685 and $5,748 (three and six months ended June 30, 2018: $797 and $1,546) and fair value loss recognized was $645 and $302 (three and six months ended June 30, 2018: fair value gain of $413 and $2,317). The fair value of the underlying real estate assets was determined using a detailed valuation framework, and the techniques considered in this framework are as follows:

The following valuation techniques were considered in determining the fair value:

1. Consideration of recent prices of similar properties within similar market areas;
2. The direct capitalized method, which is based on the conversion of future normalized earnings directly into an expression of market value.

As a result, the fair value of participating loan interests is based on Level 3 of the fair value hierarchy.

		June 30, 2019		June 30, 2018
Balance, beginning of the period(1)	**$**	**137,123**	$	25,794
Transfers from Mortgage investments due to IFRS 9 Transition		**-**		29,501
Adjusted balance under IFRS 9, beginning of period		**137,123**		55,295
Advances		**11,468**		2,814
Interest income		**5,743**		1,546
Fair value gains		**302**		2,317
Realized fair value gain on disposition		**(8,879)**		-
Repayment of principal		**(12,661)**		-
Repayment of interest		**(2,685)**		-
Balance, end of period	**$**	**130,411**	$	61,972

As at June 30, 2019, the Trust has additional contractual commitments of approximately $21,403 for participating loan interests (December 31, 2018: $17,900).

During the 6 months ended June 30, 2019, the Trust completed the disposition of a participating loan with the Centurion Apartment REIT.

Property	Disposition Date	% of Holding	Disposition Proceeds	Principal Advanced	Prior Years Cumulative Fair Value Gains	Gain Recognized in 2019
Pandora	May 31, 2019	50%	13,366	4,488	8,452	427

8. Foreclosed Property

When the Trust receives title to real estate properties from foreclosure activities management will engage resources for short-term construction or redevelopment activity to support the best future disposition value. As at June 30, 2019, there is one foreclosed property (December 31, 2018: one foreclosed property), which is recorded at a fair value of $17,963 (December 31, 2018: $17,000). The fair value has been categorized as a level 3 fair value, based on a direct comparison approach.

The changes in the foreclosed properties held for sale during the three and six months ended June 30, 2019 and December 31, 2018 are as follows:

For the period ended		June 30, 2019		June 30, 2018
Balance beginning of year	$	17,000	$	-
Capital improvements		963		-
Balance, end of year	**$**	**17,963**	$	-

9. Receivable and other assets

Receivable and other assets consist of the following:

	Note		**June 30, 2019**		December 31, 2018
Net rent receivables		**$**	**433**	$	383
Prepaid CMHC premiums, net			**4,942**		5,078
Other current assets			**9,739**		4,973
Acquisition Deposits			**6,595**		-
Property and Equipment			**3,078**		358
Leased Assets	10		**3,208**		-
Prepaid expenses			**1,558**		476
Foreign currency forward contracts			**3,637**		2,315
		$	**33,190**	$	13,583

Prepaid CMHC premiums, net represents CMHC premiums on mortgages payable net of accumulated amortization of $592 (December 31, 2018: $456).

As at June 30, 2019, The Trust holds foreign currency of $3,637 (December 31, 2018: $2,315) measured at fair value (based on level 2 inputs).

Net rent receivables consist of the following:

		June 30, 2019		December 31, 2018
Rent receivables	**$**	**559**	$	510
Less: Allowance for expected credit loss		**(126)**		(127)
Net rent receivables	**$**	**433**	$	383

The following is an aging analysis of receivables:

		June 30, 2019		December 31, 2018
Current	**$**	**413**	$	361
31-60 days		**54**		50
61-90 days		**26**		30
Over 90 days		**66**		69
Allowance for expected credit loss		**(126)**		(127)
	$	**433**	$	383

10. Leases

Lease terms range from 1 to 10 years. After inception of the lease, the Trust reassesses expectations about the exercise of renewal or termination options only when a significant event or change in circumstances occurs that is within the Trust's control.

At June 30, 2019, lease liabilities reflected the Trust's weighted-average incremental borrowing rate of 5%.

The Trust has not recognized any operating income or operating expenses from leased assets in the net rental income. The Trust's low-value and short-term leases are not material.

The Trust has leases for office space for which the Trust is a lessee as presented below:

		June 30, 2019
Balance, January 1, 2019	$	-
Additions		3,235
Depreciation		(27)
Balance, June 30, 2019	$	3,208

Amounts recognized in the condensed consolidated statement of net income and comprehensive income:

		June 30, 2019
Lease expense recognized in general and administrative expenses	$	254
Depreciation of leased assets		27
Interest on lease liabilities		13
Total amount recognized in general and administrative expenses	$	294

Amount recognized in statement of cashflows:

		June 30, 2019
Cash payments for the interest on lease liabilities	$	13
Cash payments for leases not included in the measurement of lease liabilities		254
Cash outflow from operating activities		267
Cash payments for the principal portion of lease liabilities in financing activities		20
Total cash outflow for leases	$	287

11. Restricted Cash / Unit Subscriptions in Trust

At June 30, 2019, restricted cash consists of cash not available for current use in the amount of $3,697 (December 31, 2017: $7,600). This restricted cash 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. All restricted cash as at June 30, 2019, is short term.

12. Mortgages Payable and Credit Facilities

Mortgages payable and credit facilities consist of the following:

		June 30, 2019		December 31, 2018
Current	**$**	**53,187**	$	67,513
Non-current		**560,279**		458,876
	$	**613,466**	$	526,389

Mortgages payable and credit facilities are secured by respective investment properties and are summarized as follows:

		June 30, 2019		December 31, 2018
First mortgages on investment properties, bearing interest between 1.33% and 5.37% (December 31, 2018: 1.33% and 5.37%), with a weighted average interest rate of 3.01% (December 31, 2018: 3.19%), and a weighted average maturity of 5.1 years (December 31, 2018 : 5.3 years), secured by related investment properties	**$**	**514,698**	$	436,835
Second mortgages on investment properties, bearing interest between 3.18% and 4.22% (December 31, 2018: 3.18% and 3.30%), with a weighted average interest rate of 4.18% (December 31, 2018: 3.18%) and a weighted average maturity of 5.1 years (December 31, 2018: 5.8 years), secured by related investment properties		**807**		874
Line of Credit facilities, bearing interest between 4.20% and 4.40% (December 31, 2018: 4.20% and 4.40%), with a weighted average interest rate of 4.20% (December 31, 2017: 4.20%) secured by assets of REIT and/or its subsidiaries		**30,121**		18,641
REIT proportion of mortgages held through joint arrangement, bearing interest between 2.81% and 4.99% (December 31, 2018: 2.81% and 4.99%), with a weighted average interest rate of 3.70% (December 31, 2018: 3.70%) and a weighted average maturity of 6.5 years (December 31, 2018: 6.6 years), secured by related investment properties in the joint venture		**73,092**		73,787
	$	**618,718**	$	530,137
Less: Unamortized portion of financing fees		**(5,252)**		(3,748)
	$	**613,466**	$	526,389

12. Mortgages Payable and Credit Facilities (continued)

Substantially all of the Trust's assets have been pledged as security under the related mortgages and other security agreements. Overall, the weighted average mortgage interest rate at June 30, 2019 was 3.19% (December 31, 2018: 3.27%).

Mortgages payable at June 30, 2019 are due as follows:

	Principal Repayments	Balance due at Maturity	Total
Year ended June 30, 2020	$ 43,648	$ 9,539	$ 53,187
Year ended June 30, 2021	12,371	92,608	104,979
Year ended June 30, 2022	10,544	23,944	34,488
Year ended June 30, 2023	8,976	34,394	43,370
Thereafter	27,664	355,030	382,694
	$ 103,203	$ 515,515	$ 618,718
Less: Unamortized portion of financing fees			(5,252)
			$ 613,466

13. Accounts Payable and Other Liabilities

Accounts payable and other liabilities consists of the following:

	Note	**June 30, 2019**	December 31, 2018
Accrued expenses		**$ 8,652**	$ 7,342
Prepaid rent		**1,352**	1,468
Tenant Deposits		**5,478**	5,018
Accounts payable		**515**	1,693
Lease Liability	10	**3,216**	-
Deferred trust units		**746**	440
		$ 19,959	$ 15,961

14. Classification of Units

In accordance with the Declaration of Trust ("DOT"), the Trust may issue an unlimited number of units of various classes, with each unit representing an equal undivided interest in any distributions from the Trust, and in the net assets in the event of termination or wind-up of the Trust.

Authorized

i. **Unlimited number of Class A Trust Units**
Class A Trust Units are participating, with one vote per unit, no par value.

ii. **Unlimited number of Class F Trust Units**
Class F Trust Units are participating, with one vote per unit, no par value.

iii. **Unlimited number of Class I Trust Units**
Class I Trust Units are participating, with one vote per unit, no par value.

iv. **Unlimited number of Class M Trust Units**
Class M Trust Units are participating, reserved for Centurion Asset Management Inc. and represent a beneficial interest set as the ratio of the number of investor units, such that the amount of Class M Units will equal the number of investor units divided by 0.95 less the number of investor units. Apart from certain voting restrictions, Class M unitholders are entitled to vote to that percentage of all Unitholder votes equal to the Class M unit percentage interest. At any time, the holder of a Class M unit may convert into either Class A and or Class R units.

v. **Unlimited number of Special Voting Units of the Trust and Exchangeable LP Units**
Special Voting Units are non-participating, with one vote per share, issued on a one-for-one basis to holders of Exchangeable Securities of the original CAP LP II Partnership (the "Partnership") which rolled into the Trust. The Exchangeable Securities of the Partnership are participating along with the Class A, F, I and M Trust Units, non-voting and exchangeable by the holder into an equivalent number of Class A Trust Units.

Each Unitholder shall be entitled to require the Trust to redeem Class A, F, I, M or Exchangeable LP units on the "Redemption Date" of any month on demand. Unitholders whose units are redeemed will be entitled to receive a redemption price per unit ("Redemption Price") determined by a market formula at fair value and the redemption price will be satisfied by way of cash payment. The Trust units tendered for redemption in any calendar month in which the total amount payable by the Trust exceeds $50,000 (the "Monthly Limit"), may be redeemed for cash by a distribution in specie of debt securities on a pro-rata basis.

14. Classification of Units (continued)

Issued (in units)

	June 30, 2019	December 31, 2018
Class A Trust Units		
Units as at January 1,	**50,482**	44,079
New units issued	**5,179**	6,856
Distribution reinvestment plan	**681**	1,370
Redemption of units	**(910)**	(1,868)
Reverse Buy	**(81)**	-
Transfers	**-**	46
	55,349	50,483
Class F Trust Units		
Units as at January 1,	**15,871**	8,638
New units issued	**6,031**	6,905
Distribution reinvestment plan	**294**	476
Redemption of units	**(300)**	(337)
Reverse Buy	**(75)**	-
Transfers	**-**	189
	21,822	15,871
Exchangeable LP units		
Units as at January 1,	**478**	131
New units issued	**-**	344
Distribution reinvestment plan	**1**	3
	479	478
Class M Trust Units	**50**	50
Class I Trust Units		
Units as at January 1,	**643**	79
New units issued	**310**	565
	954	644

15. Revenue Recognition

Revenue from investment properties is comprised of the following:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Rental Income	**$ 18,576**	$ 15,502	**$ 37,807**	$ 31,398
Ancillary Income	**770**	670	**1,498**	1,299
Expense Recoveries	**(4)**	131	**93**	171
	$ 19,342	$ 16,303	**$ 39,398**	$ 32,868

16. Finance Costs

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Interest on mortgages payable and credit facilities	**$ 4,313**	4,142	**$ 8,549**	$ 7,952
Amortization of financing fees	**221**	181	**444**	362
Amortization on CMHC Insurance	**73**	46	**136**	92
	$ 4,607	$ 4,369	**$ 9,129**	$ 8,406

17. General and Administrative Expenses

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2019	2018	**2019**	2018
Salaries and wages	**$ 2,532**	$ 1,626	**$ 5,093**	$ 4,260
Communications & IT	**515**	284	**904**	529
Office expenses	**302**	433	**753**	783
Fund administration costs	**153**	176	**332**	317
Professional fees	**309**	201	**575**	388
Advertising	**249**	212	**504**	375
Amortization of property and equipment	**87**	34	**123**	73
	$ 4,147	$ 2,966	**$ 8,284**	$ 6,725

18. Commitments

The Trust is committed to asset management services under an asset management agreement with Centurion Asset Management Inc., a company controlled by the President and Trustee, for a ten-year term ending December 31, 2024, with a renewal term for an additional ten years unless terminated by either of the parties. Under the agreement, the Trust is required to pay an acquisition fee equal of 1.0% of the gross purchase price of each investment property acquired.

19. Contingencies

The Trust is involved in certain litigation arising out of ordinary course of investing in loans and other real estate projects. Although such matters cannot be predicted with certainty, management believes the claims are without merit and does not consider the Trust's exposure to such litigation to have a material impact on these condensed consolidated interim financial statements.

20. Related Party Transactions

Related parties of the Trust hold the 50,000 Class M Trust units of REIT and REOT. The distributions in cash for the three and six months ended June 30, 2019, for these units were $975 and $1,863 ($728 and $1,412 for the three and six months ended June 30, 2018).

REIT reimbursed Centurion Asset Management GP Inc. ("CAMGPI") payroll expenses of $1,325 and $2,658 for the three and six months ended June 30, 2019 ($1,284 and $2,222 for the three and six months ended June 30, 2018) and administrative expenses of $40 and $280 for the three and six months ended June 30, 2019 ($39 and $116 for the three and six months ended June 30, 2018).

During the year, REIT was charged acquisition fees under agreement described in Note 18 of $403 (2018: $0). These transactions are incurred in the normal course of business and are measured at the amounts agreed to by the related parties.

21. Fair Value Measurement

Fair value is the price that market participants would be willing to pay for an asset or liability in an orderly transaction under current market conditions at the measurement date.

The fair values of the Trust's assets and liabilities were determined as follows:

- The carrying amounts of cash, restricted cash, unit subscriptions in trust, accounts receivables, accounts payable and other liabilities, other assets and tenant deposits approximate their fair values based on the short-term maturities of these financial instruments.
- Management determines fair value based on its assessment of the current lending market for mortgage investment assets and syndicated mortgage investment liabilities of same or similar terms since there are no quoted prices in an active market for these investments. The fair value of the mortgage investments as at June 30, 2019, is $434,734 (December 31, 2018: $341,713), based on rates received on a similar investment.

21. Fair Value Measurement (continued)

- Fair values of mortgages payable are estimated by discounting the future cash flows associated with the debt at market interest rates. The fair value at June 30, 2019, is $609,232 (December 31, 2018: $512,647).
- Management determines the fair value of participating loan interests, as detailed in Note 8, using either the direct capitalization approach or the direct comparison approach.
- The fair value of the foreign currency futures contracts was determined using Level 2 inputs which include spot and futures foreign exchange rates.

The table below analyzes assets and liabilities carried at fair value in the consolidated statement of financial position, by the levels in the fair value hierarchy, which are defined as follows:

June 30, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment properties	**$ -**	**$ -**	**$ 1,337,168**	**$ 1,337,168**
Participating loan interests	**-**	**-**	**130,411**	**130,411**
Foreclosed properties	**-**	**-**	**17,963**	**17,963**
Futures currency contracts	**-**	**3,637**	**-**	**3,637**
Measured at fair value through profit and loss	**$ -**	**$ 3,637**	**$ 1,485,542**	**$ 1,489,179**

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Investment properties	$ -	$ -	$ 1,109,421	$ 1,109,421
Participating loan interests	-	-	137,123	137,123
Foreclosed properties	-	-	17,000	17,000
Futures currency contracts	-	2,315	-	2,315
Measured at fair value through profit and loss	$ -	$ 2,315	$ 1,263,544	$ 1,265,859

22. Capital Management

The Trust defines capital as net assets attributable to Unitholders, debt (including mortgages), and lines of credit. The Trust's objectives in managing capital are to ensure adequate operating funds are available to maintain consistent and sustainable Unitholder distributions, to fund leasing costs and capital expenditure requirements, and to provide for resources needed to acquire new investment properties and fund real estate or mortgage investments as identified.

Various debt and earnings distribution ratios are used to ensure capital adequacy and monitor capital requirements. The primary ratios used for assessing capital management are the interest coverage ratio and net debt-to-gross carrying value. Other indicators include weighted average interest rate, average term to maturity of debt, and variable debt as a portion of total debt.

22. Capital Management (continued)

These indicators assist the Trust in assessing that the debt level maintained is sufficient to provide adequate cash flows for Unitholder distributions and capital expenditures, and for evaluating the need to raise funds for further expansion.

Various mortgages have debt covenant requirements that are monitored by the Trust to ensure there are no defaults. These include loan-to-value ratios, cash flow coverage ratios, interest coverage ratios and debt service coverage ratios.

The carrying value of the units is impacted by earnings and Unitholder distributions. The Trust endeavors to make annual distributions. Amounts retained in excess of the distributions are used to fund new investments and working capital requirements. Management monitors distributions through various ratios to ensure adequate resources are available. These include the proportion of distributions paid in cash, DRIP participation ratio, and total distributions as a percent of distributable income and distributable income per unit.

The Trust's credit facilities (see Note 12) require compliance with certain financial covenants, throughout the year. The Trust was in compliance with all covenants in both DOT and all existing debt facilities.

The Declaration of Trust provides for a maximum total indebtedness level of up to 75% of Gross Book Value (GBV). GBV means the book value of the assets. Indebtedness includes obligations incurred in connection with acquisitions. The following table highlights the Trust's existing leverage ratio in accordance with the Declaration of Trust:

		June 30, 2019		December 31, 2018
Total unrestricted assets	**$**	**2,166,458**	$	1,796,023
Mortgages payable and credit facilities		**613,466**		526,389
Ratio of Debt to GBV		**28.32%**		29.31%

The following schedule details the components of the Trust's capital structure:

		June 30, 2019		December 31, 2018
Mortgages payable and credit facilities	**$**	**613,466**	$	526,389
Net assets attributable to Unitholders		**1,514,942**		1,235,581
Total Capital Structure	**$**	**2,128,408**	$	1,761,970

23. Financial Instruments

a) Risk Management

The main risks that arise from the Trust's financial instruments are liquidity, interest and credit risk. The Trust's approach to managing these risks is summarized below.

Management's risk management policies are typically performed as a part of the overall management of the Trust's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Trust is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identifying risks and variations from expectations. As a part of the overall operation of the Trust, management considers the avoidance of undue concentrations of risk.

These risks include, and the actions taken to manage them, are as follows:

i) Liquidity Risk

Liquidity risk is the risk that the Trust may not be able to meet its financial obligations as they fall due. The Trust's principal liquidity needs arise from working capital, debt servicing and repayment obligations, planned funding of maintenance, mortgage funding commitments, leasing costs and distributions to Unitholders, and possible property acquisition funding requirements. The Trust manages its liquidity risk by ensuring its projected financial obligations can be met through its cash flow from operations, credit facility, new capital issuances and projected repayments under the existing mortgage investment portfolio.

There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to the Trust. Management's strategy is to mitigate the Trust's exposure to excessive amounts of debt maturing in any one year. The particular features and quality of the underlying assets being financed and the debt market parameters existing at the time will affect the success of debt refinancing.

Management prepares cash forecasts and budgets on an ongoing basis to manage liquidity risks, ensure efficient use of resources and monitor the ongoing timing of liquidity events.

23. Financial Instruments (continued)

i) Liquidity Risk (continued)

The success of new capital issuances is subject to the capital markets being receptive to a unit issue with financial terms favorable to the Trust. At June 30, 2019, the Trust had cash of $66,742 (December 31, 2018: $36,306) and credit facilities as follows:

	June 30, 2019	December 31, 2018
Credit facilities agreed	**$155,000**	$95,750
Available for use	**$142,692**	$95,750
Available as undrawn	**$112,462**	$65,906

As at June 30, 2019, the Trust has contractual obligations totaling $263,902 (December 31, 2018: $246,800) due in less than one year, which include all liabilities noted within the statement of financial position and the unfunded mortgage commitment (Note 6). For purposes of contractual obligations, no interest on the credit facility has been included as it is not practical to forecast the outstanding balance on the credit facility.

ii) Interest Rate Risk

The Trust's objective of managing interest rate risk is to minimize the volatility of earnings. Management establishes floor rates for all variable rate mortgage investments to limit their exposure to interest rate risk. Management monitors the Trust's variable rate credit on an ongoing basis and assesses the impact of any changes in these credit rates on earnings, management routinely assesses the suitability of the Trust's current credit facilities and terms. As at June 30, 2019, the Trust had mortgage investments and participating loans of $184,529 and a credit facility with a balance of $30,121 that bore interest at variables rates.

The Trust is subject to the risks associated with mortgage financing, including the risk that the interest rate on floating debt may rise before long-term fixed rate debt is arranged and that the mortgages and credit facilities will not be able to be refinanced on terms similar to those of the existing indebtedness.

		-1%		+1%	
	Carrying Amount	Income	Equity	Income	Equity
Financial assets					
Variable rate mortgage investments due to mature in a year	$ 184,529	$ (1,845)	$ (1,845)	$ 1,845	$ 1,845
Financial liabilities					
Variable rate debt due to mature in a year	$ 30,121	$ 301	$ 301	$ (301)	$ (301)

23. Financial Instruments (continued)

iii) Interest Rate Risk

Tenant credit risk arises from the possibility that tenants and mortgage borrowers may default on their rent and mortgage obligations respectively to the Trust. The risk of credit loss is mitigated by leasing and credit policies. The Trust monitors its collection experience on a monthly basis and ensures that a stringent policy is adopted to provide for all past due amounts which are doubtful of being collected. All residential accounts receivable balances written off are recognized in the consolidated statement of comprehensive income and subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

Investment credit risk is the possibility that a borrower under one of the mortgages comprising the investment portfolio, may be unable to honor their debt commitment as a result of a negative change in the borrower's financial position or market conditions that could result in a loss to the Trust.

Any instability in the real estate sector or an adverse change in economic conditions in Canada could result in declines in the value of real property securing the Corporation's investments. There have been significant increases in real estate values in various sectors of the Canadian market over the past few years. A correction or revaluation of real estate in such sectors will result in a reduction in values of the real estate securing mortgage loans or loan losses in the event the real estate security has to be realized upon the lender. The Trust's maximum exposure to credit risk is represented by the mortgage investment.

23. Financial Instruments (continued)

iv) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Trust is exposed to currency risk from a mortgage investment that is denominated in US Dollars ("USD"). The Trust uses foreign currency futures contracts to economically hedge the variability of future earnings and cash flows caused by movements in foreign exchange rates. Under the terms of the foreign currency futures contracts, the Trust buys or sells a currency against another currency at a set price on a future date.

As at June 30, 2019, the Trust has a portion of its assets denominated in USD and has entered into futures contracts to sell USD and reduce its exposure to foreign currency risk. As at June 30, 2019, the Trust has USD futures contracts with an aggregate notional value of $55,125 USD (December 31, 2018: $54,646 USD) at a futures contract rate of $0.75 and a maturity of September 2019.

The following schedule outlines the Trust's net exposure to USD:

For the period ended		**June 30, 2019**		December 31, 2018
Cash	**$**	**433**	$	14,700
Mortgage investments		**10,658**		6,224
Equity accounted investments		**44,459**		35,232
Investment properties		**57,784**		28,370
Total assets held in USD		**113,334**		84,526
Mortgages payable		**(37,978)**		(19,495)
Net assets held in USD		**75,356**		65,032
USD futures contracts (notional value)		**(55,125)**		(54,646)
Net exposure	**$**	**20,232**	$	10,385

24. Supplement Cash Flow Information

The following table summarizes the movement in mortgages payable and credit facilities during the period:

		June 30, 2019		June 30, 2018
Long-Term Debt				
Balance, beginning of period	**$**	**507,748**	$	413,701
New or Refinanced		**89,361**		6,584
Mortgage repayments		**(7,164)**		(6,975)
Mortgages discharged		**(5,097)**		-
Capitalized Financing Fees		**(2,084)**		(618)
Amortization of financing fees		**581**		454
Balance, end of period		**583,345**		413,146
Credit Facilities				
Balance, beginning of year	**$**	**18,641**	$	55,731
Credit Facility advances/(repayments)		**11,480**		27,136
Net, Credit Facilities		**30,121**		82,867
Balance, end of period	**$**	**613,466**	$	496,013

25. Segmented Information

Management of the Trust monitors and operates its rental real estate properties and its mortgage investment operations separately. The Trust applies accounting policies consistently to both segments. The results for these segments are as follows:

For the six month period ended June 30, 2019		**Investment properties**		**Mortgage investments**		**Total**
Revenue / Interest income on mortgage investments	$	39,398	$	23,815	**$**	**63,213**
Interest paid on syndicated mortgage investments		-		(552)		**(552)**
Operating costs		(13,171)		-		**(13,171)**
		26,227		23,263		**49,490**
Fair value gains on investment properties		69,441		-		**69,441**
Fair value gains on participating loan interests		-		302		**302**
Writedown on foreclosed properties		-		-		**-**
Income from equity accounted investments		-		10,642		**10,642**
Other income		788		191		**979**
General and administrative expenses		(6,326)		(1,958)		**(8,284)**
Allowance for expected credit losses		-		(240)		**(240)**
Income from operations	**$**	**90,130**	**$**	**32,200**	**$**	**122,330**

For the six month period ended June 30, 2018		Investment properties		Mortgage investments		Total
Revenue / Interest income on mortgage investments	$	32,868	$	16,961	$	49,829
Operating costs		(11,301)		-		(11,301)
		21,567		16,961		38,528
Fair value gains on investment properties		45,823		-		45,823
Fair value gains on participating loan interests		-		2,317		2,317
Writedown on foreclosed properties		-		-		-
Income from equity accounted investments		-		5,786		5,786
Other income		176		-		176
General and administrative expenses		(5,075)		(1,650)		(6,725)
Allowance for expected credit losses		-		(1,441)		(1,441)
Income from operations	$	62,491	$	21,973	$	84,464

26. Subsequent Events

Subsequent to the reporting date, the Trust completed the following transactions:

a) Cash distributions declared and paid totaled approximately $5,900
b) The warehouse facilities owing to REIT were repaid by $1,988

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