EQUITON®

Q3 2024 QUARTERLY REPORT

EQUITON RESIDENTIAL INCOME FUND TRUST

On the cover:
120 Raglan Avenue, Toronto, ON

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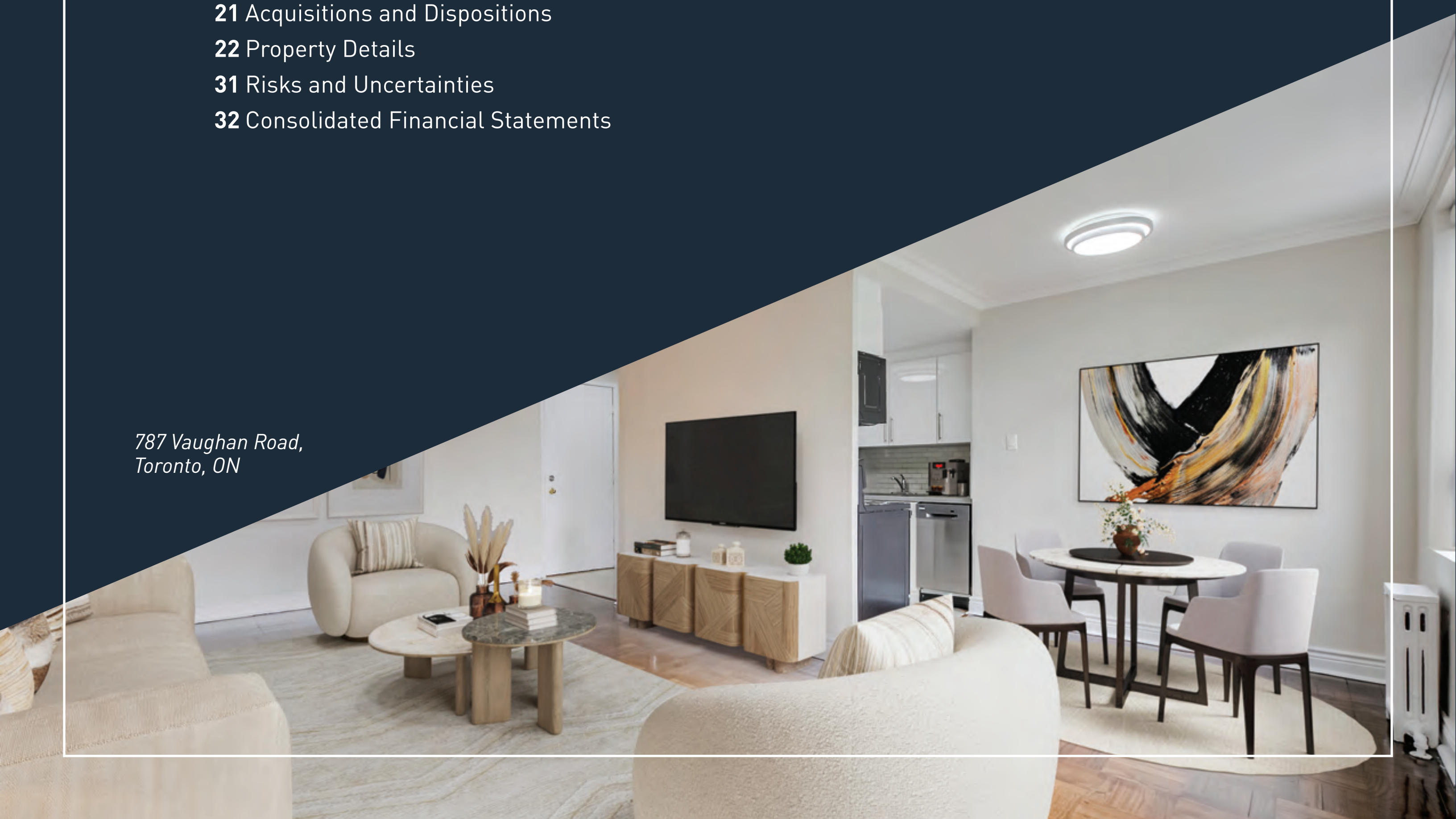
787 Vaughan Road,
Toronto, ON



200-230 Denistoun Street
Welland, 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.


Jason Roque, CEO and Founder

LETTER FROM THE CEO AND CFO

The Equiton Residential Income Fund Trust (the Trust) entered the second half of 2024 well positioned to capitalize on market conditions in a falling interest rate environment, which included making its second major multifamily acquisition of the year — its largest to date.

As optimism builds surrounding new opportunities, we are proud to highlight the Trust's continued resilience and focus on its commitment to achieving long-term growth in the face of recent macroeconomic challenges. In the third quarter of 2024, Class F DRIP Unitholders received a 7.94% trailing 12-month total return, contributing to a 10.92% annualized return since the class's inception. Strong market fundamentals continue to drive positive operational and financial performance, supported by a series of interest rate cuts.

In Q3'24, the Bank of Canada (BoC) announced second and third consecutive interest rate cuts of 25 basis points each, solidifying its anticipated rate-cutting cycle and providing greater certainty in the macroeconomic environment. These cuts were followed by a larger, 50-basis-point decrease in October, bringing the policy rate to 3.75%. Economists forecast further cuts leading into the new year. The BoC's efforts to combat inflation signal a positive outlook for Canadian real estate.

Lower rates will help reinvigorate Canada's economy on several levels. Real GDP growth is forecasted to reach a normalized annual rate of 2.2% over the next five years, according to CBRE. Canada is expected to lead its G7 peers on major economic indicators including population growth (1.8% annually) and employment growth (1.4% annually)[1]. Management anticipates these factors will contribute to further demand for multifamily housing, which has already far outpaced supply.

With a booming population, limited new supply, and rent growth expectations — underscored by enhanced liquidity following recent rate cuts — the current real estate landscape has fuelled optimism among multifamily investors. The class is consistently forecasted to be a top performer over the next 12 months[2], with institutional investors beginning to actively deploy capital in this window of low competition to maximize accretive long-term returns. Indeed, multifamily sales volume soared in Q3'24, driven by transactions involving large, well-capitalized firms.

In this less competitive buying environment, Management is pleased to announce the acquisition of a four-building portfolio of rental apartments and townhomes in the high-end Toronto communities of Forest Hill and North York. Finalized in September, the purchase strengthens the portfolio with potential for enhanced cash flow. The associated loan was secured at a competitive Canada Mortgage and Housing Corporation borrowing rate, supporting the Trust's conservative leverage strategy and commitment to sustainable debt management. The Trust now comprises 41 properties across 18 communities in two provinces, with a total of 3,463 portfolio units.

Portfolio performance remains strong. The portfolio's weighted average cap rate appreciated to 4.43% Y/Y by approximately 46 basis points. Cap rates are expected to compress as the lagging impacts of lower interest rates work their way through the markets.

Operational performance across properties predating the recent acquisition positively offset this cap rate increase, demonstrating Management's expertise and ability to successfully navigate the Trust through different market cycles.

The portfolio generated quarterly revenue and net operating income (NOI) increases of 18.8% ($6.5M) and 21.0% ($4.1M) Y/Y, respectively.

Rental growth in Q3'24 was supported by the natural turnover of 177 suites (438 YTD) and by efficiently filling vacancies through targeted digital marketing and Resident referrals. As a result, rent-ready occupancy ended the quarter at 99.3%, above the national average of 96.8%[3].

As part of the Trust's turnover strategy, Management implements an extensive renovation program to enhance each suite's overall functionality and marketability. While same-store market rents rose approximately 5% Y/Y, the Trust achieved a 6% increase in same-store rents in the same period.

Meanwhile, the Trust realized same-store utility savings of more than $350K (-11% Y/Y) through a combination of lower natural gas costs, energy conservation efforts, and the ongoing portfolio-wide sub-metering programs.

The Trust's demonstrated ability to capitalize on gap to market rent while reducing costs speaks to the effectiveness of its active management approach, which generates value through operational efficiencies and strong organic growth. The portfolio's gap to market remains stable at 35.1% as at September 30, from 35.8% in the previous quarter, retaining potential for future growth.

In alignment with the Trust's commitment to Environmental, Social, and Governance (ESG) practices, Resident satisfaction remains a priority. To monitor satisfaction and guide Resident-focused initiatives, Management conducts regular third-party surveys at key points in each Resident's tenure. By the end of Q3'24, the number of surveys collected had already surpassed last year's total. Notably, move-in surveys showed that satisfaction among our newest Residents continued to trend upwards, showing a 7% increase to 4.50/5 from 4.21/5 in 2022.

To further enhance Resident satisfaction portfolio-wide, on-site Resident Managers received comprehensive customer service training last quarter. Training is a key part of Equiton's governance and social strategies, with regular sessions offered both online and in-person for all Employees, from new hires to the leadership team.

Looking forward, Management is finalizing the leasing strategy for Maison Riverain, a joint development in Ottawa that will add over 1,100 rental units to the local market. Tactics include model suites, virtual tours, and a dedicated leasing office. Ottawa continues to show strong rental fundamentals as the Trust prepares to launch occupancy in early-to mid-2025.

The Trust has demonstrated exceptional resilience amid the challenging market conditions of early 2024, achieving strong performance and making acquisitions that will drive growth for years to come. With Investors increasingly confident that the BoC will continue rate cuts beyond its final meeting of the year, we are optimistic to enter a period of improved market and borrowing conditions. Management is actively exploring the robust Ontario and Western Canada markets to expand its diversified portfolio with strategic assets and will continue to focus on driving sustainable organic growth. We strongly believe that the coming quarter and year will offer new opportunities to deliver value for both Residents and Investors.

[1]September 2024 CBRE Canadian Market Overview prepared for the Trust
[2]https://www.altusgroup.com/insights/top-takeaways-canada-cre-industry-survey-q3-2024/
[3]Yardi Multifamily Canadian National Report Q4 2024

"Management is pleased to announce the acquisition of a four-building portfolio in the high-end Toronto communities of Forest Hill and North York."

Helen Hurlbut, President and CFO/Co-Founder

CORPORATE PROFILE

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

SUMMARY OF
KEY PERFORMANCE INDICATORS (KPIs)

The third quarter of 2024 delivered strong performance and growth for Unitholders and solid increases in the majority of our KPIs.

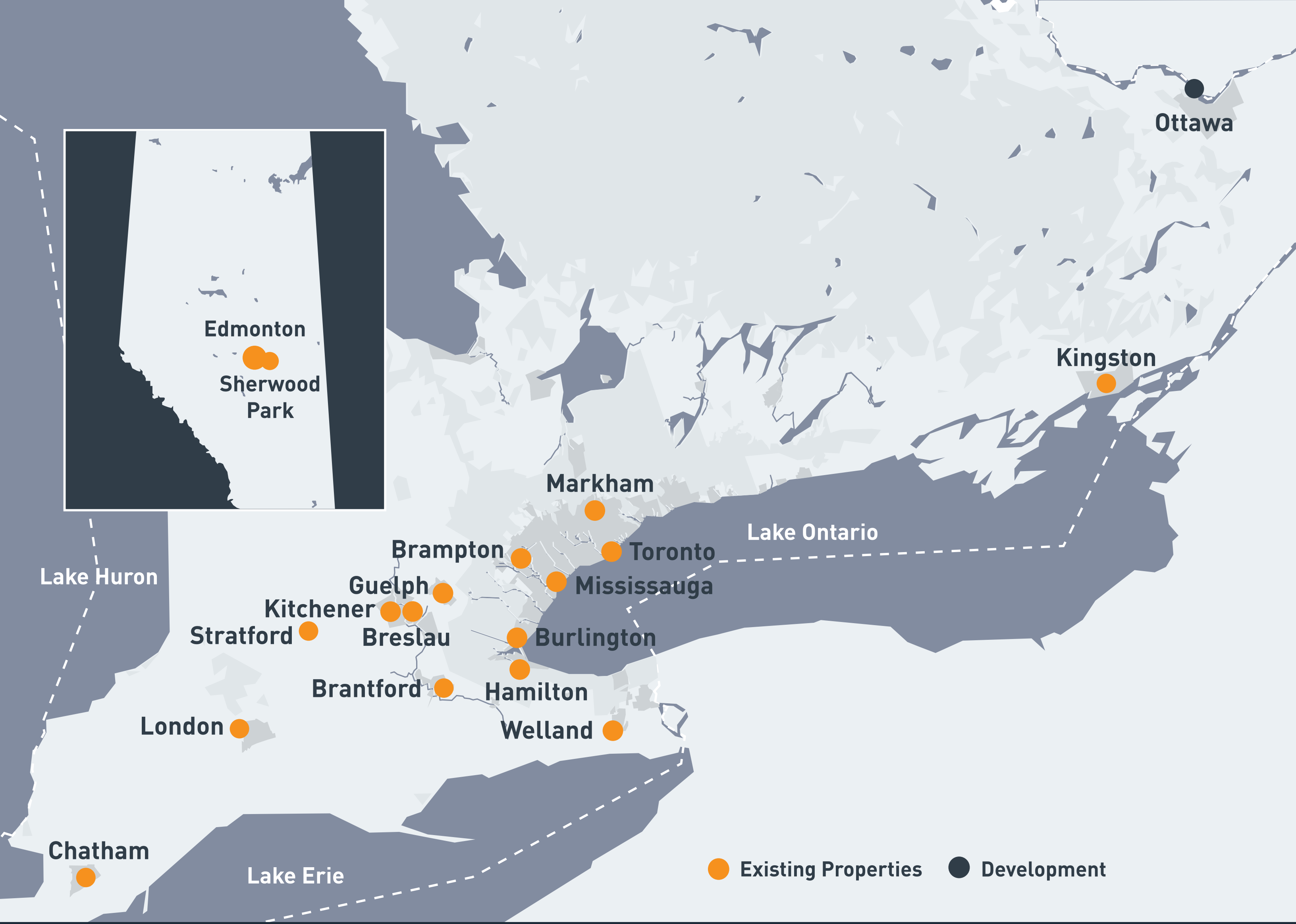
The following financial results of operations and financial condition for the nine-month period ended September 30, 2024 and comparable prior year periods should be read in conjunction with the Trust's financial statements dated November 14, 2024 for the nine-month period ended September 30, 2024.

As at September 30,	Q3 2024	Q3 2023
PORTFOLIO PERFORMANCE		
Overall Portfolio Occupancy [1]	99.3%	99.2%
Net Average Monthly Rent [2]	$1,547	$1,490
Occupied Average Monthly Rent [2]	$1,529	$1,478
Monthly Market Rents - Quarter End	$2,104	$1,952
Operating Revenues	$41.3M	$34.7M
NOI	$23.6M	$19.5M
NOI Margin (%)	57.2%	56.2%
AUM	**$1,202M**	**$903M**
Growth in AUM - Y/Y	33.0%	15.8%
Growth in Operational Revenue - Y/Y	18.8%	40.8%
Growth in NOI - Y/Y	21.0%	36.5%

	Sept 30, 2024	Dec 31, 2023
FINANCIAL METRICS [3]		
Mortgage Debt to Gross Book Value [4]	50.0%	45.9%
Weighted Average Mortgage Interest Rate [4]	3.33%	3.06%
Weighted Average Time Remaining On Mortgages (years) [4]	7.26	6.55
Debt Service Coverage (times) [4] [5]	1.59	1.44
Interest Coverage (times) [4] [5]	2.50	2.27
Revenue Gap to Market	35.1%	31.1%

(1) Leased rent-ready units as of September 30, 2024 and 2023.
(2) Average quarterly amounts as at September 30.
(3) Measures are not defined by International Financial Reporting Standards (IFRS), does not have standard meanings and may not be comparable with other industries or companies.
(4) Includes 10-year CMHC-insured mortgage for Welland portfolio acquisition based on term sheet and excludes TD line of credit and construction property - Maison Riverain; Including these LTV ratio is 50.98%.
(5) Based on rolling 12 months.

Q3 2024 OPERATING HIGHLIGHTS



3,463 PORTFOLIO UNITS

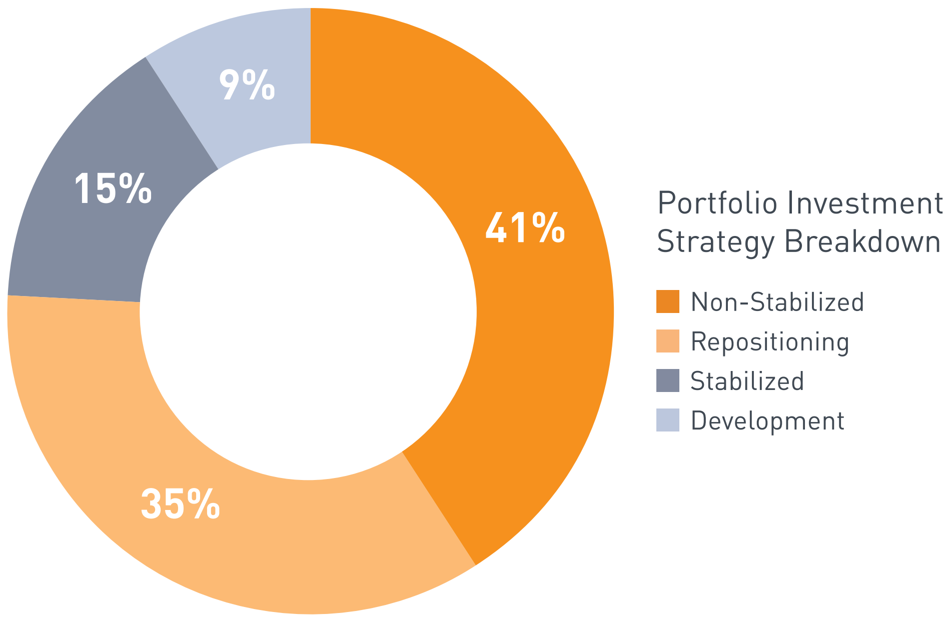
41 PROPERTIES

18 COMMUNITIES

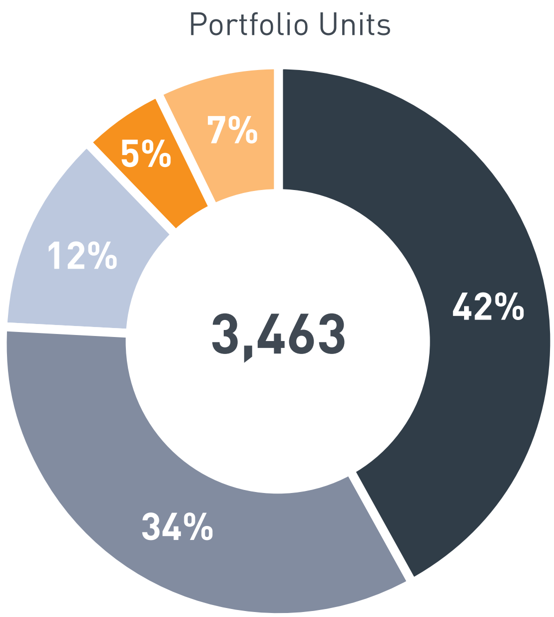
PORTFOLIO METRICS

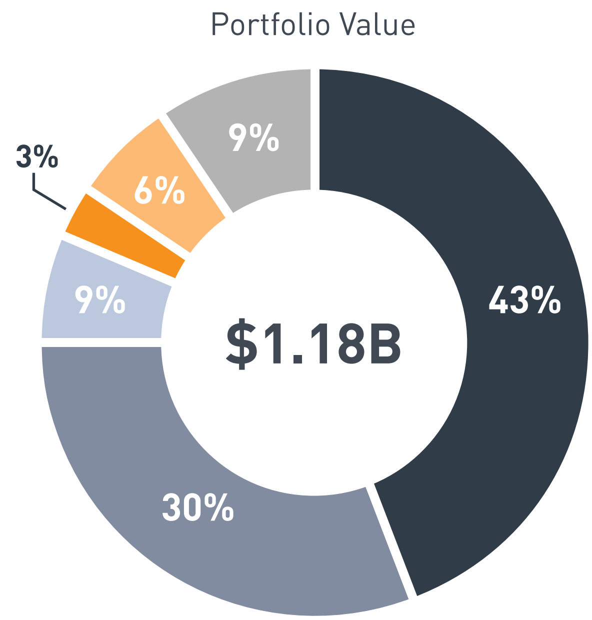
As at September 30, 2024

Portfolio Mix by Investment Strategy



Portfolio Mix by Region



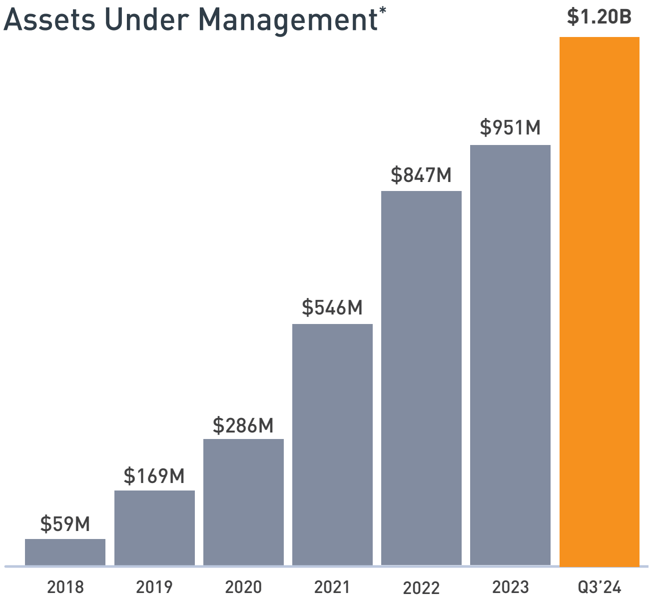


Greater Toronto and Hamilton Area (GTHA) | Southwestern Ontario | Alberta | Western Ontario | Southeastern Ontario | Ottawa - Maison Riverain

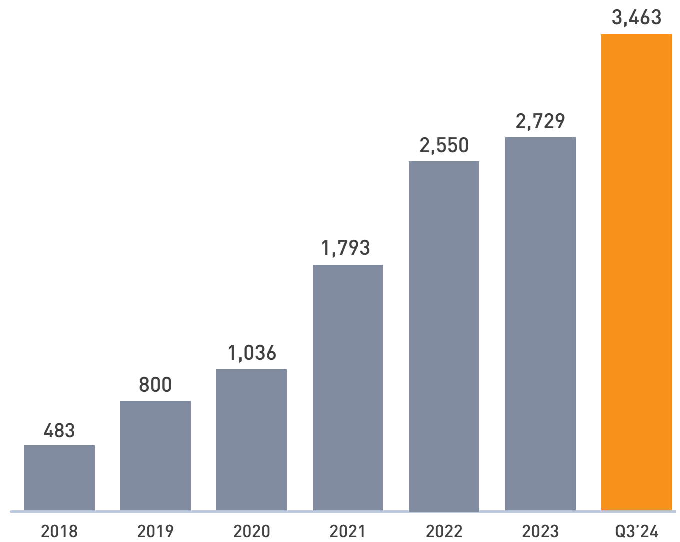
FUND PERFORMANCE

As at September 30, 2024

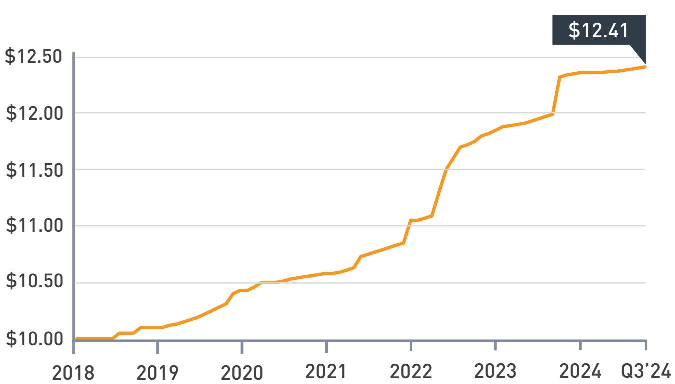
Assets Under Management*



Portfolio Units

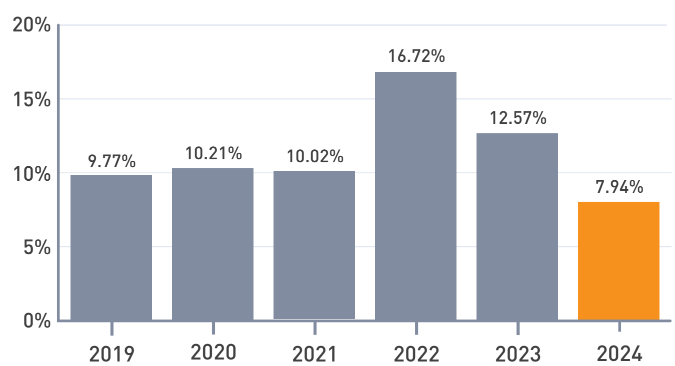


Unit Price Growth



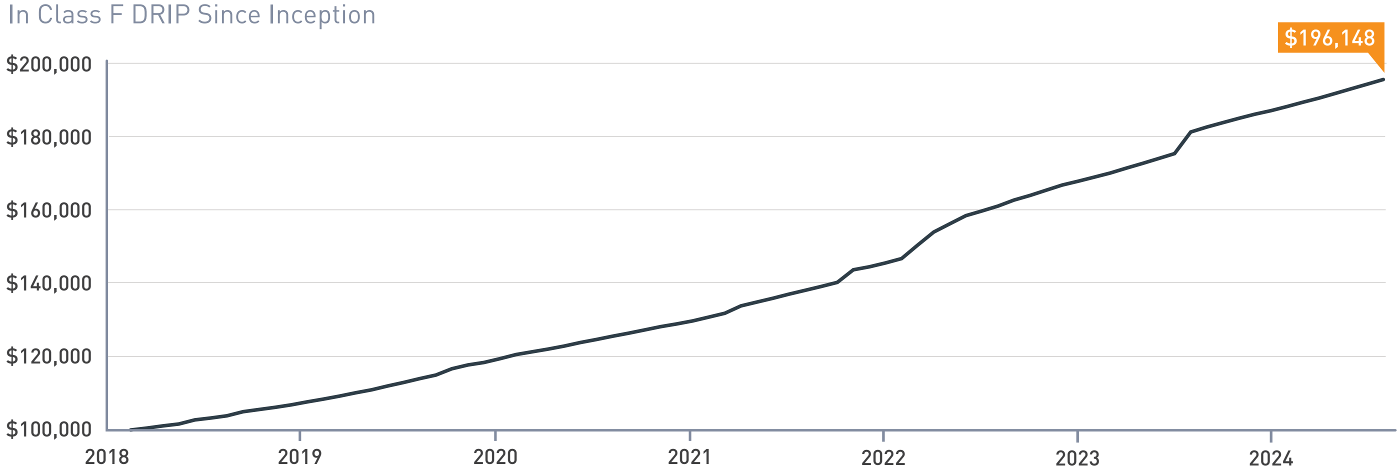
Trailing Twelve-Month Returns - Class F DRIP

(As at September 30)



$100,000 Invested

In Class F DRIP Since Inception



* Assets Under Management includes both cash and property value.

SUMMARY OF Q3 2024
RESULTS OF OPERATIONS AND KPIs

Key Transactions and Events

- The Trust's AUM grew by 33.0% from Q3'23 to $1,202M, with NOI growth of 21.0% to $23.6M over the same period.

- During the quarter, the Trust strategically acquired three properties (four buildings) in Toronto for a purchase price of $130M, excluding transaction costs, with a fair value of $139M. The acquisition increased the income-producing property portfolio to 3,463 units. Year to date, the Trust has added seven properties, accounting for an additional 734 residential units and a fair value of $219M.

- The total income-producing portfolio's fair value increased by 15.23% to $1,075M during the quarter due to transactional activity and operational gains, which were slightly offset by market driven change in the portfolio's average cap rate to 4.43%, an increase of ~9 basis points (bps) from the previous quarter.

- The Trust's share of the Maison Riverain development project costs as at September 30, 2024 was $107.4M ($80.9M as at December 31, 2023), with a $41.3M equity investment ($45.2M as at December 31, 2023).

- The Trust continued its positive capital raise, increasing its unit holdings to 56.4M (46.3M as at December 31, 2023), and had a cash position of $14.9M as at September 30, 2024 available for deployment.

- Through acquisition activity during the quarter, the Trust obtained a 10-year, $96M mortgage at a 4% interest rate. Subsequent to period end, an existing mortgage at 65 & 75 Paisley Blvd., Mississauga, ON has been refinanced for a five-year term at 3.46%, reducing the interest rate on the loan by nearly 50%, netting the Trust $3.3M in capital. Both mortgages were CMHC insured.

Strong Operating Results and Balance Sheets

- The Trust delivered strong financial and operational results through active leasing and management, and benefited from the Bank of Canada's continued rate cuts during the quarter, which appear to have stabilized inflation. The positive effects from lower interest rates will impact transactional activity and ultimately flow into cap rates, which have started to normalize as well. Although rent growth acceleration appeared to slow during the quarter, especially in the GTA, the continuous supply-demand gap in housing, challenging development environment, low vacancies and continuous population growth have provided strong fundamentals for the multifamily sector. In addition, the portfolio's gap to market owes its resiliency to a strategic combination of desirable locations, a diversified tenancy mix, and overall quality of living at Equiton properties. Consistently high occupancy and our value-add unit renovation program position the Trust for future growth. The Trust portfolio's gap to market, being over 35%, will allow it to absorb any short-term market rent fluctuations and continue to grow its revenues.

- The occupancy rate for the rent-ready units was 99.3% for Q3'24 compared to 99.2% for Q3'23. The Trust's occupancy rate remains above the national average, which decreased 20 bps this quarter to 96.8% as of Q3'24.

- Overall revenues continued to grow, up 18.8% Y/Y with the same-store revenue and NOI growth of 7.6% and 10.3%, respectively, over the same period. The 346-unit Toronto portfolio acquisition is forecasted to add annual revenues and NOI of ~$8.4M and ~$5.8M, respectively.

- The revenue gap to market was 35.1% as at September 30, 2024, compared to 31.1% as at December 31, 2023. The gap to market increased as market rents continued to grow across the portfolio, up 5.7% YTD. Management continues to capture the gap to market through natural turnover, with 14.1% of the portfolio turning over during the first nine months of 2024, while averaging an ~$327 lift per lease.

- Same store NOI margin was 57.6% for Q3'24 compared to 56.2% in Q3'23. The improvement in the operating margin is mostly attributable to increasing revenues from leasing activity and achieving utility expense savings generated through the increased use of sub-metering programs at various properties, strategic capital expenditures and the lower price of natural gas.

- Collections of rent remained strong at ~99% through the first three quarters of 2024.
- The Trust maintained strong liquidity with a cash balance of $14.9M and borrowing capacity through a line of credit. As at September 30, 2024, the Trust had $22M of available capacity on the line of credit, providing the Trust with liquidity for future growth.
- The Trust adopted a conservative and long-term leverage strategy resulting in operations generating sufficient cash flow to service its debt obligations and mitigate interest rate fluctuations. The Trust continues to maintain healthy debt service and interest coverage ratios of 1.59 times and 2.50 times, respectively as at September 30, 2024. The mortgage portfolio had an average interest rate of 3.33% that is well below the current conventional mortgage lending rates.
- Capital expenditures of $4.1M have been incurred during the quarter and $12.0M YTD, consisting of capital improvement projects $1.0M(Q) / $4.9M(YTD) and unit renovations $3.1M(Q) / $7.1M(YTD).

KPIs

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

Occupancy

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

Net Average Monthly Rent (AMR)

Our team of professionals monitors the markets and adjusts rents throughout the portfolio regularly to deliver the highest possible AMR. Market rents continued to grow during the quarter and are up 3.3% in Q3'24 and 7.8% compared to Q3'23. Based on current market conditions, Management forecasts increases in AMR will continue to provide sustainable increases in revenue year-over-year.

Net Operating Income (NOI)

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

Leverage Ratios and Terms

Volatility risk has been managed by fixing the lowest possible interest rates for long-term mortgages, while mitigating refinancing risk by prudently managing the portfolio's average term to maturity and staggering the maturity dates. The Trust's weighted average mortgage rate increased slightly with the new borrowing activity compared to Q2'24, but continues at a favourable rate of 3.33%. Management will continue to follow strict debt service coverage and interest coverage ratio targets.

Portfolio Growth

Management's objective is to continue to source accretive acquisition opportunities to increase the Trust's operational growth and diversify the portfolio by demography and geography.

Rent Collection

Rent collections continue to be strong as less than 1% of revenues were bad debts for Q3'24. A closely monitored receivables program continues to prove effective.

Rental Revenue

The total portfolio average occupied monthly rents per unit increased by 6% to $1,593 in Q3'24 from $1,509 in Q3'23, on a same store basis. The portfolio's gap to market and well-located properties provide continuous opportunities for organic rental revenue growth. In addition to the active leasing program, Management continues to be active in applying for above guideline increases (AGIs) in rent for a number of properties in the portfolio when making capital improvements to these properties.

OPERATIONAL AND FINANCIAL RESULTS

Net and Occupied Average Monthly Rents and Occupancy

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

	Net AMR			Occupied AMR			Occupancy %		
As at September 30,	Q3 2024 ($)	Q3 2023 ($)	% Change	Q3 2024 ($)	Q3 2023 ($)	% Change	Q3 2024	Q3 2023	% Change
Ontario									
GTHA	1,576	1,461	7.9	1,562	1,447	8.0	99.8	98.9	0.9
Western	1,595	1,620	(1.5)	1,573	1,611	(2.4)	99.2	99.7	(0.5)
Southwestern	1,371	1,329	3.2	1,344	1,319	1.9	98.5	99.0	(0.5)
Southeastern	1,278	1,170	9.3	1,250	1,148	8.9	98.2	98.8	(0.6)
Total Ontario	**$1,534**	**$1,474**	**4.1%**	**$1,514**	**$1,462**	**3.5%**	**99.3%**	**99.2%**	**0.2%**
Alberta	**$1,692**	**$1,627**	**4.0%**	**$1,687**	**$1,622**	**4.0%**	**98.8%**	**99.6%**	**(0.8%)**
Total Portfolio	**$1,547**	**$1,490**	**3.9%**	**$1,529**	**$1,478**	**3.4%**	**99.3%**	**99.2%**	**0.1%**

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

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

	Net AMR			Occupied AMR			Occupancy %		
As at September 30,	Q3 2024 ($)	Q3 2023 ($)	% Change	Q3 2024 ($)	Q3 2023 ($)	% Change	Q3 2024	Q3 2023	% Change
Ontario									
GTHA	1,552	1,461	6.3	1,539	1,447	6.4	99.7	98.9	0.8
Western	1,726	1,620	6.5	1,710	1,611	6.2	99.0	99.7	(0.7)
Southwestern	1,416	1,329	6.6	1,393	1,319	5.6	97.6	99.0	(1.4)
Southeastern	1,278	1,170	9.3	1,250	1,148	8.9	98.2	98.8	(0.6)
Total Ontario	**$1,571**	**$1,474**	**6.6%**	**$1,554**	**$1,462**	**6.3%**	**99.1%**	**99.2%**	**0.0%**
Alberta	**$1,692**	**$1,627**	**4.0%**	**$1,687**	**$1,622**	**4.0%**	**98.8%**	**99.6%**	**(0.8%)**
Same Store Portfolio	**$1,583**	**$1,490**	**6.3%**	**$1,568**	**$1,478**	**6.1%**	**99.1%**	**99.2%**	**(0.1%)**

Total Operating Revenue and NOI by Region – All Portfolio

Transactional activity and strong portfolio operating performance YTD resulted in operating revenues and NOI growth of 18.8% and 21.0% when compared to the same period of the prior year. The additional properties contributed $3.9M in operating revenues and $2.1M in NOI to the total portfolio YTD.

Total Operating Revenue by Region

	Q3 2024		Q3 2023		
As at September 30,	Revenue ($)	Revenue (%)	Revenue ($)	Revenue (%)	% Growth
Ontario					
GTHA	16,155,172	39.0	14,558,147	42.0	11.0
Western	13,970,626	34.0	11,107,578	32.0	25.8
Southwestern	5,007,864	12.0	3,506,377	10.0	42.8
Southeastern	1,984,252	5.0	1,784,273	5.0	11.2
Total Ontario	**$37,117,914**	**90.0%**	**$30,956,376**	**89.0%**	**19.9%**
Alberta	**$4,135,834**	**10.0%**	**$3,783,473**	**11.0%**	**9.3%**
Total Portfolio	**$41,253,748**	**100.0%**	**$34,739,848**	**100.0%**	**18.8%**

Net Operating Income (NOI) by Region

	Q3 2024			Q3 2023			
As at September 30,	NOI ($)	NOI (%)	NOI Margin (%)	NOI ($)	NOI (%)	NOI Margin (%)	NOI Growth (%)
Ontario							
GTHA	9,257,244	39.0	57.3	7,849,544	40.0	54.8	17.9
Western	8,469,155	36.0	60.6	6,951,915	36.0	62.9	21.8
Southwestern	2,577,743	11.0	51.5	1,969,203	10.0	56.2	30.9
Southeastern	961,943	4.0	48.5	806,324	4.0	44.9	19.3
Total Ontario	**$21,266,085**	**90.0%**	**57.3%**	**$17,576,985**	**90.0%**	**57.3%**	**21.0%**
Alberta	**$2,351,442**	**10.0%**	**56.9%**	**$1,945,670**	**10.0%**	**51.4%**	**20.9%**
Total Portfolio	**$23,617,527**	**100.0%**	**57.2%**	**$19,522,656**	**100.0%**	**56.6%**	**21.0%**

Total Operating Revenue and NOI by Region – Same Store Portfolio

The same store portfolio operating revenue grew 7.6% Y/Y, while NOI grew by 10.3% during the same period due to increases in market rents on natural turnover and improved operating margin. The NOI margin for the same store portfolio in Q3'24 was 57.6% compared to 56.2% for Q3'23.

Same Store Operating Revenues by Region

	Q3 2024		Q3 2023		
As at September 30,	Revenue ($)	Revenue (%)	Revenue ($)	Revenue (%)	% Growth
Ontario					
GTHA	15,876,065	43.0	14,558,147	42.0	9.1
Western	11,697,449	31.0	11,107,578	32.0	5.3
Southwestern	3,695,845	10.0	3,506,377	10.0	5.4
Southeastern	1,984,252	5.0	1,784,273	5.0	11.2
Total Ontario	**$33,253,611**	**89.0%**	**$30,956,376**	**89.0%**	**7.4%**
Alberta	**$4,135,834**	**11.0%**	**$3,783,473**	**11.0%**	**9.3%**
Total Portfolio	**$37,389,445**	**100.0%**	**$34,739,848**	**100.0%**	**7.6%**

Same Store Net Operating Income (NOI) by Region

	Q3 2024			Q3 2023			
As at September 30,	NOI ($)	NOI (%)	NOI Margin (%)	NOI ($)	NOI (%)	NOI Margin (%)	NOI Growth (%)
Ontario							
GTHA	9,030,141	42.0	56.9	7,849,544	40.0	53.9	15.0
Western	7,229,467	34.0	61.8	6,951,915	36.0	62.6	4.0
Southwestern	1,964,989	9.0	53.2	1,969,203	10.0	56.2	(0.2)
Southeastern	961,942	4.0	48.5	806,324	4.0	45.2	19.3
Total Ontario	**$19,186,539**	**89.0%**	**57.7%**	**$17,576,985**	**90.0%**	**56.8%**	**9.2%**
Alberta	**$2,351,443**	**11.0%**	**56.9%**	**$1,945,671**	**10.0%**	**51.4%**	**20.9%**
Total Portfolio	**$21,537,982**	**100.0%**	**57.6%**	**$19,522,657**	**100.0%**	**56.2%**	**10.3%**

Operating Expenses

Realty Taxes

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

Utilities

The utility costs of the portfolio can be highly variable from year to year, depending on energy consumption and market rates. Overall, utility expenses decreased YTD compared to Q3'23, as the portfolio had lower gas and electricity expenses, with a 23% and 13% same store Y/Y decrease, respectively. The Trust benefited from market rate reductions specifically in natural gas and Management's strategic implementation of capital energy-saving initiatives, including sub-metering programs to increase utility recoveries. Year-over-year, same store net utilities decreased by 11% or $356 thousand and utility recoveries increased by 10.9% or $50 thousand. The table below provides the portfolio's net utility cost by type.

	Net Utilities *			**Same Store - Net Utilities***		
As at September 30,	Q3 2024 ($)	Q3 2023 ($)	Variance (%)	Q3 2024 ($)	Q3 2023 ($)	Variance (%)
Electricity	1,091,838	1,174,211	(7)	1,026,574	1,174,211	(13)
Natural Gas	852,647	985,191	(13)	762,033	985,191	(23)
Water	1,358,377	1,202,290	13	1,217,253	1,202,290	1
	$3,302,862	**$3,361,692**	**(2%)**	**$3,005,860**	**$3,361,692**	**(11%)**

* Net of utility recoveries

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

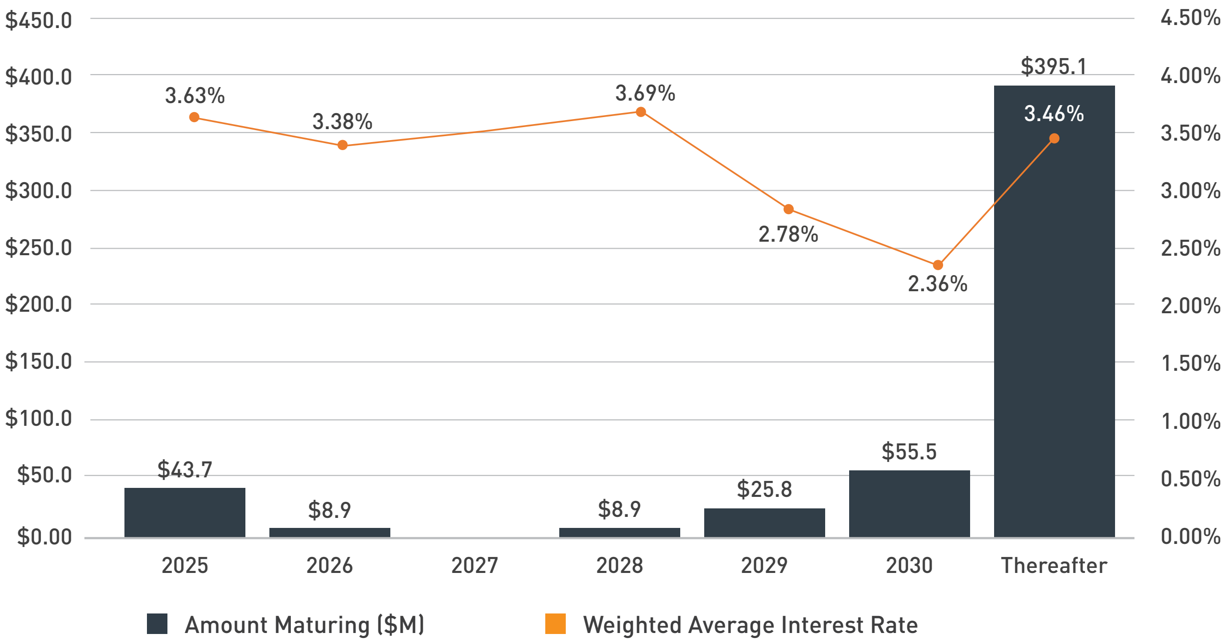
Other Operating Expenses

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

Debt Portfolio

The Trust's loan portfolio consists of long-term fixed-rate mortgages secured against individual properties and an operating line of credit. The mortgage portfolio is diversified across various lending institutions and has staggered maturity dates over the long term to manage interest rate risk. The weighted average mortgage interest rate as at September 30, 2024, was 3.33%, with weighted average time remaining to maturity at 7.26 years. Below is a breakdown of mortgage maturities over the next five years and beyond.

Income-Producing Property Mortgage Maturity by Year



$96.2M **New Financing Obtained Q3'24**

93% **Mortgage Debt - CMHC Insured**

Value Creation

At Equiton, we focus on organically maximizing portfolio value by enhancing operational efficiency through revenue management strategies, reducing expenses, and acquiring properties at a discount to market. The 0.55% increase in the portfolio's fair value in Q3'24 compared to Q2'24 resulted from revenue optimization and strategic management, which were offset by a market-driven increase in cap rates, and transactional activity. The portfolio's weighted average cap rate increased by approximately 9 bps during the period. The total portfolio's fair value, decreased by ~0.2% Y/Y as the gains from operations offset the portfolio's weighted average cap rate appreciation of approximately 46 bps. Over the last quarter, cap rates in most markets started to stabilize as a result of the Bank of Canada's interest rate-cutting cycle.

	Q3 2024	Q3 2023
YTD Value Increase/(Decrease)	**$12,608,244**	**$31,540,250**
Change Due to Operational Gains	100%	100%
Change Due to Cap Rate	0%	0%

Cap Rate by Region

	Weighted Avg. Cap Rate
Alberta	5.18%
GTHA	4.15%
Southeastern Ontario	5.03%
Southwestern Ontario	4.73%
Western Ontario	4.56%

Gap to Market

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

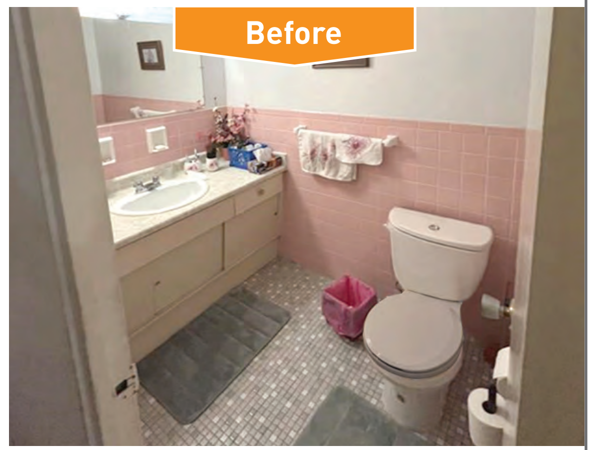
	Q3 2024	Q3 2023
As at September 30,	% Gap to Market	% Gap to Market
Ontario		
GTHA	39.5	39.7
Western	36.2	23.7
Southwestern	36.5	33.6
Southeastern	32.6	38.8
Total Ontario	**37.6%**	**33.3%**
Alberta	**10.4%**	**2.4%**
Total Portfolio	**35.1%**	**29.8%**

Non-IFRS Financial Measures

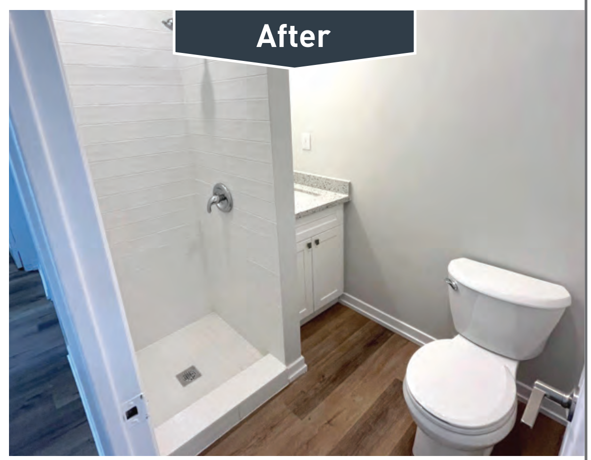
Management prepares and releases audited annual financial statements in accordance with International Financial Reporting Standards (IFRS). In the report, financial measures not recognized under IFRS, which do not have a standard meaning prescribed by IFRS, are disclosed. These include Same Store NOI,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

433 King Street, London, ON

CASE STUDY: **VALUE CREATION AT 470 SCENIC DRIVE**



In Q4'23, the Trust acquired 470 Scenic Drive, a 115-suite building in London, Ontario, for $21.5M, aligning with the Trust's value-add investment strategy. Set on a large, secluded lot, this property offers Residents a peaceful, private environment while maintaining easy access to Downtown London. At acquisition, the property had a 59% rental gap to market, presenting a substantial value-add opportunity. By the end of Q3'24, renovations were completed in 18 naturally turned-over suites, boosting revenue for those units by 43% and achieving an overall 8.9% in-place rent increase across the property. Strong leasing efforts over the first year reduced the rental gap to market to 49%, positioning the property for further revenue growth and ongoing upside potential.

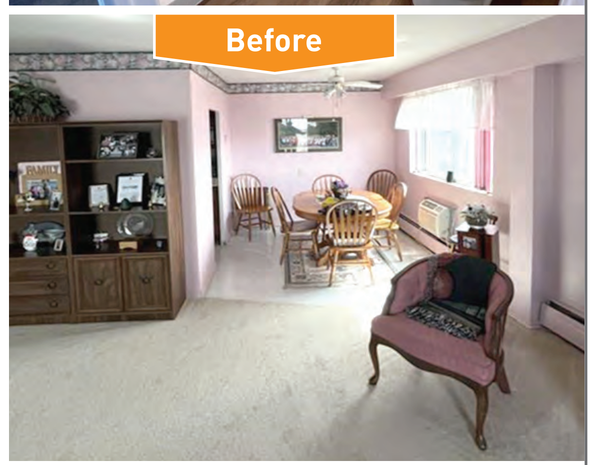


# of Turns	Revenue Growth on Turnover	Estimated Value Creation
18 (16%)	43%	$2.8M or 12%

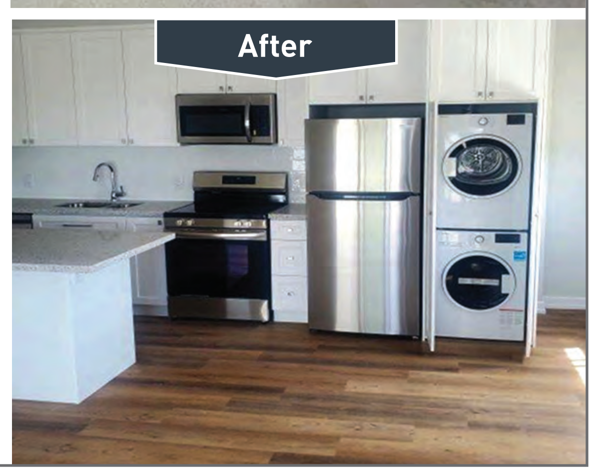
Enhanced Value Creation Opportunity:

Management identified an opportunity to optimize value for three three-bedroom penthouse units by incorporating high-end renovations for these premium units. These enhancements showcase Equiton's entrepreneurial mindset and institutional approach to creating value, and are proposed to include:

- **Addition of a Second Full Bathroom:** By converting the existing two-piece powder room into a full bathroom with a standup shower, suites will gain increased functionality, which is highly appealing to families or multiple Residents sharing the space.
- **In-Suite Laundry Installation:** Adding laundry facilities in these penthouse suites provides a key convenience upgrade that supports both lifestyle and appeal for prospective Residents.
- **Terrace Upgrades:** The penthouse suites stand out with spacious terraces offering scenic park views. Refurbishing these terraces will further enhance the appeal and exclusivity of these top-floor suites, positioning them as the most desirable units in the building.



These enhanced renovations, currently complete in one unit and planned for the other two, will elevate the functionality, convenience, and marketability of the suites. This reflects Management's commitment to adding value through thoughtful, tailored upgrades that enhance Resident satisfaction while maximizing revenue potential.



Metrics

	Avg. Monthly Rent Lift	Estimated Value Created	ROI
Value-Add Renovation	44.8%	$570k	2.7x
Enhanced Renovation	60.5%	$770k	3.3x

Q3 2024 ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS

Toronto, Ontario
Toronto Core
Acquired: September 2024

120 & 130 Raglan Ave.
1862 Bathurst St.
4190 Bathurst St.

Unit Breakdown

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

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

DISPOSITIONS: None

PROPERTY DETAILS

CITY	ADDRESS	PROPERTIES	BUILDINGS	BACHELOR	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	COMMERCIAL	TOTAL
Brampton, ON	78 Braemar Dr.	1	1	0	40	112	1	0	0	**153**
Brantford, ON	19 & 23 Lynnwood Dr.	2	2	0	35	68	10	0	0	**113**
	120,126 & 130 St.Paul Ave.	1	1	0	15	31	0	0	0	**46**
Breslau, ON	208 Woolwich St. S.	1	1	0	3	74	1	0	0	**78**
Burlington, ON	1050 Highland St.	1	1	0	3	15	0	0	0	**18**
Chatham, ON	75 & 87 Mary St.	1	1	0	22	34	0	0	0	**56**
	383-385 Wellington St. W.	1	1	22	26	5	1	0	0	**54**
Edmonton, AB	10001 Bellamy Hill Rd. NW.	1	1	3	0	155	0	0	0	**158**
Guelph, ON	98 Farley Dr.	1	1	22	41	30	0	0	0	**93**
	5 & 7 Wilsonview Ave.	1	1	0	5	17	7	0	0	**29**
	8 & 16 Wilsonview Ave.	2	2	2	54	53	3	0	0	**112**
Hamilton, ON	125 Wellington St. N.	1	1	5	247	73	38	0	1	**364**
Kingston, ON	252 & 268 Conacher Dr.	2	2	0	6	18	0	0	0	**24**
	760/780 Division St.	1	1	0	24	48	40	0	0	**112**
	1379 Princess St.	1	1	1	18	13	0	0	2	**34**
Kitchener, ON	100-170 Old Carriage Dr.	1	3	2	14	202	0	0	0	**218**
London, ON	1355 Commissioners Rd. W.	1	1	0	14	37	0	0	1	**52**
	433 King St.	1	1	0	62	66	1	0	1	**130**
	470 Scenic Dr.	1	1	16	32	63	4	0	0	**115**
Markham, ON	65 Times Ave.	1	1	9	37	18	0	0	0	**64**
Mississauga, ON	65 & 75 Paisley Blvd. W.	2	2	15	67	79	2	0	1	**164**
Ottawa, ON	Maison Riverain	1								
Sherwood Park, AB	200 Edgar Ln.	1	1	4	8	92	0	0	0	**104**
Stratford, ON	30 & 31 Campbell Crt.	2	2	0	33	63	3	0	0	**99**
Toronto, ON	12 & 14 Auburndale Crt.	1	1	0	0	15	23	8	0	**46**
	1862 Bathurst St.	1	1	12	27	34	2	0	0	**75**
	4190 Bathurst St.	1	1	0	53	27	0	0	0	**80**
	2303 Eglinton Ave. E.	1	1	6	67	96	0	0	0	**169**
	120 & 130 Raglan Ave.	1	2	3	145	43	0	0	0	**191**
	787 Vaughan Rd.	1	1	7	25	6	0	0	0	**38**
	223 Woodbine Ave.	1	1	0	32	16	0	0	0	**48**
	650 Woodbine Ave.	1	1	0	30	8	0	0	0	**38**
Welland, ON	200-230 Denistoun St.	4	4	1	178	186	23	0	0	**388**
		41	**43**	**130**	**1363**	**1797**	**159**	**8**	**6**	**3463**

PROPERTY DETAILS

EDMONTON, ALBERTA

10001 Bellamy Hill Road Northwest

MAP

Acquired: December 2022

Unit Breakdown

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

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

SHERWOOD PARK, ALBERTA

200 Edgar Lane

MAP

Acquired: September 2022

Unit Breakdown

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

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

BRAMPTON, ONTARIO

78 Braemar Drive

MAP

Acquired: July 2022

Unit Breakdown

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

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

BRANTFORD, ONTARIO

19 & 23 Lynnwood Drive

Acquired: July 2016 and December 2023

MAP

Unit Breakdown

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

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

BRANTFORD, ONTARIO

120, 126 and 130 St. Paul Avenue

Acquired: July 2016

MAP

Unit Breakdown

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

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

BRESLAU, ONTARIO

208 Woolwich Street South

Acquired: March 2022

MAP

Unit Breakdown

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

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

BURLINGTON, ONTARIO

1050 Highland Street

Acquired: August 2019

MAP

Unit Breakdown

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

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

CHATHAM, ONTARIO

75 & 87 Mary Street

MAP

Acquired: August 2018

Unit Breakdown

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

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

CHATHAM, ONTARIO

383-385 Wellington Street West

MAP

Acquired: December 2017

Unit Breakdown

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

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

GUELPH, ONTARIO

98 Farley Drive

MAP

Acquired: March 2022

Unit Breakdown

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

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

GUELPH, ONTARIO

5 & 7 Wilsonview Avenue

MAP

Acquired: October 2019

Unit Breakdown

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

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

GUELPH, ONTARIO

8 & 16 Wilsonview Avenue

Acquired: July 2020

MAP

Unit Breakdown

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

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

HAMILTON, ONTARIO

125 Wellington Street North

Acquired: March 2021

MAP

Unit Breakdown

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

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

KINGSTON, ONTARIO

252 & 268 Conacher Drive

Acquired: September 2018

MAP

Unit Breakdown

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

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

KINGSTON, ONTARIO

760/780 Division Street & 2 Kirkpatrick Street

Acquired: March 2018

MAP

Unit Breakdown

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

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

KINGSTON, ONTARIO

1379 Princess Street

Acquired: May 2018

MAP

Unit Breakdown

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

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

KITCHENER, ONTARIO

100-170 Old Carriage Drive

Acquired: April 2021

MAP

Unit Breakdown

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

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

LONDON, ONTARIO

1355 Commissioners Road West

Acquired: May 2019

MAP

Unit Breakdown

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

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

LONDON, ONTARIO

433 King Street

Acquired: October 2021

MAP

Unit Breakdown

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

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

LONDON, ONTARIO

470 Scenic Drive

Acquired: October 2023

MAP

Unit Breakdown

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

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

MARKHAM, ONTARIO

65 Times Avenue

Acquired: March 2019

MAP

Unit Breakdown

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

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

MISSISSAUGA, ONTARIO

65 & 75 Paisley Boulevard West

Acquired: December 2019

MAP

Unit Breakdown

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

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

OTTAWA, ONTARIO

280 Montgomery Street

Acquired: January 2022

MAP

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

As at September 30, progress weas made on the construction of Tower 1 with many aspects either completed or nearing completion, allowing for the lower floors to be outfitted with their appliances. Tower 2 received conditional approvals pending Site Plan Approval. The project is on schedule to welcome the first Residents early- to mid- 2025.

STRATFORD, ONTARIO

30 & 31 Campbell Court

Acquired: April 2016

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

12 & 14 Auburndale Court

Acquired: October 2021

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

1862 Bathurst Street

Acquired: September 2024

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

4190 Bathurst Street

Acquired: September 2024

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

2303 Eglinton Avenue East

Acquired: December 2022

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

120 & 130 Raglan Avenue

Acquired: September 2024

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

787 Vaughan Road

Acquired: November 2020

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

223 Woodbine Avenue

Acquired: March 2020

MAP

Unit Breakdown

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

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

TORONTO, ONTARIO

650 Woodbine Avenue

Acquired: November 2020

MAP

Unit Breakdown

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

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

WELLAND, ONTARIO

200-230 Denistoun St.

Acquired: June 2024

MAP

Unit Breakdown

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

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

RISKS AND UNCERTAINTIES

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

Consolidated Financial Statements

Equiton Residential Income Fund Trust
(Unaudited)

For the nine-month period ended September 30, 2024

Contents

Equiton Residential Income Fund Trust
Consolidated Statements of Financial Position

	Note		September 30, 2024		December 31, 2023
ASSETS					
Non-current assets					
Investment properties	[4]	**$**	**1,075,686,535**	$	849,831,240
Investment property under development	[5]		**107,449,399**		80,882,849
			1,183,135,934		930,714,089
Current assets					
Cash			**14,901,039**		15,893,055
Restricted cash	[6]		**1,202,080**		2,212,198
Tenant and other receivables			**1,376,190**		867,191
Loan receivable	[8]		**2,590,484**		2,136,672
Prepaid expenses			**2,237,024**		1,231,975
			22,306,817		22,341,091
TOTAL ASSETS		**$**	**1,205,442,751**	$	953,055,180
EQUITY AND LIABILITIES					
Non-current Liabilities					
Mortgages Payable	[9]	**$**	**424,144,378**	$	356,292,048
Construction loan payable	[10]		**57,204,473**		-
			481,348,851		356,292,048
Current Liabilities					
Construction loan payable	[10]		**-**		30,942,767
Bank loan payable	[11]		**7,980,000**		13,435,000
Current portion of mortgages payable	[9]		**86,864,176**		19,987,871
Accounts payable and accrued liabilities			**17,580,543**		13,582,695
Tenant deposits and deferred revenue			**4,666,768**		4,062,453
Unit subscriptions held in trust	[6]		**1,202,080**		2,212,198
Distributions payable	[13b]		**3,655,889**		3,091,133
Due to related parties	[12]		**19,558,927**		12,984,256
			141,508,383		100,298,373
TOTAL LIABILITIES		**$**	**622,857,234**	$	456,590,421
EQUITY					
Net assets attributable to unitholders			**582,585,517**		496,464,759
TOTAL EQUITY AND LIABILITIES		**$**	**1,205,442,751**	$	953,055,180

Commitments and contingencies [17]

On behalf of the Trustees

_______________ Trustee _______________ Trustee

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust

Statements of Income (Loss) and Comprehensive Income (Loss)

	Note	Sept 30, 2024	Sept 30, 2023
Property revenue		**$ 41,253,748**	$ 34,739,848
Property operating expenses			
Operating expenses		**(9,231,681)**	(7,550,173)
Utilities		**(3,965,642)**	(3,877,048)
Property taxes		**(4,438,898)**	(3,789,971)
Total operating expenses		**(17,636,221)**	(15,217,192)
Net operating income		**$ 23,617,527**	$ 19,522,656
Other income		**1,284,399**	528,340
Financing cost		**(11,311,971)**	(10,648,202)
Administration		**(764,533)**	(760,497)
Asset management fee	[14]	**(8,001,151)**	(7,134,192)
Performance incentive fee	[14]	**(6,575,044)**	(8,595,647)
Fair value adjustment on investment properties	[4]	**572,641**	18,215,906
Net income (loss)		**(1,178,132)**	11,128,364
Comprehensive income (loss)		**$ (1,178,132)**	$ 11,128,364

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust

Consolidated Statements of Changes in Net Assets Attributable to Unitholders

Year ended December 31, 2023	Trust Units	Retained Earnings	Contributed Surplus	Total Unitholders' Equity
As at January 1, 2023	$ 381,400,186	$ 45,218,218	$ 825,183	$ 427,443,587
Issuance of units	143,703,972	-	-	143,703,972
Issuance of units under DRIP	21,249,397	-	-	21,249,397
Redemption of units	(54,628,818)	-	-	(54,628,818)
Issuance costs	(7,430,100)	-	-	(7,430,100)
Net income	-	(1,451,842)	-	(1,451,842)
Distributions	-	(32,421,437)	-	(32,421,437)
As at December 31, 2023	$ 484,294,637	$ 11,344,939	$ 825,183	$ 496,464,759

Year ended September 30, 2024	Trust Units	Retained Earnings	Contributed Surplus	Total Unitholders' Equity
As at January 1, 2024	$ 484,294,637	$ 11,344,939	$ 825,183	$ 496,464,759
Issuance of units	157,972,204	-	-	157,972,204
Issuance of units under DRIP	20,039,287	-	-	20,039,287
Redemption of units	(53,390,936)	-	-	(53,390,936)
Issuance costs	(7,038,762)	-	-	(7,038,762)
Net income	-	(1,178,132)	-	(1,178,132)
Distributions	-	(30,282,903)	-	(30,282,903)
As at September 30, 2024	$ 601,876,430	(20,116,096)	$ 825,183	$ 582,585,517

See accompanying notes to the financial statements

Equiton Residential Income Fund Trust
Consolidated Statements of Cash Flows

	Note	September 30, 2024	September 30, 2023
OPERATING ACTIVITIES			
Net income (loss)		**(1,178,132)**	11,128,364
Add (deduct) items not affecting cash			
performance incentive fee		**6,575,044**	8,595,647
Increase in fair value of investment properties		**(572,641)**	(18,215,906)
Amortization of deferred financing fees		**1,251,807**	1,399,826
Change in non-cash operating items	[16]	**2,077,624**	5,988,577
Cash (used in) provided by operating activities		**8,153,702**	**8,896,508**
FINANCING ACTIVITIES			
Proceeds from issue of units		**157,972,204**	93,080,285
Redemption of units		**(53,390,936)**	(45,840,835)
Distribution to unitholders		**(9,678,860)**	(7,671,256)
Payment of issuance costs		**(7,038,762)**	(5,264,030)
Repayment of line of credit		**(5,455,000)**	(8,585,000)
Payment of deferred financing fees		**(6,786,060)**	(1,140,196)
Interest reserve holdback		**-**	29,227
Repayment of mortgages payable		**(4,932,457)**	(5,064,901)
Proceeds from mortgage		**145,195,345**	887,350
Proceed from construction Loan		**26,261,706**	8,556,325
Cash provided by financing activities		**242,147,180**	**28,986,969**
INVESTING ACTIVITIES			
Building improvements		**(12,030,897)**	(13,305,093)
Issuance of loan receivable		**(453,812)**	(1,411,265)
Land deposits		**-**	(650,000)
Acquisition of investment properties		**(213,251,757)**	-
Investment in land under development		**(26,566,550)**	(25,536,310)
Cash used in investing activities		**(252,303,016)**	**(40,902,668)**
Net increase (decrease) in cash		**(2,002,134)**	**(3,019,191)**
Cash, beginning of year		**18,105,253**	10,337,351
Cash, end of year		**16,103,119**	**7,318,160**

Cash presented as:

	2024	2023
Cash	**$ 14,901,039**	$ 3,827,370
Restricted cash	**1,202,080**	3,490,790
	$ 16,103,119	$ 7,318,160

1. Nature of operations

Equiton Residential Income Fund Trust (the “Trust”) is an open-ended real estate investment trust (“REIT”) established on March 1, 2016 under the laws of the Province of Ontario. The Trust qualified as a “mutual fund trust” (pursuant to subsection 132(6) of the Income Tax Act) and it was formed primarily to acquire income-producing properties located in Canada.

2. General information and statement of compliance with IFRS

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

The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency. The address of the Trust's registered office is 1111 International Boulevard, Suite 500, Burlington, Ontario, L7L 6W1. The financial statements for the year ended September 30, 2024 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

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

Joint arrangements

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

3. Summary of significant accounting policies (continued)

Joint arrangements (continued)

The Trust is party to a single joint arrangement, which is a joint operation, through a 75% co-ownership interest called Riverain Co-ownership (“Riverain”). Riverain includes an investment property under development located at 29 Selkirk Street and 2 Montreal Road in the City of Ottawa, Ontario (Note 7). Joint operations are accounted for by recognizing the Trust’s proportionate share of the assets, liabilities, revenue, expenses and cash flows of the joint operation.

Investment properties

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

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

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

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

Investment property under development

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

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

3. Summary of significant accounting policies (continued)

Investment property under development (continued)

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

Tenant deposits

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

Revenue recognition

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

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

Financial instruments and fair values

(i) Financial assets

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

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

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

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

3. Summary of significant accounting policies (continued)

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

Impairment – Expected Credit Loss Model:

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

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

(ii) Financial liabilities

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

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

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

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

(iii) Transaction costs

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

(iv) Fair value

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

3. Summary of significant accounting policies (continued)
(iv) Fair value(continued)

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

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

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

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

Fair value of financial assets and liabilities

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

The fair value of the mortgages payable and loan receivable have been determined by discounting the cash flows of these financial instruments using September 30, 2024 and December 31, 2023 market rates for debts of similar terms.

	September 30,2024		
	Fair Value Hierarchy	Carrying Value	Fair Value
Assets:			
Investment properties	**Level 3**	**1,075,686,535**	**1,075,686,535**
Loan receivable	**Level 2**	**2,590,484**	**2,590,484**
Liabilities:			
Mortgage payable	**Level 2**	**526,037,886**	**470,444,504**

	December 31, 2023		
	Fair Value Hierarchy	Carrying Value	Fair Value
Assets:			
Investment properties	Level 3	849,831,240	849,831,240
Loan receivable	Level 2	2,136,672	2,136,672
Liabilities:			
Mortgage payable	Level 2	385,774,998	337,566,925

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

Critical accounting estimates, assumptions, and judgments

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

Investment properties

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

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

The critical estimates and assumptions underlying the valuation of the investment properties are outlined in Note 4.

Joint operations

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

The Trust has determined that its interest in the co-ownership is a joint operation (Note 7).

Net assets attributable to unitholders

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

4. Investment properties

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

Balance, January 1, 2023	**$791,494,826**
Purchase of investment property	34,091,240
Building improvements to investment properties	17,221,499
Increase in fair value of investment properties	7,023,675
Balance, December 31, 2023	**$849,831,240**
Purchase of investment property	$213,251,757
Building improvements to investment properties	12,030,897
Increase in fair value of investment properties	572,641
Balance, September 30, 2024	**$1,075,686,535**

One June 21, 2024, the Partnership acquired an investment property located at 200-230 Denistoun Ave. in Welland, Ontario at a cost of $75,621,441.

On September 18, 2024, the Partnership acquired investment properties located at 4190 Bathurst St., 120 & 130 Raglan Ave. and 1862 Bathurst St. in North York, Ontario at a cost of $137,630,316.

On September 30, 2024, all material Investment Properties that the Partnership owned as at January 1, 2023 were valued.

The estimated fair values per these appraisals are as follows:

Region		Portfolio Values by Region September 30, 2024		Portfolio Values by Region December 31, 2023
Alberta	$	72,500,000	$	58,600,000
Greater Toronto and Hamilton Area		509,150,000		384,490,000
South Eastern Ontario		36,950,000		36,650,000
South Western Ontario		102,450,580		101,160,580
Western Ontario		354,635,955		268,930,660
	$	**1,075,686,535**	**$**	**849,831,240**

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

4. Investment properties (continued)

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

Values are most sensitive to changes in capitalization rates, and the variability of cash flows. If the capitalization rate were to increase by 25 basis points ("bps"), the value of investment properties would decrease by $57,849,747 (December 31, 2023 – decrease by $48,684,969). If the capitalization rate were to decrease by 25 bps, the value of investment properties would increase by $64,978,549 (December 31, 2023 – increase by $55,091,603). The capitalization rates used are as follows:

Region	Weighted Avg Cap Rate September 30, 2024	Weighted Avg Cap Rate Dec 31, 2023
Alberta	5.18%	5.50%
Greater Toronto and Hamilton Area	4.15%	3.69%
South Eastern Ontario	5.03%	4.61%
South Western Ontario	4.73%	4.52%
Western Ontario	4.56%	4.43%

5. Investment property under development

	September 30, 2024	December 31, 2023
Opening balance	**$ 80,882,849**	$ 43,711,951
Property under development expenditures	**26,566,550**	37,170,898
Ending balance	**$ 107,449,399**	$ 80,882,849

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

6. Restricted cash

On September 30, 2024, the restricted cash is $ 1,202,080 (2023 - $2,212,198). Restricted cash of $ 1,202,080 represents unitholder subscriptions held in trust until the trade settlement date. These amounts will be returned to investors if the proposed unitholders subscriptions do not successfully proceed.

7. Joint arrangement

The Trust's indirect interests in Riverain is subject to joint control and accounted for as a joint operation. The Limited Partnership entered into a co-ownership agreement with Selkirk & Main Holdings Inc. and is developing a multi residential property in Ottawa, Ontario. There is a building currently on the property that generated rental income from commercial tenants in 2020 and 2021, however the intention is to demolish the building for redevelopment. Therefore, the purchase price was allocated entirely to the land. The co-ownership was formed on January 18, 2022 and is governed by co-owner's agreement effective as of that date. The co-ownership agreement stipulates that a co-owners committee be formed consisting of two members, of whom one member shall be appointed by each of the co-owners. All major decisions, as defined in the agreements, require the unanimous vote of the members of the co-owners committee. The Limited Partner's ownership interest is 75%.

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

	September 30, 2024	December 31, 2023
Assets		
Cash	**$ 465,600**	$ 661,891
Accounts receivable	**698,156**	320,816
Prepaids	**-**	-
Investment property under development	**107,449,399**	80,882,849
Total Assets	**$ 108,613,155**	$ 81,865,556
Liabilities		
Accounts payable and accrued liabilities	**$ 10,126,468**	$ 5,757,010
Loans payable	**16,875,000**	16,875,000
Construction loan payable	**40,329,473**	14,067,767
Total Liabilities	**67,330,941**	36,699,777
Co-owners' Equity	**41,282,214**	45,165,779
Total Liabilities and Co-owners' Equity	**$ 108,613,155**	$ 81,865,556

8. Loan receivable

On January 18, 2022, the Limited Partnership entered into an equity loan agreement with Selkirk & Main Holdings Inc. The Limited Partnership has agreed to provide loans to Selkirk & Main Holdings Inc. from time to time as equity funds are required for the joint operation of Riverain (Note 7) in principal amount equal to 12.5% of the required equity funds of the joint operation.

8. Loan receivable (continued)

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

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

The loan is secured as follows:

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

The equity loan was assessed at September 30, 2024, to determine whether there is objective evidence of impairment. A loan investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of an asset, and that the loss event had a negative effect on these estimated future cash flows of that asset that can be estimated reliably. For the period ended September 30, 2024, there was no provisions for loan investment losses. The fair value of the loan receivable is estimated to approximate its carrying value (Note 3).

9. Mortgages payable

	September 30, 2024	December 31, 2023
Mortgage payable	**$ 526,037,886**	$ 385,774,998
Deferred Finance Charges	**(15,029,332)**	(9,495,079)
	$ 511,008,554	$ 376,279,919
Less: current portion	**$ (86,864,176)**	$ (19,987,871)
Non-current mortgage payable	**$ 424,144,378**	$ 356,292,048

The mortgages are payable to various financial institutions and bear fixed interest rates ranging from 2% to 6.75% (2023 – 2% to 6.75%) and maturing at various dates ranging from 2025 to 2034 (2023 – 2024 to 2033).

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

12 months from period end	$ 86,864,176
13 to 24 months from period end	24,043,444
25 to 36 months from period end	11,566,747
37 to 48 months from period end	12,520,871
49 to 60 months from period end	11,002,136
Thereafter	380,040,512
	$ 526,037,886

The balances repayable as noted above are exclusive of the fair value adjustments recorded upon initial recognition of the mortgages that have been assumed. As at September 30, 2024 these fair value adjustments totalled $3,922,203 (2023 - $4,393,588).

10. Construction loan payable

Land Loan Facility

On October 16, 2023, Riverain entered into a new $22,500,000 Land Loan facility agreement with Desjardins to refinance the phase two and phase three land located in Ottawa. The original Land Loan facility outstanding of $24,000,000 was replaced and the loan differential of $1,500,000 was repaid upon issuance of the first construction loan draw. The interest rate is fixed at 7.69% for 12 months equal to the lender's cost of funds plus 150 basis points (1.5%) with interest-only paid monthly. The Land Loan converts to a variable interest rate on November 1, 2024, at the prime rate plus 75 basis points (0.75%). The land loan matures on November 1, 2025. As of September 30, 2024, the outstanding balance is $22,500,000 (December 31, 2023, $22,500,000), of which the Partnership has recorded its 75%. The other co-owner and the Limited Partnership have provided a corporate guarantee and postponement of claim for the full loan amount of $22,500,000 plus interest and costs for the full duration of the existing land loan facility on phase two and phase three units and any renewals thereof.

Construction Loan Facility

On October 16, 2023, Riverain entered into a $88,254,000 Construction Loan Facility ("CLF") agreement with Desjardins to finance the construction of phase one. The CLF is a variable rate loan based on the prime interest rate increased by fifty basis points (0.50%). Accrued interest is due on the first day of the month. The CLF matures on November 1, 2026. In conjunction with the CLF, the Nominee entered into a $1,500,000 revolving operating line of credit to bridge approved project costs between advances at the same variable interest rate as the CLF.

On March 7, 2024, the phase one commitment letter was amended to increase the maximum authorized amount on the CLF to $98,254,000 with no additional equity contribution required.

Draws on the CLF are completed once per month with the issuance of the construction report by the project monitor AMS Quantity Surveyors. As at September 30, 2024 the outstanding balance is $53,772,631 (2023 - $18,757,420) of which the Partnership has recorded its 75%. Borrowings under each of these agreements are secured by a first collateral mortgage charge on the lands and improvements and a general security agreement. The other co-owner and the Limited Partnership have provided a corporate guarantee and postponement of claim or the full loan amount plus interest and costs for the full duration of the existing construction loan facility on phase one construction and any renewals thereof.

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

10. Construction loan payable(continued)

Letter of Credit

On January 17, 2020, Riverain also entered into a $500,000 Letters of Credit Facility ("LCF") agreement with Desjardins, which can only be used to finance the municipal bodies and public utilities for development purposes. Letter of credits will be for a term of one year and will be subject to an annual fee of 1% upon issuance. The LCF had been extended for an additional 12-month term to February 1, 2023. On January 19, 2023, the LCF agreement was increased to $2,000,000 in conjunction with the refinancing of the Land Loan. On October 16, 2023, the LCF was increased to $3,000,000 in conjunction with the Construction Loan Facility for a period of one year under the same terms and conditions.

The LCF is renewable prior to maturity provided there is no material default beyond any applicable notice period. As at September 30, 2024 the outstanding balance is nil (2023 - nil).

11. Bank loan payable

On January 25, 2022, the Limited Partnership entered into a $20,000,000 credit facility with TD Commercial Banking. The facility has a contractual term of 12 months from the date of the first draw down. The first draw down took place on December 14, 2022 in the form of an operating loan. On March 5, 2024, the credit limit was increased to $30,000,000.

The facility bears interest as follows:

- Daily Compounded Canadian Overnight Repo Rate Average (CORRA) plus 2.29547% per annum
- Term CORRA Loans: 1 month Term CORRA plus 2.29547% per annum or 3 Month Term CORRA plus 2.32138% per annum

There are financial and non-financial covenants pertaining to the facility. As at September 30, 2024, all covenants were met.

As at September 30, 2024, the Limited Partnership had drawn down $7,980,000 (2023 - $13,435,000) of the facility.

12. Related party transactions and balances

(a) Agreement with Equiton Capital Inc.

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

Pursuant to the Agency Agreement, the Trust incurred agency fees with the Agent related to the issuance of trust units in the amount of $7,123,944 (December 31, 2023 - $6,942,379), which are included in issuance costs in the statements of changes in net assets attributable to unitholders.

12. Related party transactions and balances(continued)

(b) Due to related parties

	September 30, 2024	December 31, 2023
Due to Equiton Residential Income GP Inc. (general partner of Equiton Residential Income Limited Partnership)	**$ 17,285,597**	$ 10,713,303
Due to Equiton Partners' Inc.	**2,088,530**	2,050,165
Due to Equiton Capital Inc.	**184,800**	220,785
	$ 19,558,927	$ 12,984,253

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

13. Unitholders' equity

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

(i) Class A Trust Units

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

(ii) Class B Trust Units

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

(iii) Class C Trust Units

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

(iv) Class F Trust Units

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

(v) Class I Trust Units

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

13. Unitholders' equity (continued)

(a) Units outstanding

Class A Trust Units	Number	Amount
Balance, January 1, 2023	13,928,165	$140,608,727
Issuance of units	4,142,966	49,840,759
Issuance of units through distribution reinvestment plan	663,031	7,818,340
Redemption of units	(739,252)	(8,840,659)
Transfer of units from Class A to Class IS1	(132,893)	(1,625,676)
Issuance costs	-	(2,576,977)
Balance, December 31, 2023	17,862,017	$185,224,514
Issuance of units	3,550,993	43,888,893
Issuance of units through distribution reinvestment plan	604,497	7,328,255
Redemption of units	(1,074,810)	(13,312,387)
Issuance costs	-	(1,955,556)
Balance, September 30, 2024	**20,942,697**	**$221,173,719**

Class B Trust Units		
Balance, January 1, 2023	188,461	$ 2,101,785
Issuance of units	572,660	6,892,011
Issuance of units through distribution reinvestment plan	21,352	252,805
Redemption of units	(17,094)	(204,274)
Issuance costs	-	(356,346)
Balance, December 31, 2023	765,378	$ 8,685,981
Issuance of units	167,306	2,068,439
Issuance of units through distribution reinvestment plan	32,392	392,679
Redemption of units	(19,258)	(241,094)
Issuance costs	-	(92,163)
Balance, September 30, 2024	**945,818**	**$ 10,813,842**

Class C Trust Units		
Balance, January 1, 2023	467,396	$ 5,212,377
Issuance of units	872,071	10,411,108
Issuance of units through distribution reinvestment plan	34,732	410,768
Redemption of units	(22,844)	(273,366)
Issuance costs	-	(538,298)
Balance, December 31, 2023	1,351,355	$ 15,222,589
Issuance of units	642,186	7,949,757
Issuance of units through distribution reinvestment plan	55,865	677,288
Redemption of units	(30,396)	(376,620)
Issuance costs	-	(354,217)
Balance, September 30, 2024	**2,019,010**	**$ 23,118,797**

13. Unitholders' equity (continued)
Class F Trust Units

Balance, January 1, 2023	11,430,992	$117,622,336
Issuance of units	4,906,511	59,187,329
Issuance of units through distribution reinvestment plan	580,442	6,844,748
Redemption of units	(618,499)	(7,460,621)
Transfer of units from Class F to Class IS1	(1,528,054)	(18,348,317)
Issuance costs	-	(3,060,234)
Balance, December 31, 2023	14,771,392	$154,785,241
Issuance of units	4,754,145	58,630,277
Issuance of units through distribution reinvestment plan	544,844	6,605,246
Redemption of units	(1,539,067)	(19,033,829)
Issuance costs	**-**	(2,612,387)
Balance, September 30, 2024	**18,531,314**	**$ 198,374,548**

Class IS1 Trust Units	**Number**	**Amount**
Balance, January 1, 2023	11,087,788	$115,854,961
Issuance of units	1,438,985	17,372,766
Issuance of units through distribution reinvestment plan	503,046	5,922,736
Redemption of units	(3,177,019)	(37,849,899)
Transfer of units from Class A to Class IS1	132,893	1,625,676
Transfer of units from Class F to Class IS1	1,528,054	18,348,317
Issuance costs	-	(898,245)
Balance, December 31, 2023	11,513,747	$ 120,376,312
Issuance of units	3,676,661	45,434,839
Issuance of units through distribution reinvestment plan	415,392	5,035,819
Redemption of units	(1,650,245)	(20,427,007)
Issuance costs	**-**	(2,024,439)
Balance, September 30, 2024	**13,955,555**	**$ 148,395,524**
Total A, B, C, F and I Units, September 30, 2024	**56,394,394**	**$ 601,876,430**

b) Distributions and distribution reinvestment

On December 19, 2016, the Trust instituted a DRIP whereby Canadian unitholders may elect to have their distributions automatically reinvested in additional units, retroactive to the commencement of the Trust.

During the first nine months of 2024, the Trust made distributions of $30,282,903 (2023 - $14,994,460). Of this amount, $20,039,287 (2023 - $9,847,860) were reinvested through the DRIP.

14. Asset management agreement

The property management fees were performed by a related party, Equiton Partners Inc. As compensation for providing the Property Management Services, a fee is paid equal to 4.0% of the gross income from the Properties for the Initial Term and for each Renewal. In addition, Equiton Partners Inc. is paid a fee equal to 5.0% of the total cost to (i) construct tenant improvements and/or coordinate the construction, modification, improvement, re-construction, or effecting of material repairs to any tenant premises at any of the Properties, or (ii) construct, modify, improve, re-construct or effect a material repair to any portion of the Property or Properties.

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

(i) Transaction fee

The transaction fee is charged at 1.00% of the purchase price with respect to each property acquired or sold by the Limited Partnership.

(ii) Asset management fee

The asset management fee is charged at 1.00% annually with respect to the gross asset value of the assets in the Limited Partnership. The asset management fee is calculated and charged monthly.

(iii) Financing fee

The financing fee is charged at 1.00% of the loan amount with respect to each senior or first ranking financing transaction, at 0.50% of the loan amount with respect to each refinancing transaction and at 1.50% of the loan amount with respect to each mezzanine or non-first ranking financing transaction.

(iv) Performance incentive fee

During the term of the Asset Management Agreement, the Manager shall be entitled to a 20% interest in cash distributions of the Limited Partnership, and a 20% interest in any increase in the equity value of the investment properties, calculated and payable at the time such increase in equity value is realized or the issuance of additional limited partner units by the Limited Partnership. The Manager has indicated that it will either defer payment of such performance incentive fees until such time as sufficient cash is available or to elect to receive such performance incentive fees in the form of limited partnership units of the Partnership.

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

14. Asset management agreement(continued)

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

	September 30, 2024	September 30, 2023
Asset management fee	$ 8,001,151	$ 7,134,192
Transaction fee	2,032,000	-
Financing fee	1,432,181	1,140,196
Performance incentive fee	6,575,044	8,595,647
Property management fee	1,620,626	1,372,707
	$ 19,661,002	$ 18,242,742

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

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

15. Management of capital

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

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

The total managed capital for the Trust is summarized below:

	September 30, 2024	December 31, 2023
Mortgages payable	$ 526,037,886	$ 385,774,998
Construction loan payable	57,204,473	30,942,767
Bank loan payable	7,980,000	13,435,000
Cash	(14,901,039)	(15,893,055)
Net debt	576,321,320	414,259,710
Net assets attributable to unitholders	582,585,517	496,464,759
	$1,158,906,837	$ 910,724,469

16. Changes in non-cash operating items

	September 30, 2024	September 30, 2023
Payables and accruals	**$ (2,577,197)**	$ 5,342,618
Tenant deposits	**604,315**	(11,209)
Tenant and other receivables	**(508,998)**	(297,232)
Prepaid expenses	**(1,005,049)**	(421,040)
Unit subscriptions held in trust	**(1,010,118)**	(961,798)
Due to/from related parties	**6,574,671**	2,337,238
	$ 2,077,624	$ 5,988,577

17. Commitment

The Trust has committed to costs for future building improvements in the amount of $854,928 (2023 - $52,391).

18. Financial Instruments and risk management

Risks associated with financial assets and liabilities

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

(i) Market risk

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

Interest rate risk

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

The Trust’s objective in managing interest rate risk is to minimize the volatility of the Trust’s income. As of September 30, 2024, the Trust is subject to a fair value risk through the mortgages which are primarily financed at fixed interest rates with the exception of one variable rate mortgage which subjects the Trust to a cash flow risk. The fair market value of the mortgages payable is disclosed above. The construction loan payable and loan payable also subject the Trust to a cash flow risk due to the variable interest rates.

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

18. Financial Instruments and risk management(continued)

Risks associated with financial assets and liabilities (continued)

(ii) Credit risk

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

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

The carrying amount of receivables is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income and comprehensive income within other expenses. When a receivable balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of income and comprehensive income. The total provision taken on the receivables as at September 30, 2024 is $1,554,586 (2023 - $1,212,154).

The Trust's maximum credit risk exposure 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.

(iii) Liquidity risk

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial liability obligations. The Trust's objective in minimizing liquidity risk is to maintain appropriate levels of leverage on its real estate assets. As at September 30, 2024, the Trust was holding cash of $16,103,119 (2023 - $18,105,253) of which $1,202,080 (2023 - $2,212,198) was restricted for the future issuance of units. The mortgages payable, construction loan payable and bank loan payable have repayment terms outlined in Note 9, Note 10 and Note 11, respectively.

18. Financial Instruments and risk management(continued)

Risks associated with financial assets and liabilities (continued)

September 30, 2024	On Demand	1 Year	2-5 Years	>5Years
Mortgages payable	$ -	$ 86,864,176	$ 59,133,198	$ 380,040,512
Construction loan payable	-	-	57,204,473	-
Loan payable	-	7,980,000	-	-
Due to related parties	19,558,927	-	-	-
Unit subscriptions held in trust	1,202,080	-	-	-
Distributions payable	-	3,655,889	-	-
Payables & accruals	-	17,580,543	-	-
	$ 20,761,007	$ 116,080,608	$ 116,337,671	$ 380,040,512

December 31, 2023	On Demand	1 Year	2-5 Years	>5Years
Mortgages payable	$ -	$ 19,987,871	$ 86,108,316	$ 284,072,398
Construction loan payable	-	30,942,767	-	-
Bank loan payable	-	13,435,000	-	-
Due to related parties	16,779,819	-	-	-
Unit subscriptions held in trust	2,212,198	-	-	-
Distributions payable	-	3,091,133	-	-
Payables & accruals	-	13,616,300	-	-
	$ 18,992,017	$ 81,073,071	$ 86,108,316	$ 284,072,398

(iv) Environmental risk

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

19. Subsequent event

The current portion of mortgages payable, totaling $86,864,176, includes $74,121,172 related to mortgage refinancing and commitments as outlined below:

(a) The Trust has executed commitment letters with financial institutions and received insurance certificates from Canada Mortgage and Housing Corporation (CMHC) for mortgages renewal worth $67,000,000. These mortgages are expected to be refinanced prior to the end of November 30, 2024.

(b) On October 15, 2024, the Trust refinanced a mortgage of $7,121,172 on a property, securing a CMHC insured mortgage of $10,637,708 with a five-year term at a fixed interest rate of 3.46%.

20. Comparative figures

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