EQUITON®

EQUITON REAL ESTATE INCOME AND DEVELOPMENT FUND TRUST

Q3 Report
2024

CONTENTS

On the cover:

875 The Queensway, Toronto, ON

708 Woolwich Street, Guelph, ON

1960 - 1980 Hyde Park Road, London, ON

This page: 708 Woolwich Street, Guelph, ON

FORWARD-LOOKING INFORMATION

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


Helen Hurlbut, President and CFO/ Co-Founder

Jason Roque, CEO and Founder

LETTER FROM THE CEO AND CFO

The Equiton Real Estate Income and Development Fund (the Trust) saw a strong third quarter in 2024, driven by continued income growth in its commercial portfolio. In a major milestone, the Trust welcomed homeowners to the first condominium townhomes to be completed as part of its ongoing development project in Guelph, Ontario. We are gratified to see this modern community come to life.

Assets under management (AUM) increased 20.6% Y/Y to $42.9M. Class A and Class F DRIP generated trailing 12-month total returns of 6.85% and 8.03%, respectively. The Trust's balanced portfolio of income-generating assets delivered positive operating income, while active development and construction projects showed continued progress. This strategic allocation provides Investors with steady cash flow, complemented by special distributions upon the completion of development projects.

This positive trajectory is expected to continue as interest rate cuts improve market conditions and homebuyers take advantage of their increased purchasing power. In Q3'24, the Bank of Canada (BoC) announced its second and third consecutive interest rate cuts of 25 basis points each, solidifying its rate-cutting cycle. These cuts were followed by a larger, 50-basis-point decrease in October, bringing the policy rate to 3.75%.

Alongside the introduction of 30-year mortgages for first-time homebuyers, these moves have already incentivized buyers to step off the sidelines. With economists and appraisers anticipating further rate reductions, new condominium sales are expected to see a recovery into the new year.

Financially, the portfolio maintained a 1.28x debt service coverage and 1.83x interest coverage, underscoring Management's conservative approach to financing, which helped provide stability to Investors during the recent high interest environment.

Operationally, occupancy in the Trust's income-producing commercial portfolio remained strong, with only one unit vacant as another is built out in preparation for a new occupant. This tenant will bring total commercial occupancy to 94.3%. Leases averaged 6.03 years (weighted) in Q3'24 and include clauses for regular rent increases, providing the Trust with contractual financial growth over the long term. Meanwhile, the portfolio generated revenues of $910,981 (+27% Y/Y) and a net operating income (NOI) of $553,201 (+42% Y/Y) supported by the Q3'23 addition of the retail property at 710 Woolwich St. in Guelph.

The Woolwich retail space is adjacent to the Trust's Marquis Modern Towns development, where the first community building comprising 24 townhomes was recently completed. There, Management arrived on-site to greet the first occupants who moved in during October 2024. The three buildings, comprising the development project's remaining 72 units, are nearing completion. With the final touches underway on the second building, future homeowners have been invited to perform walkthroughs before they take possession in November. The third and fourth buildings are expected to welcome homeowners in the coming months.

We are pleased to announce that Sandstones Condo in Toronto has received approval for an additional floor. This underscores Equiton's strategy of identifying and capitalizing on untapped potential, focused on delivering increased value for Investors. This update adds 29% more residential space and 57% more commercial space than was included at underwriting.

Vicinity Condos, currently being marketed as KüL Condos, is progressing following the completion of site demolition in Q3'24. Site Plan Approval (SPA) for this Toronto project is expected in the coming quarter, and completion and occupancy are expected in Q1'27. The newest addition to the Trust's development portfolio, TEN99 Broadview, is also progressing through the City of Toronto's approval process.

With further interest rate cuts supporting a favourable market environment, Management looks forward to the opportunities that lie ahead. We remain focused on advancing our strategic vision — balancing reliable income with growth — by proactively managing new project acquisitions and bringing high-quality developments to life. Management remains dedicated to delivering value for our Investors and creating lasting impact for all Stakeholders.

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

"The Trust welcomed homeowners to the first townhomes to be completed as part of its ongoing Marquis Modern Towns development project in Guelph, Ontario."

Equiton Head Office,
1111 International Boulevard,
Burlington, ON

CORPORATE PROFILE

Established in 2015, Equiton has become a leader in private equity investments. Our remarkable growth is a result of our leadership team's expertise in the industry and their ability to generate long-term wealth through real estate investments. We know that finding the right opportunities involves time, experience, and discipline. Our strategy is always forward looking, anticipating trends and adapting our approach to strengthen our market position. We focus on capitalizing on value creation opportunities and building the most robust portfolio possible for our Investors. We create value by investing in real estate and leveraging opportunities for improvement, optimization, and redevelopment. At Equiton, we make private equity real estate investments more accessible to all Canadians and believe everyone should be able to build their wealth through these solutions.

OPERATING HIGHLIGHTS

Summary of Key Performance Indicators (KPIs)

As at September 30,	Q3 2024	Q3 2023
Portfolio Performance		
Total Fund AUM ($ Million)	**$42.9**	**$35.6**
Commercial Operations		
Hyde Park Commons and 710 Woolwich		
Weighted Average Occupancy Rate	85.5%[6]	91.2%
Weighted Average Net Retail Rental Rate ($ per occupied sq. ft.)	$32.88	$29.42
Operating Revenues	$910,981	$715,432
NOI	$553,201	$390,210
NOI Margin	60.7%	54.5%
Mortgage Debt to Gross Book Value	59.1%	39.7%
Weighted Average Time Remaining on the Mortgage (years)	2.91	3.50
Debt Service Coverage (times)	1.28[1]	1.16
Interest Coverage (times)	1.83[1]	1.75
Weighted Average Lease Term to Maturity (years)	6.03	6.67
Gross Leasable Area (sq. ft.)	26,159	26,159
Occupied Area (sq. ft.)	22,359	23,859
Vacant Area (sq. ft.)[2]	3,800	2,300
Financial Lending Operations		
Loan(s) Receivable	$5,250,000	$1,181,846
Weighted Average Interest Rate[3]	8.16%	10.5%
Weighted Average Time Remaining to Maturity (months)	15	3
Number of Loans	2	1
Development Operations		
Active Development Projects	1	1
Equity Investment in Development[4]	$9,081,123	$7,395,685
Total Development Cost Incurred to Date[5]	$37,051,909	$12,062,302

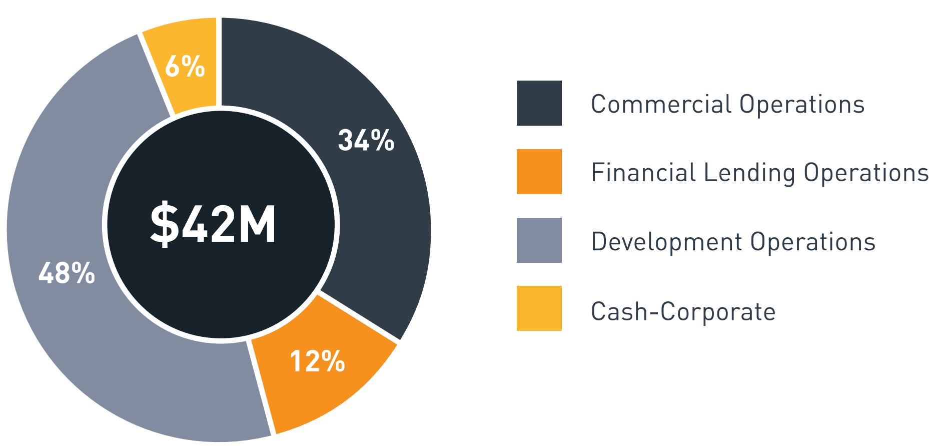
[1] Debt ratios include executed new tenancy at Hyde Park Commons.
[2] As at September 30, 2024, 2,300 sq. ft. of vacant space was under contract.
[3] Interest rate at period end is variable in nature and subject to change.
[4] Represents the Trust's 100% equity ownership in the Woolwich Development Project as at September 30, 2024 and 85% ownership as at September 30, 2023.
[5] Total expenditures incurred for the Woolwich Development Project representing the Trust's 100% ownership interest as of September 30, 2024 and 85% ownership as of September 30, 2023.
[6] The tenant of the commercial unit under contract is expected to take possession in Q4'24, and will bring total occupancy to 94.3%.

OPERATING HIGHLIGHTS

Assets Under Management (AUM)

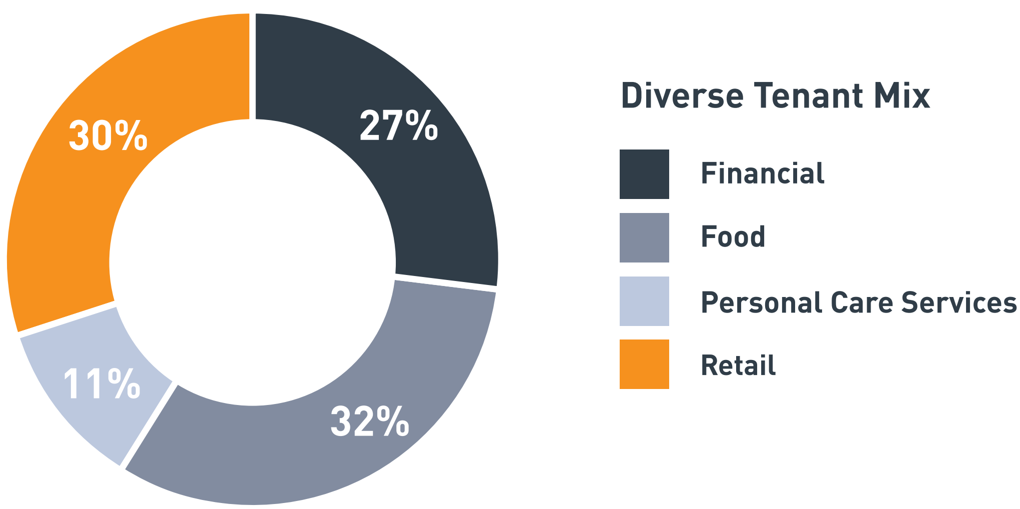
	Q3 2024	Q3 2023
Commercial Operations		
Investment in Hyde Park Commons	10,200,000	11,715,494
Investment in 710 Woolwich	4,359,382	4,358,207
Cash	188,062	5,783
Commercial Operations	**$14,747,444**	**$16,079,484**
Financial Lending Operations		
Loan(s) Receivable	5,250,000	1,181,846
Cash	71,555	27,545
Financial Lending Operations	**$5,321,555**	**$1,209,391**
Development Operations		
Investment in Woolwich Development Project[7]	10,222,273	7,149,012
Investment in Sandstones Condo	4,300,000	4,300,000
Investment in Vicinity Condos	2,400,000	2,400,000
Investment in TEN99 Broadview	3,200,000	-
Cash	294,333	221,088
Development Operations	**$20,416,606**	**$14,070,100**
Cash - Corporate	**$2,391,794**	**$4,197,922**
AUM ($)[8]	**$42,877,399**	**$35,556,897**

[7] Represents the Trust's 100% equity ownership in the Woolwich Development Project plus receivables as at September 30, 2024 and 85% ownership as at September 30, 2023.
[8] AUM is before the elimination of inter-entity transactions. Inter-entity transactions between the respective operations have been eliminated in the Trust's consolidated statements.

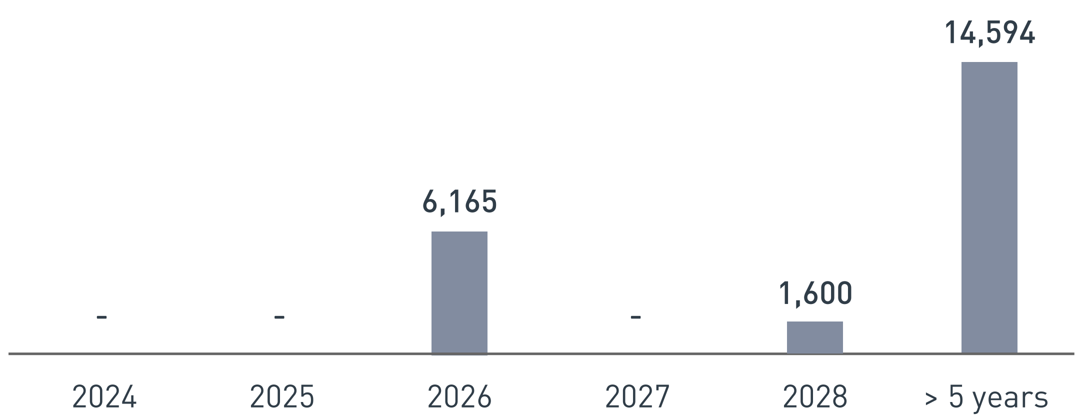


INCOME-PRODUCING COMMERCIAL TENANT PORTFOLIO

Commercial Tenant Occupancy - By Area



Commercial Tenant Maturity Profile - By Area (Sq. Ft.)
Weighted Average Lease Term to Maturity: 6.03 Years



ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS: NONE

DISPOSITIONS: NONE

INCLUDED IN THE PORTFOLIO

INCOME-PRODUCING COMMERCIAL PROPERTY

Hyde Park Commons
1960 - 1980 Hyde Park Road, London, Ontario

Hyde Park Commons is a retail complex in northwest London, one of the city's fastest-growing residential areas. Located just south of Fanshawe Park Road West and west of Wonderland Road North, the property benefits from significant pedestrian traffic and high visibility along Hyde Park Road. It includes six units within an open-air retail structure and two standalone pad sites equipped with drive-thru facilities. Its prime location offers easy access via public transit and ample parking with 104 spaces. Anchored by Wendy's and CIBC, the plaza boasts a healthy mix of tenants, including retail, financial services, recreation, and dining options.

19,565 sq. ft. of Retail Space

2.63 Acres

INCOME-PRODUCING COMMERCIAL PROPERTY

Retail Store
710 Woolwich Street, Guelph, Ontario

The Trust acquired a standalone retail building in September 2023 which was constructed as part of Equiton's Woolwich Development Project. This commercial unit was built-to-suit The Beer Store, who signed a 10+ year net lease during the development phase. Located in northern Guelph, the property is highly visible and accessible due to its proximity to Highway 6 and public transit. This drives substantial consumer traffic to the area.

Income-Producing Commercial Property Summary

The income-producing commercial portfolio continued to perform well in Q3'24. The portfolio generated an NOI of $553,201 (up 41.8% Y/Y) and achieved a healthy NOI margin of 60.7%, indicating efficient cost management. Operating revenues were up 27.3% Y/Y with $910,981 generated as at September 30, 2024. The portfolio has a weighted average mortgage term remaining of 2.91 years and a weighted average lease term to maturity of 6.03 years.

The portfolio's occupancy rate was 85.5% with one unit vacated during the quarter and another unit under contract undergoing build-out for a new tenant, which will bring total commercial occupancy to 94.3%. The portfolio's weighted average net retail rental rate reached $32.88 per occupied square foot as leases include clauses for regular rent increases, providing the Trust with contractual financial growth over the long term.

The portfolio continues to perform well with strong NOI and revenue growth.

MORTGAGES AND LOANS

In Q3'24, Management added a second loan to the Trust's financial lending operations. As at September 30, 2024, the mortgage and loan portfolio included two short-term loans totalling $5.25M. The loans are structured with weighted average interest rates of 8.45% and 7.95%, respectively, for an overall weighted average interest rate of 8.16%. At the end of the quarter, the average remaining term on the loans was 15 months. The strategic addition of a second loan strengthened the Trust's lending operations, providing high-yield income with a short-term horizon for reinvestment opportunities. Management is proactive in identifying and evaluating further development opportunities requiring leverage that offer attractive risk-adjusted returns.

Model Suites Now Open

ACTIVE DEVELOPMENT PROJECT

Marquis Modern Towns

708 Woolwich Street, Guelph, Ontario

Marquis Modern Towns is a much-anticipated development situated in the heart of north Guelph. This project will comprise 96 modern stacked condominium townhomes spread across four community buildings. It will offer a contemporary living experience featuring spacious 2-bedroom, 2-bathroom urban townhomes available for purchase. Nestled amidst natural surroundings, Marquis Modern Towns is tucked behind Woodlawn Memorial Park and opposite Riverside Park, offering residents a serene and picturesque environment spanning 80 acres of land near the Speed River.

In Q3'24, the construction of the first building was completed in advance of the first homeowners taking possession of their units in October 2024. The second building's completion will follow shortly, the first two levels are complete, and the second and third floors are nearing completion. Final walkthroughs with homeowners are underway in preparation for them taking possession and moving into their new homes. This building's units are slated for occupancy in November. Buildings three and four are making steady progress in-line with project timelines. Flooring, painting, installation of finishings, and kitchen cabinet installations are underway in both buildings leading up to their planned occupancy later this year and early next year. Marquis Modern Towns has an estimated total completion value of $61M.

Now that the construction of the entire project is nearly complete, three model suites are available to tour so prospective buyers can experience everything that this beautiful community and the surrounding area has to offer. The sales office on-site is open to provide more information and to facilitate the sale of the final units.

Artist Concepts

ACTIVE DEVELOPMENT PROJECT

Sandstones Condo

2257 Kingston Road, Toronto, Ontario

In August 2022, the Trust acquired trust units representing an ~11% interest in Sandstones Condo Trust. Sandstones Condo is an upcoming urban mid-rise condominium situated near the Scarborough Bluffs in Toronto. Positioned to offer stunning views of the lake and downtown skyline, it boasts proximity to Toronto's bustling downtown core. The development is set to comprise approximately 320 residential condo units for sale, with two levels of underground parking and 11,500 sq. ft. of commercial space. With its prime location, this build-for-sale project is expected to be highly appealing to potential buyers.

Sandstones Condo is progressing through the approval process. The Zoning By-law Amendment (ZBA) was approved in September and was adopted in early October. The project has been approved for an additional floor and more commercial space, bringing the building to 13 storeys. The extra storey, as well as approval for a larger building than originally underwritten, equates to 29% more residential space and 57% more commercial space. This can lead to greater value for Investors as a result of higher potential sales revenue, increased property value, and greater tenant diversification in the commercial spaces. The Site Plan Approval (SPA) application is planned for Q4, marking the final entitlement required before the full building permit can be obtained.

Sandstones' amenity offerings are being refined to incorporate features that will enhance the lifestyle experience for future residents. These include amenities like a fully equipped Fitness Centre with kickboxing, spin and yoga areas; rooftop terraces; teen and kid's areas; a laundry lounge and more. The construction of the Sandstones Condo presentation centre is nearing completion and condo sales are set to launch in 2025. Sandstones Condo is expected to be completed and available for occupancy in Q3'27, with an estimated completion value of $285M.

Artist Concepts

ACTIVE DEVELOPMENT PROJECT

Vicinity Condos

875 The Queensway, Toronto, Ontario

In August 2023, the Trust acquired trust units representing an ~9% interest in Vicinity Condos Trust. Being marketed as KüL Condos, this project is a planned 11-storey mid-rise condo in the west end of Toronto, just off the Gardiner Expressway. This highly desirable location is close to local amenities and just minutes from downtown Toronto. Suites will range from studios to 3-bedrooms + den, with 177 planned residential condo units for sale. This property will also feature approximately 2,500 sq. ft. of commercial space and 13,000 sq. ft. of indoor and outdoor amenities. Its Scandinavian-inspired design will highlight clean lines, sleek finishes and a strong emphasis on practicality and functionality.

In Q3'24, this project reached a major milestone. Site demolition was completed, and planning is now underway for the next phase: geothermal installation. In anticipation of an early-2025 start to drilling and installation, a Geothermal Permit application was delivered to Toronto Building for approval. With extensive work put in by the Equiton Developments Team, the project's SPA is now on track for approval in Q4'24. Once this final entitlement is granted, the application can be made for the full building permit which will allow for the start of construction.

The sales office had a soft opening to the public to help generate marketing momentum for the project. Sales efforts are continuing through strategic engagement with brokers and prospective buyers. Vicinity Condos is on track for completion and occupancy in Q1'27, with an estimated completion value of $155M.

Artist Concepts

ACTIVE DEVELOPMENT PROJECT

TEN99 Broadview

1099 Broadview Avenue, Toronto, Ontario

In April 2024, the Trust acquired trust units representing an ~10% interest in TEN99 Broadview Trust. TEN99 Broadview is a planned 12-storey mid-rise condo located near Rosedale and Greektown in Toronto. It will feature a highly desirable location that's close to amenities and minutes from the downtown core. The project is planned to include approximately 350 residential condo units for sale, along with around 7,000 sq. ft. of commercial space and 7,600 sq. ft. each of indoor and outdoor amenities. The property will feature spectacular suites, many with expansive balconies featuring downtown city skyline views.

Q3'24 saw advancements in the planning stages including the submission of the ZBA. With this application in process, the Equiton Developments Team will continue to work closely with the City of Toronto during their review. The team will collaborate with municipal planners to make any necessary adjustments, allowing the approval process to move forward smoothly. Meanwhile, other key aspects of the project are advancing, including design refinements and floorplans.

Once the ZBA is granted, the SPA application will be submitted. The SPA process includes finalizing detailed aspects of the development, such as site layout, landscaping, exterior design elements, and servicing requirements. All necessary documentation and reports for the SPA application are being prepared in anticipation of the ZBA approval. The TEN99 Broadview development project is planned to be completed and ready for occupancy in Q1'29, with an estimated completion value of $386M.

RISKS AND UNCERTAINTIES

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

Consolidated Financial Statements

Equiton Real Estate Income and Development Fund Trust (Unaudited)

For the nine months period ended September 30, 2024

Equiton Real Estate Income and Development Fund Trust
Consolidated Statements of Financial Position

	Sep 30,2024	Dec 31, 2023
Assets		
Cash	**$ 3,282,305**	$ 6,324,356
Restricted cash	**31,295**	15,304
Accounts receivable	**161,965**	174,367
Prepaids	**747,760**	651,907
Investment properties (Note 4)	**14,559,382**	14,558,207
Real estate inventory under development (Note 5)	**37,051,909**	12,493,106
Mortgage receivable (Note 10)	**5,171,500**	-
Due from related parties (Note 6)	**15,020**	3,300
Due from RHH Rental Properties Ltd. (Note 9)	**2,243,990**	12,579
Investment in Ten99 Broadview Trust (Note 7)	**3,200,000**	-
Investment in Vicinity Condos Trust (Note 7)	**2,400,000**	2,400,000
Investment in Sandstones Condo Trust (Note 7)	**4,300,000**	4,300,000
Other receivable	**1,239,134**	-
Total assets	**$ 74,404,260**	$ 40,933,126
Liabilities		
Payables and accruals	**$ 6,140,777**	$ 2,114,838
Customer deposits	**2,943,320**	1,250,000
Unit subscriptions held in Trust	**31,295**	15,304
Security deposit	**110,294**	51,932
Due to related parties (Note 6)	**42,978**	416,740
Mortgages payable (Note 11)	**31,414,956**	11,568,260
	40,683,620	15,417,074
Net assets attributable to Unitholders	**33,720,640**	25,516,052
Total liabilities and unitholders' equity	**$ 74,404,260**	$ 40,933,126

Commitments (Note 15)

Approved on behalf of the Trust

Trustee

Trustee

Equiton Real Estate Income and Development Fund Trust
Consolidated Statements of Loss and Comprehensive Loss

	Nine months period ended September 30, 2024	2023
Revenue		
Rental income	**$ 910,981**	$ 715,432
Interest income	**287,144**	297,469
Other income	**59,742**	112,709
	$ 1,257,867	$ 1,125,610
Expenses		
Asset managements fees (Note 13)	**$ 536,307**	$ 423,110
Bank fees	**6,833**	6,907
Dues and subscriptions	**21,983**	27,726
Interest and finance cost	**370,798**	261,402
General and administrative	**80,446**	86,741
Origination fees (Note 13)	**1,042**	70,135
Participation fees (Note 13)	**21,500**	34,763
Professional fees	**151,361**	124,868
Property operating expenses	**506,400**	347,692
Selling and marketing	**50,072**	-
	$ 1,746,742	$ 1,383,344
Net loss and comprehensive loss	**$ (488,875)**	$ (257,734)

Equiton Real Estate Income and Development Fund Trust

Consolidated Statements of Changes in Net Assets Attributable to Unitholders

For the nine months period ended September 30, 2024

	Units	Deficit	Net Assets attributable to Unitholders
Net assets attributable to Unitholders, January 1, 2023	$ 22,429,883	$ (3,784,301)	$ 18,645,582
Issuance of Class A Trust units (Note 12)	9,471,042	-	9,471,042
Redemptions of Class A Trust units (Note 12)	(497,691)	-	(497,691)
Issuance of Class F Trust units (Note 12)	298,851	-	298,851
Redemptions of Class F Trust Units (Note 12)	(1,547,169)	-	(1,547,169)
Issuance of Class B Trust units (Note 12)	3,125,178	-	3,125,178
Issuance of Class C Trust units (Note 12)	1,581,113	-	1,581,113
Issuance costs (Note 12)	(1,202,200)	-	(1,202,200)
Distributions to Unitholders	-	(2,229,569)	(2,229,569)
Net loss	-	(2,129,085)	(2,129,085)
Net assets attributable to Unitholders, December 31, 2023	**$ 33,659,007**	**$ (8,142,955)**	**$ 25,516,052**
Net assets attributable to Unitholders, January 1, 2024	$ 33,659,007	$ (8,142,955)	$ 25,516,052
Issuance of Class A Trust units (Note 12)	11,208,237		11,208,237
Redemptions of Class A Trust units (Note 12)	(966,516)		(966,516)
Issuance of Class F Trust units (Note 12)	166,346		166,346
Redemptions of Class F Trust units (Note 12)	(596,637)		(596,637)
Issuance of Class B Trust units (Note 12)	437,982		437,982
Redemptions of Class B Trust units (Note 12)	(77,625)		(77,625)
Issuance of Class C Trust units (Note 12)	1,434,304		1,434,304
Redemptions of Class C Trust units (Note 12)	(15,000)		(15,000)
Issuance costs (Note 12)	(947,991)		(947,991)
Distributions to Unitholders		(1,949,637)	(1,949,637)
Net loss		(488,875)	(488,875)
Net assets attributable to Unitholders, September 30, 2024	**$ 44,302,107**	**$ (10,581,467)**	**$ 33,720,640**

See accompanying notes to the consolidated financial statements.

Equiton Real Estate Income and Development Fund Trust
Consolidated Statements of Cash Flows

	Sep 30,2024	Sep 30, 2023
Operating activities		
Net loss	$ (488,875)	$ (257,734)
Items not affecting cash:		
Amortization of deferred financing charges	32,363	-
Changes in non-cash operating items (Note 14)	1,821,771	(801,019)
Cash (used in) provided by operating activities	1,365,259	(1,058,753)
Financing activities		
Proceeds from issuance of Class A units	9,864,260	6,709,256
Proceeds from issuance of Class B units	297,200	130,342
Proceeds from issuance of Class C units	1,347,079	2,762,269
Proceeds from issuance of Class F units	66,914	1,511,251
Redemption of Class A units	(966,516)	(283,345)
Redemption of Class F units	(596,637)	(1,547,168)
Redemption of Class B units	(77,625)	-
Redemption of Class C units	(15,000)	-
Distributions	(278,221)	(289,007)
Issuance costs	(947,991)	(1,010,527)
Proceeds from (repayment of) mortgage payable	19,846,696	1,925,939
Cash provided by financing activities	28,540,159	9,909,010
Investing activities		
(Issuance of) / Proceeds from repayment of mortgage receivable	(5,171,500)	2,254,967
Purchase of investments	(3,200,000)	(6,758,207)
Purchase of investment property	(1,175)	-
Real estate inventory development costs	(24,558,803)	(1,347,314)
Cash used in investing activities	$ (32,931,478)	$ (5,850,554)
Net increase (decrease) in cash during the period	(3,026,060)	2,999,703
Cash, beginning of year	6,339,660	1,452,635
Cash, end of quarter	$ 3,313,600	$ 4,452,337
Cash presented as:		
Cash	$ 3,282,305	$ 4,402,718
Restricted cash	31,295	49,620

See accompanying notes to the consolidated financial statements.

1. Nature of operations

Equiton Real Estate Income and Development Fund Trust ("Trust") is an open-ended real estate investment trust ("REIT") established on April 30, 2018 under the laws of the Province of Ontario.

As at September 30, 2024 the Trust qualified as a "mutual fund trust" (pursuant to subsection 132(6) of the Income Tax Act) and it was formed primarily to indirectly invest in a diversified pool of North American based real estate assets which include income producing property, real estate development and construction, and real estate financing and lending.

As of September 30, 2024, the Trust has a 99.999% interest in Equiton Real Estate Income and Development Fund LP (the "Limited Partnership") and the Limited Partnership has a 99.999% interest in three different limited partnerships: Equiton Real Estate Development Fund LP ("Development LP"), Equiton Commercial Real Estate Fund LP and Equiton Real Estate Financial LP. Development LP has a 100% interest in an investment property under development.

2. General information and statement of compliance with IFRS

The consolidated financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are presented in Canadian dollars, which is the Trust's functional currency. The Trust's head office is located at 1111 International Boulevard, Suite 500, Burlington, Ontario L7L 6W1.

The consolidated financial statements were approved and authorized for issue by the Trust on November 14, 2024.

3. Summary of significant accounting policies

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

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its controlled investment in other entities. Control exists when the Trust is exposed or has rights to variable returns from its involvement with the investee entities and has the ability to affect those returns through its power over its investments in those entities. The investments are consolidated from the date on which control is transferred to the Trust and will cease to be consolidated from the date on which control is transferred out of the Trust.

The Trust has an investment in the Limited Partnership which is controlled via contractual arrangements that provide the Trust with control over this Limited Partnership. The results of investments acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

3. Summary of significant accounting policies (continued)

Principles of consolidation (continued)

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with the investments are eliminated to the extent of the Trust's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements of the Trust set out the assets, liabilities, revenues, expenses, and cash flows of the Trust and its direct and indirect investments in the following limited partnerships:

	Direct ownership interest at	
Entity	**Sep 30, 2024**	Dec 31, 2023
Equiton Real Estate Income and Development Fund LP	**99.999%**	99.999%
Equiton Real Estate Financial LP	**99.999%**	99.999%
Equiton Commercial Real Estate Fund Limited Partnership	**99.999%**	99.999%
Equiton Real Estate Development Fund LP	**99.999%**	99.999%

These consolidated financial statements have been prepared on the historical cost basis except for the investment property and the investment in Sandstones Condo Trust and Vicinity Condo Trust which are measured at fair value through profit and loss ("FVTPL").

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property also include property that are being constructed or will be developed for future use as investment property.

Investment property is measured initially at their cost, including related transaction costs, initial leasing commissions, and where applicable, borrowing costs. Investment property also include tenant improvements, leasing costs (commissions and straight-line rent adjustments) in order to avoid double counting when establishing the fair value of the investment property.

Subsequent expenditures are capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost of the item can be measured reliably. Such costs include suite preparation costs, which are incurred to improve the condition of a space to enhance its lease ability, and capital expenditures. All other repairs and maintenance costs are expensed when incurred.

After initial recognition, investment property is carried at fair value. Fair value is based upon valuations performed by an appraiser accredited through the Appraisal Institute of Canada, using valuation techniques including the direct capitalization and discounted cash flow methods. Recent real estate transactions with similar characteristics and location to the Trust's assets are also considered.

3. Summary of significant accounting policies (continued)

Investment property (continued)

Changes in fair value are recognized in the statement of income and comprehensive income. Investment properties are derecognized when they have been disposed.

See below for details of the treatment of leasing costs capitalized within the carrying amount of the related investment property.

Real estate inventory under development

Real estate inventory under development is acquired or constructed for sale in the ordinary course of business and is held as inventory and measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, based on prevailing market prices at each reporting date and discounted for the time value of money, if material, less estimated costs of completion and estimated selling costs.

Cost includes all expenditures incurred in connection with the acquisition of the property and other costs incurred in bringing the inventories to their present location and condition. This includes predevelopment expenditures, direct development and construction costs and borrowing costs directly attributable to the construction of the inventory. Direct costs of real estate inventory are based on actual costs incurred or to be incurred.

Leasing costs

Leasing costs are costs incurred by the Trust to induce a tenant to enter into a lease for space in the properties. Leasing costs consist of five categories of costs, with accounting treatments as follows:

i) *Leasing commissions*
Leasing commissions are incurred by the lessor in the negotiation and execution of leasing transactions. These costs are capitalized to investment properties and are considered in the fair value adjustment of the investment properties if material, otherwise they are expensed.

ii) *Tenant improvements*
Tenant improvements are costs incurred to make leasehold improvements to the tenants' space. These costs are capitalized to investment properties and are considered in the determination of the fair value of the investment properties.

iii) *Tenant incentives*
Tenant incentives include cash payments, the buy-out of previous lease obligations, and payment of moving expenses. Tenant incentives are recognized as a receivable and amortized as a reduction of rental revenue over the initial term of the related leases. These receivables are included in investment properties and are considered in the determination of the fair value of the investment properties.

iv) *Rent free or lower than market rate rents*
Incentives in the form of free rent or lower than market rate rent form part of the straight-line rent adjustments. The accounting of straight-line rents is described in the revenue recognition note.

3. Summary of significant accounting policies (continued)

Leasing costs (continued)

v) Marketing costs
Marketing costs include advertising, space plans, credit checks and promotion costs. These costs are expensed as incurred.

The Trust may incur certain significant costs for repair or replacement items that are recoverable from tenants. If such costs incurred meet the criteria for betterment, they are capitalized to investment properties in the period incurred. Otherwise, they are recognized as an operating expense in the statement of loss and comprehensive loss in the period incurred.

Long term repairs and replacement items are recovered from tenants at cost plus interest over a number of periods. The amount recovered in the current period is included in operating expense recoveries. No receivable is set up for potential future recoveries of the long-term items due to the lack of certainty of collection.

Joint arrangements

A joint arrangement is a contractual arrangement pursuant to which the Trust or a controlled entity and other parties undertake an economic activity that is subject to joint control, whereby the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. Joint arrangements are of two types - joint ventures and joint operations. A joint operation is a joint arrangement in which the Trust has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Trust has rights to only the net assets of the arrangement.

Joint operations are accounted for by recognizing the Trust's proportionate share of the assets, liabilities, revenue, expenses and cash flows of the joint operation. When Development LP transacts with either the Trust or other limited partnerships on behalf of the co-ownership, unrealized profits and losses and balances outstanding are eliminated to the extent of the Trust's interest in the joint operations. The Trust was a party to a single joint arrangement, which was a joint operation, through Development LP's 85% co-ownership interest in 710 Woolwich Street, Guelph, Ontario (Note 8). In September 2024, the Trust acquired the remaining ownership from the existing partner to make it a wholly owned operation.

Revenue recognition

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

As such, the Trust continues to use the straight-line method of base rental revenue recognition whereby the total of cash rents due over the term of a lease is recognized evenly over that term. Accordingly, an accrued rent receivable is recorded for the difference between the straight-line rent adjustments recorded as revenue and the rent that is contractually due from the tenants. This accrued rent receivable is included in investment properties.

Other rental revenues included in the leases such as parking revenues, storage revenues, signage revenues and lease termination fees are recognized as revenue during the period in which the services are performed, and collectability is reasonably assured.

3. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Service components within the Trust lease arrangements fall within the scope of IFRS 15, 'Revenue from contracts with customers', specifically the recoveries of operating costs and property taxes. The Trust recognizes recoveries revenues in the period in which the corresponding services are performed, and collectability is reasonably assured.

Interest income

Mortgage interest income is recognized at the effective interest rate and recorded over the term of the mortgage when reasonable assurance exists regarding the measurement and collectability. Lender fees are earned over the term of the mortgage as performance obligations are met. Lender fees received in advance of being recognized as revenue are deferred and recognized over the term of the mortgage.

Tenant deposits

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

Financial instruments

(i) Financial assets

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

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

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

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

The Trust’s financial assets are recognized initially at fair value and subsequently at amortized cost using the effective interest method. Financial assets subsequently measured at amortized cost consist of cash, restricted cash, accounts receivable, due from related parties and mortgage receivable. The investment in Sandstones Condo Trust does not meet the criteria for amortized cost measurement and is subsequently measured at fair value through profit and loss.

3. **Summary of significant accounting policies (continued)**

Financial instruments (continued)

(i) Financial assets (continued)

Impairment – Expected Credit Loss Model:

For the impairment of financial assets, IFRS 9 uses a forward-looking 'expected credit loss' ('ECL') model. The measurement options for the ECL are lifetime expected credit losses and 12-month expected credit losses.

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

(ii) Financial liabilities

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

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

Under IFRS 9, all financial liabilities are classified and subsequently measured at amortized cost except in certain cases. The Trust has no financial liabilities that meet the definitions of these specific cases. Financial liabilities consist of payables, unit subscriptions held in trust, security deposits, due to related parties, due to RHH Rental Properties Ltd. and mortgages payable.

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

(iii) Fair value

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

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

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

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

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

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

(iii) Fair value (continued)

The fair value of cash, restricted cash, accounts receivable, mortgages receivable, due from/to related parties, payables, due to RHH Rental Properties Ltd., unit subscriptions held in trust, security deposit and mortgages payable approximate their fair values due to the short-term to maturity of the financial instruments.

The fair values as at September 30, 2024 and December 31, 2023 of the investment in Sandstones Condo Trust, Vicinity Condos Trust, Ten99 Broadview Trust, investment properties, and mortgages receivable and mortgages payable before deferred financing costs are estimated at:

	Sep 30, 2024	Dec 31, 2023
Investment in Sandstones Condo Trust	$ **4,300,000**	$ 4,300,000
Investment in Vicinity Condos Trust	**2,400,000**	2,400,000
Investment in Ten99 Broadview Trust	**3,200,000**	-
Investment properties	**14,559,382**	14,558,207
Mortgages payable	**31,505,373**	11,539,614

These are compared with the carrying value of:

	Sep 30, 2024	Dec 31, 2023
Investment in Sandstones Condo Trust	$ **4,300,000**	$ 4,300,000
Investment in Vicinity Condo Trust	**2,400,000**	2,400,000
Investment in Ten99 Broadview Trust	**3,200,000**	-
Investment properties	**14,559,382**	14,558,207
Mortgages payable	**31,414,956**	11,568,260

The fair value of the mortgages payable in Q3 2024 varied from the carrying value due to fluctuations in interest rates since its issue.

Critical accounting estimates, assumptions, and judgements

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

a) Estimates

The Trust has made the following critical accounting estimates:

Investment properties

In addition, the computation of cost reimbursements from tenants for realty taxes, insurance and common area maintenance charges is complex and involves a number of estimates, including the interpretation of terms and other tenant lease provisions. Tenant leases are not consistent in dealing with such cost reimbursements, and variations in computations can exist.

3. Summary of significant accounting policies (continued)

Critical accounting estimates, assumptions and judgements (continued)

Adjustments are made throughout the year to these costs recovery revenues based upon the Trust's best estimate of the final amounts to be billed and collected.

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

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

In determining the net recoverable estimate for the purpose of impairment testing, the assumptions of underlying estimated values are limited by the availability of comparable data and the uncertainty of prediction concerning future events. Should the underlying assumptions change, actual results could differ from the estimated amounts.

Net realizable value of real estate inventory under development

Real estate inventory under development is stated at the lower of cost and net realizable value. In calculating net realizable value, management must estimate the selling price of these assets based on prevailing market prices at the dates of the statement of financial position, discounted for the time value of money, if material, less estimated costs of completion and estimated selling costs. If estimates are significantly different from actual results, the carrying amounts of these assets may be overstated or understated on the consolidated statements of financial position and, accordingly, earnings in a particular period may be overstated or understated.

b) Judgements

Leases

The Trust makes judgements in determining whether improvements provided to tenants as part of the tenant's lease agreement represent a capital expenditure or an incentive.

Assessment of control

In determining whether the Trust controls the entities in which it invests, management is required to consider and assess the definition of control in accordance with IFRS 10. The Trust has assessed that the Sandstones Condo Trust, Vicinity Condos Trust and Ten99 Broadview Trust have the ability to direct all relevant activities of the Sandstones Condo Limited Partnership, Vicinity Condos Limited Partnership, Ten99 Broadview Limited Partnership. It has been determined that the General Partner does not control the Sandstones Condo Limited Partnership, Vicinity Condos Trust or Ten99 Broadview Trust. Judgment is required to determine whether the rights of the Trust result in control of Sandstones Condo Trust, Vicinity Condos Trust, and Ten99 Broadview Trust.

3. Summary of significant accounting policies (continued)

Critical accounting estimates, assumptions and judgements (continued)

b) Judgements (continued)

Net assets attributable to unitholders

Trust units are redeemable at the holder's option and therefore are considered a puttable instrument in accordance with International Accounting Standard 32 - Financial Instruments: Presentation ("IAS 32"), subject to certain limitations and restrictions. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as net assets attributable to unitholders. The Trust units meet the necessary conditions and have therefore been presented as net assets attributable to unitholders under IAS 32.

Joint arrangements

When determining the appropriate basis of accounting for the Trust's investment in co-ownership, the Trust makes judgments about the degree of control that the Trust exerts directly or through an arrangement over the co-ownership's relevant activities. The Trust has determined that its interest in the co-ownership is a joint operation.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

New standards adopted

The following accounting pronouncements, which have become effective and were adopted January 1, 2023, do not have a significant impact on the Trust's financial results or financial position:

- IFRS 17, 'Insurance Contracts'
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

4. Investment properties

	Sep 30, 2024	Dec 31, 2023
Balance, beginning of year	**$ 14,558,207**	$ 11,715,494
Transfer from real estate inventory under development	**-**	3,520,700
Purchase of real estate inventory from RHH Rental Properties Limited	**-**	621,300
Capital expenditures and transaction costs	**1,175**	216,207
Decrease in fair market value of investment properties	**-**	(1,515,494)
Balance, end of quarter	**$ 14,559,382**	$ 14,558,207

5. Real estate inventory under development

	Sep 30, 2024	Dec 31, 2023
Balance, beginning of year	**$ 12,493,106**	$ 10,559,513
Development costs	**24,558,803**	5,454,293
Transfer to investment properties	**-**	(3,520,700)
Balance, end of quarter	**$ 37,051,909**	$ 12,493,106

The above represents Equiton Real Estate Development Fund LP's interest a 100% (2023 - 85%) interest in land and property, through its investment in a co-ownership (Note 8).

6. Related party transactions

Agreement with Equiton Capital Inc.

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

Pursuant to the Agency Agreement, during the nine-month period ended at September 30, 2024, the Trust incurred agency fees with the Agent related to the issuance of Trust Units in the amount of $947,991 (Sep 30, 2023 - $ 1,010,527), which are included in issuance costs in the consolidated statements of changes of net assets attributable to unitholders.

Due from related parties

	Sep 30, 2024	Dec 31, 2023
Due from Equiton Balanced Real Estate Fund GP Inc. (a related party as the general partner of Equiton Balanced Real Estate Fund LP)	**$ 4,820**	$ 1,100
Due from Equiton Real Estate Commercial GP Inc. (a related party as the general partner of Equiton Real Estate Commercial LP)	**2,500**	500
Due from Equiton Real Estate Development GP Inc. (a related party as the general partner of Equiton Real Estate Development LP)	**2,500**	500
Due from Equiton Real Estate Financial GP Inc. (a related party as the general partner of Equiton Real Estate Financial LP)	**5,200**	1,200
	$ 15,020	$ 3,300

6. Related party transactions (continued)

Due to related parties

	Sep 30, 2024	Dec 31, 2023
Due to Equiton Partners Inc. (a related party being the asset manager of the limited partnerships) through shared management)	**$ 23,667**	$ 416,740
Due to Equiton Capital (a related party as the general partner of Equiton Balanced Real Estate Fund LP)	**19,311**	-
	$ 42,978	$ 416,740

Balances due to/from related parties are unsecured, non-interest bearing and due on demand.

7. Investment in Sandstone Condo Trust, Vicinity Condos Trust and Ten99 Broadview Trust

On August 31, 2022, the Trust purchased 43,000 Class B units of Sandstones Condo Trust for $4,300,000. Sandstones Condo Trust is a related party through common management. Sandstones Condo Trust controls a limited partnership that is developing a multi-residential property located at 2257 Kingston Road, Toronto, Ontario. The investment in Sandstones Condo Trust is recorded at its fair market value which approximates the carrying value as at September 30, 2024.

On August 24, 2023, the Partnership purchased 24,000 Class B units of Vicinity Condos Trust for $2,400,000. Vicinity Condos Trust is a related party through common management. Vicinity Condos Trust controls a limited partnership that is developing a multi-residential property located at 875 Queensway, Toronto, Ontario. The investment in Vicinity Condos Trust is recorded at its fair market value which approximates the carrying value as at September 30, 2024.

On April 16 ,2024, the Partnership purchased 32,000 Class B units of Ten99 Broadview Trust for $3,200,000. Ten99 Broadview Trust is a related party through common management, controls a limited partnership that is developing a multi-residential property located at 1099 Broadview Ave., Toronto, Ontario. The investment in Ten99 Broadview Trust is recorded at its fair market value which approximates the carrying value as at September 30, 2024.

8. Joint arrangements

Interests in joint operations

The Trust's indirect interests in the real estate inventory under development located at 710 Woolwich Street, Guelph, Ontario are subject to joint control and accounted for as a joint operation. Equiton Real Estate Development Fund LP entered into a co-ownership agreement with RHH Rental Properties Ltd. and is developing a multi-residential property with townhouses in Guelph, Ontario. The co-ownership was formed on August 28, 2021 and is governed by co-owner's agreement effective as of that date. The co-ownership agreement stipulates that a co-owners Committee be formed consisting of two members, of whom one member shall be appointed by each of the co-owners. All major decisions, as defined in the agreements, require the unanimous vote of the members of the co-owners Committee.

8. Joint arrangements (continued)

Interests in joint operations (continued)

In September 2024, Equiton Real Estate Development Fund LP acquired the remaining ownership from the existing partner therefore the ownership interest is 100% (2023 - 85%). The financial information in respect of the Trust's 100% (2023 - 85%) share of the joint operation is as follows:

	Sep 30, 2024	Dec 31, 2023
Assets		
Cash	**$ 367,857**	$ 218,479
Accounts receivable	**18,260**	27,797
Prepaid expenses and security deposits	**656,800**	558,279
Due from RHH Rental Properties Ltd.	**2,243,990**	-
HST Receivable	**1,133,257**	-
Real estate inventory under development	**37,051,909**	12,665,735
Total assets	**$ 41,472,073**	$ 13,470,290
Liabilities		
Payables and accruals	**$ 5,467,924**	$ 1,594,747
Customer deposits	**2,943,320**	1,275,000
Equiton Real Estate Development Fund LP	**1,141,150**	**-**
Mortgage payable	**22,928,598**	2,975,000
Total liabilities	**32,480,992**	5,844,747
Co-owner equity	**8,991,081**	7,625,543
Total liabilities and co-owner equity	**$ 41,472,073**	$ 13,470,290

9. Due from RHH Rental Properties Ltd.

RHH Rental Properties Ltd. was a 15% joint owner and developer in the co-ownership (Note 8) and amounts receivable are due on demand.

10. Mortgage receivable

	Payment Type	Interest Rate	Maturity date	Sep 30, 2024	Dec 31, 2023
a)	Interest only	Prime + 2.00%	Due on demand	**$ 2,250,000**	**$ -**
b)	Interest only	Prime + 1.50%	Due on demand	**$ 3,000,000**	**$ -**
				5,250,000	-
Less: Deferred financing charges				**(78,500)**	-
				$ 5,171,500	-

10. Mortgage receivable (continued)

(a) The mortgage receivable issued during 2024 is the first mortgage issued to a multi-residential development property in Toronto, Ontario. The interest rate is prime plus 2%. The prime rate at September 30, 2024 was 6.45%.

(b) The mortgage receivable issued during September 2024 at an interest rate of prime plus 1.50%. The prime rate at September 30, 2024 was 6.45%.

11. Mortgages payable

	Payment Type	Interest Rate	Maturity date	Sep 30, 2024	Dec 31, 2023
a)	Blended	4.43%	April 1, 2027	**6,229,611**	6,348,784
b)	Blended	6.61%	Oct 1, 2028	**2,375,574**	2,395,666
c)	Interest only	Prime + 1.50%	Due on demand	**22,928,598**	2,975,000
				31,533,783	11,719,450
Less: Deferred financing charges				**(118,827)**	(151,190)
				$ 31,414,956	$ 11,568,260

The first two mortgage payables are repayable as follows:

Period ended Sept 30, 2025	193,474
Period ended Sept 30, 2026	202,775
Period ended Sept 30, 2027	5,924,291
Period ended Sept 30, 2028	34,471
Period ended Sept 30, 2029	2,250,174
	8,605,185

a) The mortgage is payable to First National Financial LP. The loan bears interest at 4.43% and matures on April 1, 2027. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at September 30, 2024 and Dec 31, 2023.

b) The mortgage is payable to First National Financial LP. The loan bears interest at 6.61% and matures on October 1, 2028. The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at September 30, 2024 and Dec 31, 2023.

c) The mortgage is a construction loan with VersaBank that bears interest of prime plus 1.50% (6.45% as at September 30, 2024). The mortgage provides for advances of up to $35,250,000 to be advanced in three separate tranches.

The Trust must comply with its mortgage agreement. The Trust met the requirements of the mortgagor as at September 30, 2024 and December 31, 2023.

12. Unitholders' equity

During the nine months period ended on September 30, 2024, the Trust issued 996,200 Class A units (2023 - 799,494 Class A Units) at a price of $10 per unit (2023 - $10 per unit), 6,691 Class F units (2023 - 13,034 Class F units) at a price of $10 per unit (2023 - $10 per unit), 30,270 Class B units (2023 – 301,227) at a price of $10 per unit (2023 - $10 per unit) and 138,209 Class C units (2023 – 151,125) at a price of $10 per unit (2023 - $10 per unit), resulting in net proceeds of $11,575,453 (2023 - $12,648,808). Furthermore, a cumulative total of 170,556 units (2023 - 186,462 units) were issued through the Trust's Dividend Reinvestment Plan ("DRIP") and 165,579 units (2023 - 204,486 units) were redeemed.

(i) Class A Trust Units

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

(ii) Class F Trust Units

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

(iii) Class B Trust Units

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

(iv) Class C Trust Units

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

(v) Class I Trust Units

The Trust is authorized to issue an unlimited number of Class I Trust units. As of September 30, 2024 and December 31, 2023, no Class I Trust units have been issued.

(a) Units outstanding

Class A Trust Units	Number	Amount
Balance, January 1, 2023	**2,030,997**	**$ 17,493,363**
Issuance of units	799,494	$ 7,994,946
Issuance of units through distribution reinvestment plan	150,622	1,476,096
Redemption of units	(49,769)	(497,691)
Issuance costs	-	(759,876)
Balance, December 31, 2023	**2,931,344**	**$ 25,706,838**
Issuance of units	996,200	$ 9,864,260
Issuance of units through distribution reinvestment plan	137,143	1,343,977
Redemption of units	(96,652)	(966,516)
Issuance costs	-	(807,850)
Balance, September 30, 2024	**3,968,035**	**$ 35,140,709**

12. Unitholders' equity (continued)

(a) Units outstanding (continued)

Class B Trust Units	Number	Amount
Balance, January 1, 2023	**40,907**	**$ 372,115**
Issuance of units	301,227	$ 3,012,269
Issuance of units through distribution reinvestment plan	11,521	112,909
Issuance costs	-	(286,300)
Balance, December 31, 2023	**353,655**	**$ 3,210,993**
Issuance of units	30,270	$ 297,200
Issuance of units through distribution reinvestment plan	14,366	140,782
Redemption of units	(7,763)	(77,625)
Issuance costs	-	(24,340)
Balance, September 30, 2024	**390,528**	**$ 3,547,010**

Class C Trust Units	Number	Amount
Balance, January 1, 2023	**16,354**	**$ 148,713**
Issuance of units	151,125	$ 1,511,251
Issuance of units through distribution reinvestment plan	7,129	69,862
Issuance costs	-	(143,636)
Balance, December 31, 2023	**174,608**	**$ 1,586,190**
Issuance of units	138,209	$ 1,347,079
Issuance of units through distribution reinvestment plan	8,901	87,225
Redemption of units	(1,500)	(15,000)
Issuance costs	-	(110,321)
Balance, September 30, 2024	**320,218**	**$ 2,895,173**

Class F Trust Units	Number	Amount
Balance, January 1, 2023	**495,268**	**$ 4,415,692**
Issuance of units	13,034	$ 130,342
Issuance of units through distribution reinvestment plan	17,190	168,509
Redemption of units	(154,717)	(1,547,169)
Issuance costs	-	(12,388)
Balance, December 31, 2023	**370,775**	**$ 3,154,986**
Issuance of units	6,691	$ 66,914
Issuance of units through distribution reinvestment plan	10,146	99,432
Redemption of units	(59,664)	(596,637)
Issuance costs	-	(5,480)
Balance, September 30, 2024	**327,948**	**$ 2,719,215**
Total units outstanding, September 30, 2024	**5,006,729**	**$ 44,302,107**
Total units outstanding, December 31, 2023	3,830,382	$ 33,659,007

13. Asset management agreement

Equiton Partners Inc. (the "Manager") is entitled to the following fees pursuant to the Asset Management Agreement:

(i) Asset management fee

The asset management fee is charged at 1.0% annually with respect to the net asset value of Equiton Real Estate Income and Development Fund Trust and Equiton Real Estate Income and Development Fund LP , as determined by its Board of Trustees, 1.0% annually with respect to the gross asset value of the assets in the Equiton Real Estate Financial LP, and 3.0% annually with respect to the gross asset value of Equiton Real Estate Development Fund LP. The asset management fee is calculated and charged monthly. The asset management fee is recorded in the statement of loss and comprehensive loss.

(ii) Participation fees

During the term of the Asset Management Agreement, the Manager shall be entitled to a 20% fee based on the net income earned by the Equiton Real Estate Financial LP in connection with its mortgages receivable.

(iii) Origination fees

In addition, during the term, the Manager shall be entitled to a fee equal to 3.0% of the total expenditures made in respect of each development project by Equiton Real Estate Development Fund LP, which shall be calculated and payable monthly.

(iv) Transaction fees

During the term, the Manager shall be entitled to a transaction fee equal to 1.0% of the purchase price with respect to each property acquired or sold by Equiton Commercial Real Estate Fund Limited Partnership.

(v) Financing fee

Lastly, during the term, the Manager shall be entitled to a financing fee is charged at 1.00% of the loan amount with respect to each senior or first ranking financing transaction, at 0.50% of the loan amount with respect to each refinancing transaction and at 1.5% of the loan amount with respect to each mezzanine or non-first ranking financing transaction in connection with any mortgage payable secured by Equiton Commercial Real Estate Fund Limited Partnership.

The Manager charged the following fees during the nine months period ending:

	Sep 30, 2024	Sep 30, 2023
Asset management fee	**$ 536,307**	$ 423,110
Participation fee	**21,500**	34,763
Origination fee	**1,042**	70,135
	$ 558,849	$ 528,008

The asset management, participation and origination fees are recorded in the statement of loss and comprehensive loss. The transaction fee is recorded in the investment property on the statement of financial position.

14. Changes in non-cash operating items

The total managed capital for the Trust is summarized below:

	Sep 30, 2024	Sep 30, 2023
Accounts receivable	$ 12,402	$ 43,071
Due from/to related parties	(385,482)	5,266
Due from RHH Rental Properties Ltd.	(2,231,411)	(770,592)
Other receivable	(1,239,134)	-
Security deposit	58,362	4,327
Unit subscriptions held in trust	15,991	9,754
Payables and accruals	3,993,576	325,260
Customer deposits	1,693,320	-
Prepaids	(95,853)	(418,105)
	$ 1,821,771	$ (801,019)

15. Commitments

The Trust has entered into contracts to complete the real estate inventory under development of $3,769,068 (December 31, 2023 - $15,495,115). These amounts will be financed through the construction loan outlined in Note 11.

16. Management of capital

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

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

	Sep 30, 2024	Dec 31, 2023
Mortgage payable	$ 31,414,956	$ 11,568,260
Cash	(3,282,305)	(6,324,356)
Net debt	28,132,651	5,243,904
Net assets attributable to unitholders	33,720,640	25,516,052
	$ 61,853,291	$ 30,759,956

17. Financial instruments and risk management

Risks associated with financial assets and liabilities

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

(i) Market risk

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

Interest rate risk

The Trust is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Trust's interest-bearing financial instruments, the agreements for all mortgages held by the Trust stipulate a fixed rate of interest. Accordingly, the Trust would be subject to limited exposure to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. The fair values of the mortgages are disclosed in Note 3.

(ii) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust, resulting in a financial loss to the Trust. This risk arises principally from the mortgage receivable held, and from cash and accounts receivable. For risk management reporting purposes, the Trust considers and consolidates all elements of credit risk exposure (such as loan-to-value, sector risk, location risk, and individual obligor default risk).

The Trust's policy over credit risk is to minimize its exposure to counterparties with a perceived higher risk of default by dealing only with counterparties meeting the credit standards set out by the Trust's investment committee.

Credit risk is monitored on an on-going basis by the Trust in accordance with policies and procedures in place. The Trust's credit risk is monitored on a quarterly basis by the board of Trustee's.

The Trust's maximum credit risk exposure (without taking into account collateral and other credit enhancements) at September 30, 2024 and December 31, 2023, is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial liability obligations. The Trust's objective in minimizing liquidity risk is to maintain appropriate levels of leverage on its real estate assets. As at September 30, 2024, the Trust was holding cash of $3,282,305 (December 31, 2023 - $6,324,356). The Trust's payables are payable on demand as described in Note 11.