**Marwest Apartment Real Estate Investment Trust**

**Management's Discussion and Analysis**

**For the year ended December 31, 2021**

**(Expressed in Canadian Dollars)**

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The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Marwest Apartment Real Estate Investment Trust (the "Trust" or the "REIT") should be read in conjunction with the Trust's consolidated financial statements and the notes thereto for the year ended December 31, 2021, which are available on the Trust's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Trust was established on July 2, 2020 and had no commercial operations in the period ended December 31, 2020, therefore there is no comparative information presented in this MD&A.

The Trust's Board of Trustees approved the content of this Management's Discussion and Analysis on March 15, 2022. Disclosure in this document is current to that date unless otherwise stated. Additional information relating to the Trust can be found on SEDAR at www.sedar.com and also on the Trust's website at www.marwestreit.com.

**Forward-Looking Disclaimer**

Certain statements contained in this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities laws which reflect the Trust's current expectations and projections about future results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Trust to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect. Except as specifically required by applicable Canadian securities law, the Trust undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. These forward-looking statements should not be relied upon as representing the Trust's views as of any date subsequent to the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Trust. The MD&A may contain certain statements of current estimates, expectations, forecasts and projections.

**ABOUT MARWEST APARTMENT REAL ESTATE INVESTMENT TRUST**

The Trust's objectives are to grow Unitholder value through capital investment strategies, active asset and property management, to provide Unitholders with stable and predictable cash distributions that grow over the long term, and to grow the Trust's asset base across strategic markets through intensification and acquisition programs.

Since inception the Trust has completed the acquisition of 363 new generation apartment units in Winnipeg, Manitoba. The Marwest Group of Companies (the "Marwest Group"), companies under common control with the Marwest Asset Management Inc. (the "Manager"), the asset manager of the REIT with its head office in Winnipeg, Manitoba, has operated within Western Canada for over 50 years. Winnipeg is a relatively stable multi-family rental market with low vacancy rates and is friendly to immigration. Manitoba, like many other provinces, has rent control, whereby rents are capped at a government specified percentage increase each year. For 2022 and 2023 those rental rate increases are zero (0) percent. However, 291 rental units of the Trust are exempt from rent control as they were constructed within the last 20 years. In addition, the Trust added 72 brand new units financed through the Canada Mortgage and Housing Corporation ("CMHC") Affordable Flex program, which will be subject to rent control for 10 years, in November 2021, showcasing the first CMHC affordable building in the Trust's portfolio.

Exchangeable Units were issued on November 15, 2021 to related parties of the Manager at a price of $1.15 when the unit price on the market was $0.90. The development and construction of multi-family properties by the Marwest Group gives the Trust a potential opportunity to purchase newly developed real estate in locations of interest to the Trust.



1 Non-IFRS Measures

**Management's Discussion and Analysis**
**For the year ended December 31, 2021**
**(Expressed in Canadian Dollars)**

**OVERVIEW**

The Trust is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated July 2, 2020, which was amended on April 30, 2021 pursuant to an amended and restated declaration of trust (the "Declaration of Trust"). The Trust was a closed-ended trust at December 31, 2020 and converted to an open-ended trust on April 30, 2021 pursuant to a resolution passed by the Board of Trustees.

The Trust owns and operates a portfolio of income-producing multi-family rental properties located in Western Canada. Marwest Apartment REIT is focused on becoming the leading Western Canadian multi-family REIT specializing in high quality, income producing properties. Headquartered in Winnipeg, Manitoba, the Trust targets favourable markets and leverages strong, active asset management and property management to drive unitholder returns.

The REIT's management team, the officers of the Manager, and the Trustees have over 100 years of combined experience in multi-residential real estate and collectively bring a strong combination of development, construction, management, and financing experience, along with significant governance expertise. The REIT has an external asset and property management agreement through the Marwest Group of Companies ("the Marwest Group"). The Marwest Group is a fully integrated real estate group that specializes in development, construction, and property management. Now in its third generation of operations, the Marwest Group has developed over 12,000 multi-family rental units, and currently manages over 2,400 multi-family rental units, providing the REIT with access to significant industry know-how and strong relationships in the industry. The REIT will continue to benefit from the expertise and strong infrastructure that is currently in place through the Marwest Group.

The Trust's Units are listed on the Toronto Venture Exchange ("TSX-V") under the symbol "MAR.UN".

The Trust's portfolio consists of three multi-family residential rental properties located in Winnipeg, Manitoba, comprising an aggregate of 363 rental units. 251 units were purchased on April 30, 2021 and are indirectly owned by MAR REIT L.P., a wholly owned subsidiary of the Trust which purchased all of the units of Marwest Apartments I L.P. and Marwest Apartments VII L.P. by issuing 1,759,673 Trust units and 9,812,063 Exchangeable Units at $1.00. Following the public offering which closed on August 10, 2021, the Trust completed the purchase of all the limited partnership units of Marwest (Element) Apartments L.P. which owns a 112 unit building in Winnipeg, Manitoba on November 15, 2021. The newly acquired property is indirectly owned by MAR REIT L.P. and was settled by issuing 1,029,211 Exchangeable Units at $1.15 to related parties of the Manager, and associates thereof, and cash of $1,183,602 to third parties.

The Trust did not have any investment operations in the comparable period as operations had yet to commence.

The Trust was established under the laws of Manitoba. The principal and registered office of the Trust is 500-220 Portage Avenue, Winnipeg, Manitoba.

**Current Portfolio**

The Trust's current portfolio consists of newer generation investment properties that were constructed in 2006 (103 units), 2017-2019 (148 units) and 2018-2021 (112 units). Newer generation portfolios typically require fewer maintenance expenses and capital expenditures compared to older generation portfolios and, in Manitoba, new generation rentals are generally exempt from rent control. The Manitoba Government has enacted a rental freeze in 2022 and 2023, whereby landlords are not permitted to increase rental rates outside of the rental guidelines, subject to certain exemptions. 291 of the 363 rental units that the Trust has acquired in 2021 are exempt from the rental freeze due to the date of construction of the buildings, and unrestricted financing agreements, and as such, the Trust will continue to adjust rental rates as the market allows.

**Future Acquisitions**

The relationship with the Marwest Group affords the Trust the potential opportunity to purchase properties developed by the Marwest Group. The independent Trustees will be responsible for the negotiation of the purchase price and other terms and conditions relating to the acquisition of any properties from the Marwest Group and/or any related parties or third parties with an interest in the asset.

The Trust will also seek third party acquisitions from other developers or owners of multi-family properties in target markets across Western Canada.

### Distribution

The Board of Trustees approved an ongoing cash distribution policy which provides for a monthly distribution in the amount of $0.00125 per unit ($0.015 per unit annually) payable on or about the 15th day of the month to Unitholders of record on the last day of the prior month, commencing December 31, 2021. The cash distribution policy may be amended, suspended or discontinued at any time.

### Business Strategy and Objectives

The objectives of the Trust are:

(a) to grow Unitholder value through capital investment strategies, and active asset and property management;
(b) to provide Unitholders with stable and predictable cash distributions that grow over the long term; and
(c) to grow the Trust's asset base across strategic markets through intensification and acquisition programs.

Management believes it can accomplish these objectives given access to the capital markets and the relationship that the Trust has with the Marwest Group.

### Declaration of Trust

The investment policies of the Trust are outlined in the Declaration of Trust, a copy of which is available on SEDAR. Some of the principal investment guidelines and operating policies set out in the Declaration of Trust are set out below:

- The Trust will focus on acquiring, holding, developing, maintaining, improving, leasing and managing income-producing rental assets within Canada and other jurisdictions the Trustees may determine from time to time;
- The Trust may make its investments and conduct its activities directly or indirectly, through an investment by way of joint ventures, co-ownerships, partnerships (general or limited) and limited liabilities companies;
- The Trust may invest in mortgages and mortgage bonds and similar instruments where: (i) the real property which is security for such mortgages and similar instruments is income producing real property which otherwise meets the other investment guidelines of the Trust; or (ii) the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value;
- Once the Gross Book Value reaches $300,000,000, the Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust would be more than 75% of Gross Book Value or, if determined by the Independent Trustees, in their sole and absolute discretion, more than 75% of the appraised value of the assets and properties of the Trust and its Subsidiaries instead of Gross Book Value;
- The Trust will follow prudent business practices when looking to acquire an investment property by way of obtaining appraisals, environmental reports, and sufficient insurance coverage.

As of March 15, 2022, the Trust was in compliance with its investment guidelines and operating policies.

The foregoing is a general summary only and is qualified entirely by the terms of the Declaration of Trust.

### Non-IFRS Measures

The Trust's financial statements are prepared in accordance with IFRS. The Trust's MD&A also contains certain non-IFRS measures commonly used by entities in the real estate industry as useful metrics for measuring performance. The non-IFRS measures used by the Trust as described below are not standardized measures under IFRS. Such non-IFRS measures disclosed by the Trust may not be comparable to similar financial measures disclosed by others. Readers are cautioned to not place undue reliance on such non-IFRS measures.

*Net Operating Income ("NOI")*
The Trust calculates net operating income (NOI) as revenue less property operating expenses such as utilities, repairs and maintenance and realty taxes. Charges for interest or other expenses not specific to the day-to-day operations of the Trust's properties are not included. The Trust regards NOI as an important measure of the income generated by income-producing properties and is used by management in evaluating the performance of the Trust's properties. NOI is also a key input in determining the value of the Trust's properties.

*Funds from Operations ("FFO")*
The Trust calculates FFO substantially in accordance with the guidelines set out in the white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS" by the Real Property Association of Canada ("REALpac") as revised in January 2022. FFO is defined as IFRS consolidated net income adjusted for items such as unrealized changes in the fair value of the investment properties, effects of puttable instruments classified as financial liabilities and changes in fair value of financial instruments and derivatives. FFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The Trust regards FFO as a key measure of operating performance.

*Adjusted Funds from Operations ("AFFO")*
The Trust calculates AFFO substantially in accordance with the guidelines set out in the white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS" by REALpac as revised in January 2022. AFFO is defined as FFO adjusted for items such as maintenance capital expenditures and straight-line rental revenue differences. AFFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The Trust regards AFFO as a key measure of operating performance. The Trust also uses AFFO in assessing its capacity to make distributions.

The following other non-IFRS measures are defined as follows:

- "FFO per unit" is calculated as FFO divided by the weighted average number of Units of the Trust and Exchangeable Units of MAR REIT L.P. (the "Partnership") outstanding over the period
- "AFFO per unit" is calculated as AFFO divided by the weighted average number of Units of the Trust and Exchangeable Units of the Partnership outstanding over the period
- "Run-rate FFO per unit" is defined as the budgeted FFO for 2022 divided by the weighted average number of Units of the Trust and Exchangeable Units of the Partnership outstanding over the period. Budgeted FFO for 2022 is based on management's best estimate of 2022 operating performance of the REIT based on the historical operating results and expected results of 2022 for the same properties.
- "Run-rate AFFO per unit" is defined as the budgeted AFFO for 2022 divided by the weighted average number of Units of the Trust and Exchangeable Units of the Partnership outstanding over the period
- "AFFO Payout Ratio" is the proportion of the total distributions on Trust Units and Exchangeable Units of the Partnership to AFFO per Unit
- "Net Asset Value per Unit" or "NAV per Unit" is calculated as the sum of Unitholders' Equity and Exchangeable Units divided by the sum of Trust Units, Exchangeable Units and Deferred Units outstanding at the end of the period
- "Debt-to-Gross Book Value ratio" is calculated by dividing total interest-bearing debt consisting of mortgages by total assets and is used as the REIT's primary measure of its leverage.
- "Debt Service Coverage ratio" is the ratio of NOI to total debt service consisting of interest expenses recorded as finance costs and principal payments on mortgages.
- "Liquidity ratio" is the ratio of current assets to current liabilities excluding Exchangeable Units.

## SUMMARY OF 2021 RESULTS AND OPERATIONS

### Commencement of Commercial Operations

In 2021, the REIT completed its Qualifying Transaction on April 30, 2021 with the acquisition of 251 rental units, 148 of which are townhome units, through the issuance of 9,812,063 Exchangeable Units of MAR REIT L.P. and 1,759,673 Trust Units, each Exchangeable and Trust Unit was issued at $1.00. On August 10, 2021 the REIT completed its first public offering where it issued 4,271,891 Trust Units at $1.10 with a warrant attached. Each warrant entitles the holder to purchase one Trust Unit of the REIT for $1.20 upon exercise within 12 months of issuance. On November 15, 2021 the REIT completed the acquisition of 112 townhome units through the issuance of 1,029,211 Exchangeable Units at $1.15 per Unit and cash of $1,183,602.

### Strong Occupancy and Cap-rate Compression Support $6 Million in Fair Value Gains

The REIT has reported an average 98% occupancy rate since the acquisition of each of its properties in the year ended December 31, 2021. The REIT reported $6,095,866 in Fair Value Gains on Investment Properties due to the weighted average capitalization rate reducing to 5% at December 31, 2021, supported by independent valuations and improvements in the market.

### Mortgage Interest Rates and Future Renewals

Two of the five mortgages that are held within the portfolio are currently financed without CMHC insurance, and they have terms expiring In October 2023 and January 2024. Management is optimistic that the REIT will be able to refinance these mortgages using CMHC-insured mortgages, which may provide more attractive mortgage terms.

### NAV per Unit[1]

The REIT reported a NAV per Unit[1] of $1.27.

### Asset Management Fees and Trustee Compensation

In 2021 the Manager, Marwest Asset Management Inc., waived all Asset Management Fees for 2021. Trustees were compensated their annual fees in Deferred Units, in accordance with the Equity Incentive Plan, while meeting fees were paid in cash.

## OUTLOOK

### Demand for Rental Units

The REIT expects the demand for rental housing to continue and potentially grow with the ending of the pandemic and government announced immigration targets. The REIT operates 260 townhome rental units, which are a differentiator compared to other rental units available in the market. Key features include exterior access doors for each unit, no common area hallways, one to four bedroom units, which fit a wide range of renters from students to large families.

### Age of Construction of Rental Units

The portfolio includes new generation rental units, which are exempt from rent control, excluding 72 units which were financed using the CMHC Affordable Flex program. Rental units exempt from rent control can continue to increase rents in periods where rental freezes are in effect and increase rents higher than rental guidelines where the market supports these increases. The age of the portfolio also results in lower capital expenditures than older buildings with more intensive capital repairs such as elevator replacement and exterior remediation. The REIT does renovate suites that require an upgrade, such as flooring, painting and stainless steel appliances.

### Future acquisitions

Future acquisitions are dependent on the availability of accretive acquisitions in target markets as well as the ability to raise capital to close on an acquisition. The relationship with the Marwest Group provides the REIT with direct acquisition opportunities.

## FINANCIAL OPERATIONS AND RESULTS

### Lease Payments and Collections

Management continues to see little downside in the multi-family rental market where the Trust’s properties are located during the pandemic. Rental collections have generally continued at pre-pandemic levels and occupancy rates remain high for the Trust’s multi-family rental properties.

Since April 30, 2021 the Trust’s portfolio has had an average occupancy rate of 98.49 percent.

### Liquidity

The Trust’s liquidity ratio[1] was 183.08 percent at December 31, 2021. The Trust’s Debt-to-Gross Book Value ratio[1] is 71.70 percent at December 31, 2021. The liquidity needs of the Trust are funded primarily by cash flows from operating the Trust’s investment properties. Cash flow from operations are dependent on occupancy rates, rental rates, collection of operating costs and the level of operating expenses.



1 Non-IFRS Measures

**(Expressed in Canadian Dollars)**

### Valuation

Fair value of residential properties is typically determined using the direct capitalization approach. Stabilized net operating income for each property is capitalized at an appropriate capitalization rate and then a deduction is made for certain capital expenditures that each property may require. Stabilized net operating income for each property is estimated as the 12-month property potential net operating income that it could generate at full occupancy, less a vacancy rate and stable operating expenses. Capitalization rates reflect the characteristics, location and market of each property. Fair value is determined based on external appraisals obtained and internal valuation models incorporating market data and valuations performed by external appraisers. At December 31, 2021 two of the properties were externally appraised. The weighted-average capitalization rate used at December 31, 2021 was 5 percent.

The Trust's investment properties are recorded at a fair value of $85,495,008 at December 31, 2021, the Trust recorded a fair value gain of $6,095,866 for the year ended December 31, 2021. The fair value gain was attributable to the decrease in the capitalization rate from the date of purchase to 5 percent at December 31, 2021 driven by the market demand for rental housing by renters and investors, supported by appraisals.

### Performance Measures

The following outlines the IFRS and non-IFRS measures that the Trust uses to measure performance for the year ended December 31, 2021:

| *Operations* | | |
|---|---|---|
| Number of properties | | 3 |
| Total multi-family units | | 363 |
| Total rentable square feet | | 339,995 |
| Average monthly rent per suite | $ | 1,510 |
| Weighted average occupancy rate | | 98.49% |
| Rent collection at December 31, 2021 | | 99.01% |

| *Financial Measures* | | |
|---|---|---|
| Revenue | $ | 3,339,846 |
| NOI [1] | | 2,022,976 |
| NOI Margin [1] | | 60.57% |
| FFO [1] | | |
| Net income and comprehensive income | | 9,215,064 |
| Distributions on Exchangeable Units | | 13,557 |
| Fair value gain on properties | | (6,095,866) |
| Fair value gain on unit-based compensation | | (13,935) |
| Fair value gain on warrant liability | | (405,830) |
| Fair value gain on exchangeable units | | (1,888,985) |
| FFO [1] | | 824,005 |
| Weighted average number of Units | | 12,090,883 |
| FFO/unit [1] | $ | 0.07 |
| | | |
| AFFO [1] | | |
| FFO [1] | $ | 824,005 |
| Capital expenditures | | (96,466) |
| Leasing costs | | (23,334) |
| AFFO [1] | | 704,205 |
| Weighted average number of Units | | 12,090,883 |
| AFFO/unit [1] | $ | 0.06 |
| AFFO payout ratio [1] | | 2.15% |



1 Non-IFRS Measures

**(Expressed in Canadian Dollars)**

FFO[1] and AFFO[1] for the year ended December 31, 2021 represents eight (8) months of active operations of the Brio and Kenwood properties which were acquired on April 30, 2021 and 47 days of active operations of the Element property which was acquired on November 15, 2021.

The Trust's updated estimated run-rate FFO per Unit[1] and AFFO per Unit[1] for 2022 is $0.0906 per Unit and $0.0832 per Unit, respectively.

The Trust previously disclosed in its Management Information Circular dated October 11, 2021 that it estimated that its run-rate FFO per Unit[1] and run-rate AFFO per Unit[1] for 2022 would be approximately $0.0873 and $0.0784 per Trust Unit, respectively, in the event that the Trust were to close on the Element acquisition. The Trust's prior estimate of run-rate AFFO for 2022 was based upon a number of assumptions, including: (i) that the Brio and Kenwood properties perform in line with management's expectations at the time; (ii) the payment of fees set out in management agreement with the Manager and management's expectations for other general and administrative expenses of the Trust.

The increase in the Trust's estimate of run-rate FFO per Unit[1] and AFFO per Unit[1] for 2022 is due primarily to due to changes in the properties operating budget and minor occupancy assumptions, as well as the fact that the Manager has agreed to waive 50 percent of its base asset management fee for 2022.

| ***NAV*** [1] | At December 31, 2021 |
|---|---|
| Unitholders' Equity | $15,893,174 |
| Exchangeable Units | 9,106,671 |
| ***NAV*** [1] | 24,999,845 |
| Trust Units | 8,831,564 |
| Exchangeable Units | 10,841,274 |
| Deferred Units | 53,595 |
| Total Units oustanding | 19,726,433 |
| ***NAV per unit*** [1] | $1.27 |

At December 31, 2021, NAV was $24,999,845 representing a NAV per unit of $1.27.

| ***Leverage:*** | | |
|---|---|---|
| Debt-to-Gross Book Value ratio [1]: | | |
| Total interest-bearing debt | $ | 65,546,453 |
| Total assets on balance sheet | | 91,419,876 |
| Debt-to-Gross Book Value ratio [1] | | 71.70% |
| Debt Service Coverage ratio [1]: | | |
| Net Operating Income for the year ended December 31, 2021 | $ | 2,022,976 |
| Mortgage payments for the year ended December 31, 2021 | | 1,495,169 |
| Debt Service Coverage ratio [1] | | 1.35 |
| Weighted average term to maturity on fixed rate debt | | 82.47 months |
| Weighted average interest rate on fixed debt | | 2.82% |

Total assets at December 31, 2021 are $91,419,876, the increase from December 31, 2020 is due to the acquisition of 363 multi-family rental units and the commencement of operations and due to the increase in fair value of the investment properties.

Total liabilities at December 31, 2021 include mortgages payable of $65,546,453 and $9,106,671 relating to outstanding Exchangeable Units.



1 Non-IFRS Measures

**(Expressed in Canadian Dollars)**

### Review of Financial Performance

The following tables highlight selected information for the Trust's portfolio for the year ended December 31, 2021:

| ***Summary of Statement of Net Loss*** | | |
|---|---|---|
| Revenue from investment properties | $ | 3,339,846 |
| Property operating expenses | | (949,549) |
| Realty taxes | | (367,321) |
| Net Operating Income [1] | $ | 2,022,976 |
| NOI Margin [1] | | 60.57% |
| General and administrative | | (438,461) |
| Finance costs | | (774,067) |
| Fair value gain on: | | |
| Investment properties | | 6,095,866 |
| Unit-based compensation | | 13,935 |
| Warrants liability | | 405,830 |
| Exchangeable Units | | 1,888,985 |
| Net Income and Comprehensive Income | $ | 9,215,064 |

***Net operating income***
Since commencing commercial operations on April 30, 2021, the NOI of the Trust was $2,022,976.

Revenue from investment properties consists of rental revenue from residential lease agreements, parking revenue and other property revenue.

***General and administrative expenses***
General and administrative expenses relate to the administration of the Trust, including: legal fees, audit fees, Trustee compensation, other public company costs.

***Finance costs***
Finance costs comprise of interest expense on mortgages payable; amortization of financing charges and mark-to-market adjustments on the mortgages payable, and is offset by interest income.

| ***Summary of Finance costs*** | | Year ended December 31, 2021 |
|---|---|---|
| Interest on mortgages | $ | 862,002 |
| Amortization of financing charges | | 14,905 |
| Amortization of CMHC fees | | 21,948 |
| Amortization of mark-to-market adjustments | | (129,671) |
| Distribution on Exchangeable Class B Units | | 13,557 |
| Interest income | | (8,674) |
| Total | $ | 774,067 |

***Fair value gain on Exchangeable Units***
The Exchangeable Units are issued by MAR REIT L.P. The Exchangeable Units are economically equivalent to Trust Units, in that a holder is entitled to receive cash distributions from MAR REIT LP equal to the cash distributions paid on Trust Units and are exchangeable into Trust Units at the holder's option on a one-for-one basis (subject to customary anti-dilution adjustments). The Exchangeable Units are classified as financial liabilities of the Trust and measured at fair value with any changes in fair value recorded in net income. The fair value gain or loss on the Exchangeable Units is measured every period by reference to the closing trading price of the Trust Units. An increase in the Trust Unit closing price over the period results in a fair value loss, whereas a decrease in the Trust Unit closing price results in a fair value gain.

For the year ended December 31, 2021, the market price of the Trust Units decreased from the issued prices of $1.00 at April 30, 2021 and $1.15 at November 15, 2021, to the December 31, 2021 market price of $0.84 per unit, resulting in a fair value gain of $1,888,985.



1 Non-IFRS Measures

**(Expressed in Canadian Dollars)**

**Assessment of Financial Position**

***Investment Properties***
The following table summarizes the changes in investment properties for the year ended December 31, 2021:

| *Summary of Changes in Investment Properties* | | |
|---|---|---|
| Operating balance | $ | - |
| Additions: | | |
| Acquisitions of investment properties | | 79,279,342 |
| Capital expenditures | | 96,466 |
| Direct leasing costs | | 23,334 |
| Fair value gain | | 6,095,866 |
| Closing balance | $ | 85,495,008 |

Capital expenditures incurred related to suite upgrades.

***Valuation***
Under the direct capitalization approach the estimated 12 month stabilized forecasted net operating income is utilized on the individual properties, less estimated aggregate future capital expenditures to determine fair value. Capitalization rates fluctuate based on market conditions, such as the demand for rental housing and interest rates. The weighted-average capitalization rates for the properties were 5 percent at December 31, 2021.

***Exchangeable Units***
The holders of Exchangeable Units are entitled to receive cash distributions from MAR REIT L.P. equivalent to the cash distributions that the Trust's pays to the holders of Trust Units and are exchangeable into Trust Units at the holder's option on a one-for-one basis (subject to customary anti-dilution adjustments). One Special Voting Unit in the Trust is issued to the holder of Exchangeable Units for each Exchangeable Unit held. The limited IAS 32 exception for presentation as equity does not extend to Exchangeable Units. As a result, the Exchangeable Units are classified as financial liabilities.

At December 31, 2021 there were 10,841,274 Exchangeable Units and 10,894,869 Special Voting Units outstanding. The outstanding Special Voting Units include:

- Special Voting Units accompanying Deferred Units issued on or before December 31, 2021
- Special Voting Units accompanying Exchangeable Units of MAR REIT L.P. issued on or before December 31, 2021

***Mortgages Payable***
The Trust's mortgages are at fixed interest rates that are secured by the investment properties. The mortgages bear interest at a weighted average contractual interest rate of 2.82 percent and mature at dates between October 2023 and December 2031.

***Trust Units***
The Declaration of Trust authorizes the issue of an unlimited number of Trust Units. As at December 31, 2021, there were 8,831,564 Trust Units outstanding with a carrying value of $6,791,350 and 4,271,891 warrants outstanding.

**Liquidity, Capital Resources and Contractual Commitments**

The Trust's capital structure at December 31, 2021 is set out in the table below:

| | | |
|---|---|---|
| Exchangeable Units | $ | 9,106,671 |
| Warrants | | 21,359 |
| Unit based compensation liability | | 45,020 |
| Mortgages | | 65,546,453 |
| Unitholders' equity | | 15,893,174 |
| Total | $ | 90,612,677 |

The Exchangeable Units are economically equivalent to Trust Units and are exchangeable for Trust Units on a one-for one basis (subject to customary anti-dilution adjustments) at the Exchangeable Unitholders' option. The limited IAS 32 exception for presentation as equity does not extend to the Exchangeable Units. Exchangeable Units are not indebtedness for the purposes of Debt-to-Gross Book Value ratio and therefore are not included in the determination of Debt-to-Gross Book Value ratio.



1 Non-IFRS Measures

**(Expressed in Canadian Dollars)**

The Trust expects to be able to meet all of its current ongoing obligations and expects to finance future acquisitions by issuing equity and using leverage as needed. Liquidity is also expected to be provided by cash flow from operations.

### Cash Flows and Use of Funds

| | | Year ended December 31, 2021 |
|---|---|---|
| Cash provided by operating activities | $ | 690,492 |
| Cash provided by investing activities | | 83,205 |
| Cash provided by financing activities | | 2,971,946 |
| Change in cash during the period | $ | 3,745,643 |

Until April 30, 2021, the Trust was a "capital pool company" under the policies of the TSX Venture Exchange ("TSX-V") with limited operating activities before completing the qualifying transaction on that date.

## QUARTERLY RESULTS AND DISCUSSION OF Q4 OPRATIONS

### Summary of Quarterly Results

A three-quarter trend highlighting key operating results is shown below:

| | 2021 | | | | | |
|---|---|---|---|---|---|---|
| | | Q4 | | Q3 | | Q2 |
| Property revenue | $ | 1,407,298 | $ | 1,153,245 | $ | 778,955 |
| NOI [1] | $ | 816,075 | $ | 713,676 | $ | 492,877 |
| Net Income | $ | 4,374,004 | $ | 5,366,130 | -$ | 510,871 |
| FFO[1] | $ | 384,929 | $ | 240,720 | $ | 212,555 |
| FFO per Unit[1] | $ | 0.02 | $ | 0.01 | $ | 0.03 |
| AFFO[1] | $ | 365,244 | $ | 184,030 | $ | 169,130 |
| AFFO per Unit[1] | $ | 0.02 | $ | 0.01 | $ | 0.03 |
| Weighted average number of units outstanding | | 19,158,233 | | 16,786,283 | | 10,365,358 |

Reporting of the quarterly trend includes only those quarters where commercial operations existed, there were no commercial operations prior to Q2 2021.

For the three months ended December 31, 2021 the REIT saw an increase in NOI due to the acquisition of the Element property.

There is no comparative same property information to report as commercial operations commenced on April 30, 2021 and no comparable information exists.

The REIT reported occupancy of 98.05% for the three months ended December 31, 2021 and NOI of $816,423

A summary of the results from operations are below:

| **For the three months ended December 31, 2021** | | |
|---|---|---|
| Revenue from investment properties | $ | 1,407,646 |
| Expenses: | | |
| Property operating expenses | | 431,927 |
| Realty taxes | | 159,296 |
| Total operating expenses | | 591,223 |
| NOI[1] | $ | 816,423 |
| Operating margin % | | 58.00% |



1 Non-IFRS Measures

## ACCOUNTING ESTIMATES AND POLICIES, CONTROLS AND PROCEDURES AND RISK ANALYSIS

### Critical Judgments in Applying Accounting Policies

The following are the critical judgments that have been made in applying the Trust's accounting policies:

***Investment Property Acquisitions***
The Trust must assess whether an acquisition transaction should be accounted for as an asset acquisition or a business combination under IFRS 3. This assessment requires Management of the Trust to make judgments on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, are capable of being conducted and managed as a business and the Trust obtains control of the business.

***Income Taxes***
The Trust is a mutual fund trust and a real estate investment trust as defined in the *Income Tax Act* (Canada). The Trust is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to Unitholders each year. The Trust is a real estate investment trust for the purposes of the *Income Tax Act* (Canada) if it meets the prescribed conditions under the *Income Tax Act* (Canada) relating to the nature of its assets and revenue. The Trust uses judgment in reviewing the real estate investment trust conditions and assessing their interpretation and application to the Trust's assets and revenue, and has determined that it qualifies as a real estate investment trust for the current period.

***Critical Accounting Estimates and Assumptions***
The Trust makes estimates and assumptions that affect the carrying amounts of assets and liabilities and the reported amount of income for the period. Actual results could differ from estimates. The estimates and assumptions that the Trust considers critical include the valuation of residential investment properties. In applying the Trust's policy with respect to investment properties, estimates and assumptions are required to determine the valuation of the properties under the fair value model.

The Trust has used the best information available as at December 31, 2021, in determining the potential impact of the COVID-19 pandemic on the carrying amounts of assets and liabilities, earnings for the period and risks disclosed in the consolidated financial statements for the year ended December 31, 2021. The estimates that could be most significantly impacted by COVID-19 include those underlying the valuation of investment properties. Actual results may differ from those estimates.

### Risks and Uncertainties

The Trust faces a variety of risks, many of which are inherent in the real estate business. They include, but are not limited to, the following:

***Operating History***
The Trust has just commenced operations in 2021 and does not have an operating history. The Trust's growth is dependent on identifying and acquiring investment properties that are accretive to AFFO per Unit[1] and FFO per Unit[1].

***Real Estate Industry Risk***
Risks in the real estate industry include changes in general economic conditions (such as the availability and cost of mortgage financing), local conditions (such as an oversupply of space or a reduction in the demand for real estate in the area), government regulations (such as new or revised residential tenancies legislation), the attractiveness of the properties to tenants, competitors in the area, as well as the ability to find and maintain tenancies where the tenants have stable employment, which is a risk during the COVID-19 pandemic.

Real estate is relatively illiquid, with the degree of liquidity fluctuating in relation to demand for the perceived desirability of the assets. Such illiquidity may limit the Trust's ability to vary its portfolio promptly in response to changing economic, investment or other conditions. If it were necessary to accelerate the liquidation of the Trust's investment properties, the proceeds may be significantly less than the fair market value of its properties. The Trust is currently operating in a concentrated geographic area, which increases the risk if a downturn in the local conditions of the area in which the Trust's investment properties are located.

The Trust is exposed to significant expenditures, such as property taxes, utilities, insurance and mortgage payments. These cost have very little fluctuations based on occupancy rates of the investment properties. As stated, the Trust's properties require significant mortgage payments, and if the Trust were unable to meet the mortgage payment obligations, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale.

The Trust owns newer generation properties which require ongoing maintenance and enhancements for the benefit of our residents. Management does not expect to incur significant capital expenditures over the coming twelve months.



1 Non-IFRS Measures

***Property Acquisition Risk and Access to Capital***
The Trust's growth is dependent on identifying and acquiring additional investment properties. If the Trust cannot complete further acquisitions it may have a negative impact on the ability to generate stable cash flows and will likely impact the ability of the Trust to increase cash distributions in the future. The current market to acquire multi-family properties is very competitive, thereby increasing purchase prices and decreasing yields. Competitors may have access to greater financial resources than those of the Trust. The Trust may require additional financing or capital raises to complete acquisitions which may or may not be available The Trust anticipates the relationship with the Marwest Group will provide the Trust with potential future acquisition opportunities.

The Trust needs access to capital markets in order to continue to acquire properties and/or restructure mortgage debt. There can be no assurances that the Trust will have access to sufficient capital or access to capital on favourable terms for future property acquisitions, financing or refinancing purposes, or funding operating expenses. Failure of the Trust to access required capital could have a material adverse effect on the Trust's business, cash flows, financial condition and financial performance and ability to make distributions to Unitholders.

***Changes in Legislation***
The Trust is subject to laws and regulations governing the ownership and leasing of real property, landlord/tenant relationships, employment standards, environmental matters, taxes and other matters, including laws and regulations imposing restrictions to limit the spread of the COVID-19 pandemic and laws and regulations limiting rent increases and imposing restrictions on evictions during the COVID-19 pandemic. It is possible that future changes in applicable federal, provincial, municipal or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirement affecting the Trust (including with retroactive effect). Any changes in the laws to which the Trust is subject could materially adversely affect the Trust's rights and title to its assets or its ability to carry on its business in the ordinary course.

***Risks Associated with External Asset and Property Management Agreement***
The Trust relies on the Manager and it's affiliates with respect to the management of the Trust's assets and the management of the Trust's properties. If the Trust were to lose the services provided by the Manager and it's affiliates, the Trust may experience an adverse impact on its business operations. The Trust may be unable to duplicate the quality and depth of the services available to it by handling such services internally or by retaining another service provider.

***Litigation***
The Trust may become directly or indirectly involved in legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and as a result could have a material adverse effect on the Trust's assets, liabilities, business, financial condition and performance. Even if the Trust prevails in such proceedings, the cost and diverted time of management could negatively impact the Trust.

***Valuations of Properties***
The valuation of Investment Properties by internal valuation techniques or externally acquired appraisals is an estimate of market value and caution should be used in evaluating data with respect to appraisals. It is an estimate of value based on information gathered in the investigation, internal valuation/appraisal techniques employed and reasoning both quantitative and qualitative, leading to an opinion of value. Internal valuations and appraisals are based on various assumptions of future expectations of property performance and while the internal valuation team/appraiser's internal forecast of net income for the properties appraised are considered to be reasonable at that time, some of the assumptions may not materialize or may differ materially from actual experience in the future. Internal valuations and/or appraisals are not guarantees of future value and there is no assurance that an internally derived or appraised value actually reflects an amount that would be realized upon a current or future sale of any of the properties or that any projections included in the internal valuation or appraisal will be attainable. In addition, as prices in the real estate market fluctuate over time in response to numerous factors, the value of the property as shown in an internal valuation or appraisal may be an unreliable indication of its current market value.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Trust Units may trade at a premium or a discount to values implied by internal valuations or appraisals.

***General Uninsured Losses***
The Trust carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are certain types of risks which are uninsurable or not economically insurable. Should an uninsured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and would continue to
be obligated to repay any recourse mortgage indebtedness on such properties. There is a risk that any significant increase in insurance costs will impact negatively upon the profitability of the Trust.

***Key Personnel***
The Trust's executive officers have a significant role in the Trust's success and oversee the execution of the Trust's strategy. The Trust's ability to retain its management team or attract suitable replacements should any members of the management team leave is dependent on, among other things, the competitive nature of the employment market.

***Tax-related Risks***
1. Mutual Fund Trust Status – The Trust intends to qualify at all relevant times as a "mutual fund trust" for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders.
2. The REIT Exception – Canadian tax legislation relating to the federal income taxation of "specified investment flow through" trusts or partnerships provided that certain distributions from a SIFT will not be deductible in computing the SIFT's taxable income and that the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. However, distributions paid by a SIFT as return of capital should generally not be subject to tax. Under the SIFT rules, the taxation regime will not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Exception"). The REIT Exception is comprised of a number of technical tests and the determination as to whether the Trust qualifies for the REIT Exception in an particular taxation year can only be made with certainty at the end of that taxation year. The Trust expects to qualify for the REIT Exception in 2021 and subsequent taxation years, such that it will be exempt from the SIFT rules. However, no assurances can be given that the Trust will satisfy the REIT Exception in any particular year. If the SIFT rules apply to the Trust, they may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.
3. Non-resident ownership – Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably considered that the trust was established or is maintained primarily for the benefit on Non-Residents, except in limited circumstances. Accordingly, the Declaration of Trust provides that Non-Residents may not be the beneficial owners of more than 49% of the Trust Units (determined on a basic or fully-diluted basis). The Trustees also have various powers that can be used for the purpose of monitoring and controlling the extent of a Non-Resident ownership of the Trust Units.
4. Tax-Basis of Acquired Properties – The partnership has acquired, and may from time to time in the future acquire, certain properties on a fully or partially tax-deferred basis, such that the tax cost of these properties will be less than their fair market value. If one or more of such properties are disposed of, the gain realized by the Partnership for tax purposes (including any income inclusions arising from the recapture of previously claimed CCA on depreciable property) will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values. For the purpose of claiming CCA, the UCC of such properties acquired by the Partnership will be equal to the amounts jointly elected by the Partnership and the transferor on a tax-deferred acquisition of such property. The UCC of such property will be less than the fair market value of such property. As a result, the CCA that the Partnership may claim in respect of such properties will be less than it would have been if such properties had been acquired with a tax cost basis equal to their fair market values.
5. General taxation – There can be no assurance that Canadian federal or provincial tax laws, the judicial interpretation thereof, or the administrative and assessing practices and policies of the Canada Revenue Agency, the Department of Finance (Canada) and any other tax authority or tax policy agency will not be changed in a manner that adversely affects the Trust, its affiliates or Unitholders, or that any such taxing authority will not challenge tax positions adopted by the Trust and its affiliates. Any such change or challenge could increase the amount of tax payable by the Trust or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

***Financial Risk Management***
In the normal course of business, the Trust is exposed to a number of risks that can affect its operating performance.

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

*i) Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other price risk.

Interest rate risk is the risk that changes in market interest rates will affect the Trust's financial instruments. As of December 31, 2021, the Trust's mortgages bore interest at fixed rates.

Management monitors anticipated interest rate changes and mitigates the negative impact of interest rate increases by locking in interest rates early where applicable.

The Trust's financial statement presentation currency is in Canadian dollars. Operations are located in Canada and the Trust has limited operational transactions in foreign-denominated currencies. As such, the Trust has no significant exposure to currency risk.

Other price risk is the risk of variability in fair value due to movements in equity prices or other market prices such as commodity prices and credit spreads.

**(Expressed in Canadian Dollars)**

The Trust is exposed to other price risk on its Exchangeable Units. A 1% change in the prevailing market price of the Exchangeable Units as at December 31, 2021 would have a $91,067 change in the fair value of the Exchangeable Units.

*ii) Credit risk*

Credit risk is the risk that tenants may experience financial difficulty and be unable to fulfill their lease commitments. An allowance for impairment is taken for all expected credit losses.

Management mitigates this risk by carrying out appropriate due diligence on the prospective tenant and obtaining security deposits. Management monitors the collection of residential rent receivables on a regular basis with strict procedures that fall within the provincial regulations designed to minimize credit loss in the case of non-payment. The risk of exposure to credit risk is generally limited to the carrying amount of the financial statements.

The Trust's maximum exposure to credit risk is equivalent to the carrying value of each class of financial asset as separately presented in cash and accounts and other receivables.

Management assesses the impairment of tenant receivables on an individual basis and uses the simplified approach measure expected credit losses; this will be at the lifetime expected credit losses associated with the arrangement.

Management determines that an amount receivable is credit impaired based upon previous collection history, as well as forward looking information where available regarding economic trends in the tenant's industry and the region the tenant is in. Impairment losses are recognized in the consolidated statement of income and comprehensive income within investment properties operating expenses.

*(iii) Liquidity risk*

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities, such as refinancing mortgages as they become due.

An analysis of the contractual cash flows at December 31, 2021 associated with the Trust's material financial liabilities is set out below:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 and thereafter | Total |
|---|---|---|---|---|---|---|
| Mortgages payable - principal and interest | $ 3,159,848 | $ 15,237,875 | $ 8,065,532 | $ 2,028,236 | $ 47,185,221 | $ 75,676,712 |
| Accounts payable and accrued liabilities | 395,718 | - | - | - | - | 395,718 |
| Security deposits | 396,198 | 15,283 | - | - | - | 411,481 |
| | $ 3,951,764 | $ 15,253,158 | $ 8,065,532 | $ 2,028,236 | $ 47,185,221 | $ 76,483,911 |

## RELATED PARTY TRANSACTIONS

In the normal course of operations, the Trust enters into various transactions with related parties. In addition to the related party transaction disclosed elsewhere in the consolidated financial statements, related party transactions include:

| | Year ended December 31, 2021 |
|---|---|
| Property management fees | $ 141,386 |
| Salary reimbursement | 91,588 |
| Board compensation | 69,002 |

On July 2, 2020, the Trust issued 800,000 Trust Units to certain seed Unitholders, including Trustees, Officers and related parties of the Trust, at $0.25 per Unit for gross proceeds of $200,000.

On April 30, 2021, in conjunction with the closing of the qualifying transaction, 4,006,308 Exchangeable Units of MAR REIT L.P. and 168,965 Trust Units were issued to related parties of the Trustees, officers and related parties of the Trust and family members thereof and associates of the foregoing. On November 15, 2021, in conjunction with the closing of the Marwest (Element) Apartments L.P. acquisition, 1,029,211 Exchangeable Units of MAR REIT L.P were issued to related parties of the Manager.

On April 30, 2021, the Trust and the Manager entered into a management agreement with a term of ten years, with subsequent renewal periods for further five-year terms, relating to various asset management and property management services. On April 30, 2021, a sub-agreement between the Manager and Marwest Management Canada Ltd., a company under common control, was entered into for the property management of Marwest Apartments I L.P. and Marwest Apartments VII L.P. On November 15, 2021, a sub-agreement between the Manager and Marwest Management Canada Ltd. was entered into for the property management of Marwest (Element) Apartments L.P.

During the period ended December 31, 2021, the Board of Trustees were issued an aggregate of 53,595 Deferred Units at an aggregated value of $58,955. The Trustees were also remunerated $1,000 per board meeting subsequent to the completion of the qualifying transaction on April 30, 2021, for a total of $10,047.

## CONTINGENCIES AND COMMITMENTS

The Trust is subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the consolidated financial statements of the Trust.

## FUTURE CHANGES IN ACCOUNTING STANDARDS

The following accounting standards under IFRS have been issued or revised, however are not yet effective and as such have not been applied by the Trust.

### Classification of Liabilities as Current or Non-Current

On January 23, 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. The amendments apply to annual reporting periods beginning on or after January 1, 2023, earlier adoption is permitted.

The amendments to IAS 1 affect only the presentation of liabilities in the balance sheet and seek to clarify that the classification of liabilities as current or non-current should be based on the rights that are in existence at the end of the reporting period. Further, the amendments make clear that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and that the settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The Trust intends to adopt the amendments in its consolidated financial statements beginning on January 1, 2023 when the amendments become effective. The Trust is assessing the potential impact of the amendments, however does not expect them to have a material impact on the Trust's financial statement.

## SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2021:

i. On each of January 17, 2022 and February 15, 2022 the REIT paid monthly distributions of $0.00125 per Trust Unit. Holders of the Exchangeable Units were also paid a distribution of $0.00125 per Unit.
ii. On February 15, 2022, the REIT declared a distribution of $0.00125 per Trust Unit, payable on March 15, 2022 to Unitholders of record as of the close of business on February 28, 2022. Holders of the Exchangeable Units will also be paid a distribution of $0.00125 per Unit.