Marwest Apartment Real Estate Investment Trust

Management's Discussion and Analysis

For the year ended December 31, 2022

(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 audited consolidated financial statements ("financial statements") and notes thereto for the year ended December 31, 2022 and 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 derived from the financial statements has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

The Trust's board of trustees (the "Board") approved the content of this MD&A on March 23, 2023. Disclosure in this document is current to that date unless otherwise stated. Additional information relating to the Trust can be found on the SEDAR 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.

Risk Factors

Risks include the risks identified in this MD&A as well as those identified in the REIT's latest annual information form available on the REIT's profile on SEDAR. 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 the holder ("Unitholder") of trust units ("Trust Units") 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 516 new generation apartment units in Winnipeg, Manitoba, 363 units were acquired in 2021 and 153 units were acquired in 2022. The Marwest Group of Companies (the "Marwest Group"), which are companies under common control with Marwest Asset Management Inc. (the "Manager"), the asset manager of the REIT, have operated within Western Canada for over 50 years. Management believes Winnipeg is a relatively stable multi-family rental market with relatively 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. Rental rate increases for 2022 and 2023 are zero percent. However, 291 rental units of the Trust are exempt from rent control as they were constructed within the last 20 years, the exempt period in Manitoba, and do not have restrictive financing agreements with the Canada Mortgage and Housing Corporation

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.

OVERVIEW

The REIT is an unincorporated real estate investment trust governed by the an amended and restated declaration of trust dated April 30, 2021 (the "Declaration of Trust") and by the laws of the Province of Manitoba. The REIT was formed on July 2, 2020 under the name "Marwest Apartment Real Estate Investment Trust" and converted to an open ended trust effective April 30, 2021. Accordingly, as the Trust commenced commercial operations on April 30, 2021, therefore there is limited comparability between the year ended December 31, 2022 and 2021.

The authorized equity and voting securities of the REIT are comprised of Trust Units and special voting units ("Special Voting Units"). The Trust Units are listed and posted for trading on the TSX Venture Exchange under the symbol "MAR.UN".

The Trust's portfolio consists of four multi-family residential rental properties located in Winnipeg, Manitoba, comprising an aggregate of 516 rental units (three multi-family residential and 363 units at December 31, 2021): (i) the 74 unit multi-family rental apartment property located at 160 Eaglewood Drive in Winnipeg, Manitoba (the "Brio Phase I Property") and the 74 unit multi-family rental apartment property located at 140 Eaglewood Drive in Winnipeg, Manitoba (collectively, the "Brio Property"); (ii) the 103 unit multi-family rental apartment property known as "Kenwood Court" located at 333-337 Warde Avenue in Winnipeg, Manitoba (the "Kenwood Property"); (iii) the forty (40) unit multi-family rental apartment property located at 85 Fiorentino Street in Winnipeg, Manitoba; and the seventy-two (72) unit multi-family rental apartment property located at 30 El Tassi Drive in Winnipeg, Manitoba (collectively, the "Element Property") and (iv) the 153 unit multi-family rental apartment located at 2766 Main Street in Winnipeg, Manitoba (the "Prairie View Pointe Property").

MAR REIT LP (the "Partnership") beneficially owns the Prairie View Pointe Property directly and indirectly beneficially owns the Brio Property, the Kenwood Property and the Element Property through Marwest Apartments VII L.P. ("Brio LP"), Marwest Apartments I L.P. ("Kenwood LP") and Marwest (Element) Apartments L.P. ("Element LP"), respectively, each of which is a limited partnership formed under the laws of the Province of Manitoba. The Partnership also owns all of the shares of Marwest Apartments VII G.P. Ltd., Marwest Apartments I G.P. Ltd. and Marwest (Element) Apartments G.P. Inc., which are the general partners of Brio LP, Kenwood LP and Element LP, respectively. Legal title to each of the REIT's properties is held through separate bare trustee corporations owned by the Partnership (in the case of the Prairie View Pointe Property) and, in respect of the Brio Property, the Kenwood Property and the Element Property, owned by Brio LP, Kenwood LP and Element LP, respectively.

The Partnership is a limited partnership formed under the laws of the Province of Manitoba and governed by the limited partnership agreement dated April 19, 2021. The authorized equity and voting securities of the Partnership are comprised of Class A limited partnership units of the Partnership, all of which are owned by the REIT, and Class B limited partnership unit of the Partnership, exchangeable on a one-for-one basis (subject to customary anti-dilution adjustments) for a Trust Unit of the REIT at the election of the holder ("Exchangeable Units"), which are held by certain former owners of securities or other property acquired by the Partnership and which are exchangeable for Trust Units on a one-for-one basis.

The Trust's management team, the officers of the Manager, and the trustees of the Trust ("Trustees") have over 100 years of combined experience in multi-family 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. The REIT will continue to benefit from the expertise and strong infrastructure that is currently in place through the Marwest Group.

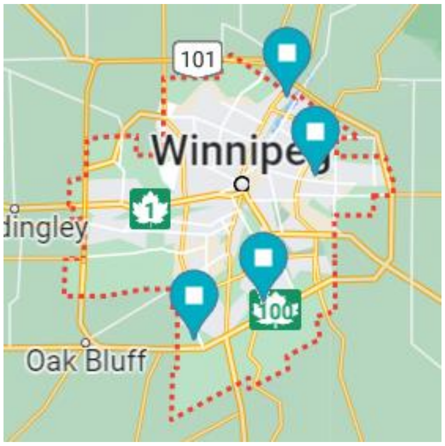
The Trust owns and operates a portfolio of income-producing multi-family rental properties located in Western Canada. The REIT is focused on becoming a leading Western Canadian multi-family REIT specializing in high quality, income-producing properties.

The Trust commenced operations on April 30, 2021, thus reporting eight months of commercial operations in the year ended December 31, 2021.

During 2022, the Trust acquired 153 units in Winnipeg, Manitoba. The Trust assumed the existing mortgage which had an interest rate of 2.99 percent, significantly lower than interest rates at the time of acquisition. Throughout 2022 Management increased occupancy rates in the portfolio and successfully managed rising operating costs.

Current Portfolio

The Trust's current portfolio consists of newer generation investment properties that were constructed in 2006 (103 units), 2017-2019 (148 units), 2018-2021 (112 units) and 2021 (153 units). Newer generation portfolios typically require lower maintenance expenses and capital expenditures compared to older generation portfolios and, in Manitoba, new generation rentals are 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. Of the 516 rental units that the Trust has acquired since 2021, 291 are exempt from the rental freeze due to the age of the buildings, and unrestricted financing agreements, and as such, the Trust will continue to adjust rental rates as the market allows.



Location of Investment Properties owned by the Trust at December 31, 2022

The Trust's investment properties include thoughtful resident centred amenities, including clubhouses and on-site fitness facilities.

Brio Brownstones Clubhouse featured below

Prairie View Pointe Property games and movie room featured below

At December 31, 2022, the Trust's portfolio included 260 townhome units which differ from standard apartment units. These townhomes are characterized by private exterior entrances to each suite, eliminating all common hallways; Townhome residences have more of a homeownership feel. Modern finishings appeal to renters, with prime locations along transit routes, near shopping and schools. The rental suites owned by the Trust are pet-friendly, appealing to a broad section of renters within in the market.

2022 Acquisition

On October 31, 2022, the Trust completed the acquisition of the Prairie View Pointe Property. This culminated the Trust's first third party acquisition. The Trust was able to transact on the property through assumption of the existing mortgage, refinancing of current debt and utilizing cash on hand. The Trust's ability to close on a transaction during the current economic environment with rising interest, inflation at a 40 year high and decreased activity in the equity capital markets, supports the Board and Management's intent to continue to grow the Trust and increase Unitholder value.

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 approved an ongoing cash distribution policy which provides for a monthly distribution in the amount of $0.00125 per Trust Unit ($0.015 per Trust 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 future potential 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 liability 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 the greater of: (a) the value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (b) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations ("**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 23, 2023, 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. Reconciliations of these non-IFRS measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are included within the Financial Operations and Results section.

Net Operating Income ("NOI")
The Trust calculates net operating income 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 (loss) 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 Trust Units and Exchangeable Units of the Partnership outstanding over the period.
- "AFFO per unit" is calculated as AFFO divided by the weighted average number of Trust Units 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.

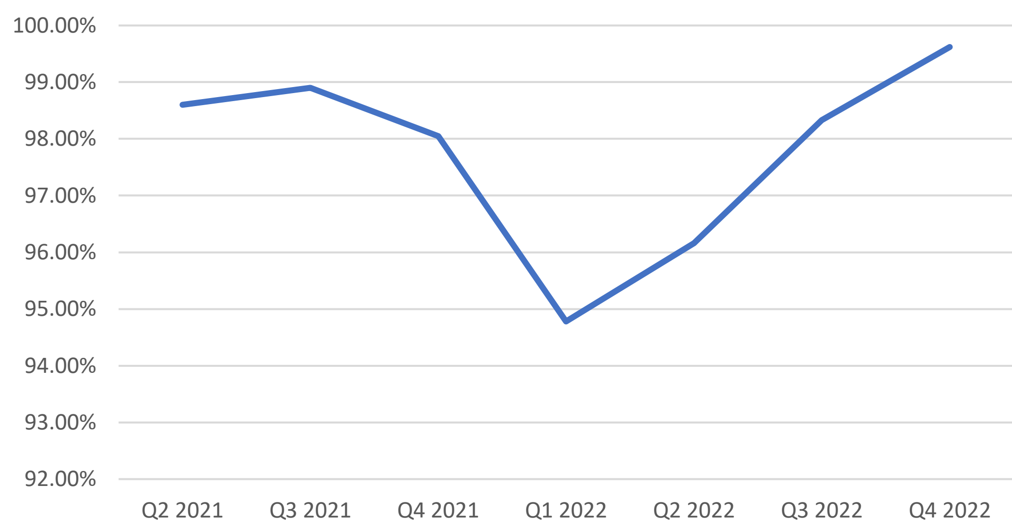
- "Liquidity ratio" is the ratio of current assets to current liabilities excluding Exchangeable Units.
- "Stabilized net operating income" is the estimated 12-month net operating income that a property could generate at full occupancy, less a vacancy rate and stable operating expenses.

SUMMARY OF 2022 RESULTS AND OPERATIONS

Occupancy Rates

The REIT has reported an average 99.62% occupancy for the three months ended December 31, 2022 (97.87% for the three months ended December 31, 2021) and 97.23% for the year ended December 31, 2022 (98.49% for the year ended December 31, 2021).

Occupancy Summary by Quarter



Due to a significant number of tenant leases expiring at the end of Q4 2021 the Trust experienced high vacancy in Q1 2022. Q1 2022 was also accompanied by very cold weather with high amounts of snowfall, which resulted in decreased interest in viewings and in turn a lack of new leases during this period. Management offered incentives during this period to lease the vacant suites and staggered lease expiration dates to smooth the high lease expirations over multiple months.

Mortgage Interest Rates and Future Renewals

At December 31, 2022 two of the seven mortgages that are held within the portfolio are currently financed without CMHC insurance, one with a term expiring in January 2024. In Q3 2022, the conventional mortgage, secured by the Brio Phase 1 Property, was refinanced early (expiry was October 2023) with a CMHC-insured mortgage at a rate of 3.92% and a 40 year amortization period. In Q4 2022, the Kenwood Property obtained a second mortgage with conventional financing with a rate of 5.59% and a 25 year amortization period, the second mortgage matures November 1, 2027.

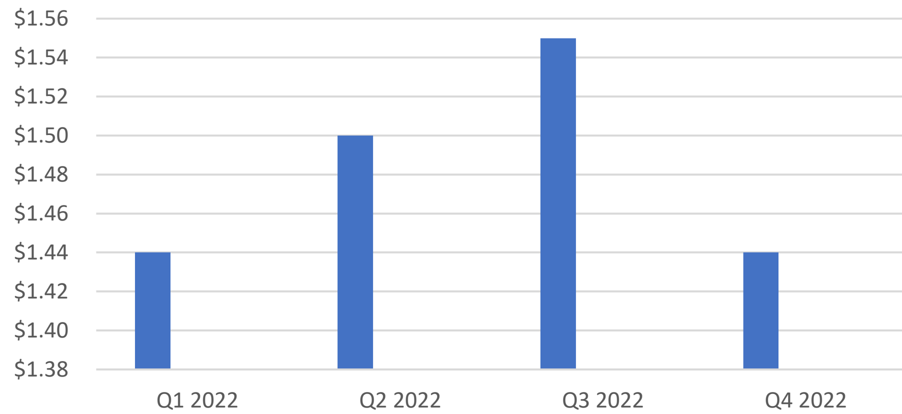
Upon closing the acquisition of the Prairie View Pointe Property the REIT assumed the CMHC-insured mortgage that was in place. The assumed mortgage has a rate of 2.99% and a 40 year amortization period, maturing July 1, 2027.

NAV per Trust Unit[1]

The REIT reported a NAV per Unit[1] of $1.44 (December 31, 2021 - $1.27). The overall increase in NAV[1] was due to the implementation of the Normal Course Issuer Bid ("NCIB"), increase in market value of the Exchangeable Units, accompanied by the increase in the valuation of the Element property compared to 2021 and market conditions throughout all properties.

[1] See Non-IFRS Measures

NAV per Unit[1] by Quarter 2022



Asset Management Fees and Trustee Compensation

For the year ending December 31, 2022, the Manager has agreed to charge 50 percent of the allowable asset management fees to the Trust. No asset management fees were charged in 2021. Asset management fees of $40,726 and $124,885 were charged in the three months and year ended December 31, 2022 respectively, inclusive of GST. Trustees were remunerated approximately 50 percent of their pro-rated annual compensation in Deferred Units, in accordance with the Trust's equity incentive plan, with the remaining 50 percent and meeting fees paid in cash (December 31, 2021 - 100 percent of annual compensation, other than meeting fees, was paid in Deferred Units as agreed upon by the Trustees, with meeting fees paid in cash). See Note 13 of the consolidated financial statements for further details.

OUTLOOK

Management anticipates the demand for rental housing to continue, as evidenced in the January 2023 CMHC Rental Market Report, the demand for rental housing increased across the country in 2022 achieving near-historic low vacancy rates due to do migration and the return of in-person learning. Higher mortgage rates continue to increase the costs of home ownership, widening the affordability gap between rentals and home ownership. The increase in operating costs due to inflation may be offset, in whole or in part, by increases in rental rates, where the market allows. At December 31, 2022, 56 percent of the portfolio is not under rent control.

Management is focused on growing the portfolio and unitholder value through increasing rental rates where the market allows, future acquisition opportunities that will increase the overall size and improve the performance of the Trust, as well as maintaining a manageable debt structure. The current debt of the Trust is all at fixed terms with an average remaining mortgage term of over six years. Management believes the organic growth in NAV[1] due to the paydown of mortgages over time will lower the Debt-to-Gross Book Value ratio thereby increasing the NAV per Unit[1].

FINANCIAL OPERATIONS AND RESULTS

Valuation

The fair value of residential properties is typically determined using the direct capitalization approach. Stabilized net operating income[1] 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[1] for each property is estimated as the 12-month net operating income that a property 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, 2022, one of the properties had an external valuation prepared, the remainder of the portfolio was valued internally. The weighted-average capitalization rate used at December 31, 2022 was 5.25 percent (December 31, 2021 – 5 percent).

The Trust's investment properties are recorded at a fair value of $126,803,030 at December 31, 2022 (December 31, 2021 - $85,495,008), the Trust recorded a fair value gain(loss) of $(2,561,638) and $2,079,396 for the three months and year ended December 31, 2022 (three months and year ended December 31, 2021 – gain of $2,894,776 and $6,095,866). The fair value loss was attributable to the expansion in the capitalization rates in the fourth quarter of 2022.

[1] See Non-IFRS Measures

(Expressed in Canadian Dollars)

Performance Measures

The following outlines the portfolio metrics:

Operations	Three months ended December 31 2022	Three months ended December 31 2021	Year ended December 31 2022	Year ended December 31 2021
Number of properties	4	3	4	3
Total multi-family units	516	363	516	363
Total rentable square feet	463,812	339,995	463,812	339,995
Average monthly rent per suite	$ 1,524	$ 1,481	$ 1,511	$ 1,510
Weighted average occupancy rate	99.62%	97.87%	97.23%	98.49%
Rent collection at December 31, 2022	99.33%	99.98%	99.61%	99.01%

* Represents operations from April 30, 2021 - December 31, 2021

The year ended December 31, 2022 experienced higher than expected vacancy than the comparable period in 2021, resulting in more discounts offered and a lower average rent per suite in order to increase the occupancy of the portfolio, this was due to a significant number of lease terms ending at the end of Q1 2021 and extreme weather in Q1 2022 resulting in a longer period to recover from the turnover in units; the increase in average monthly rent per suite for the three-month and year ended December 31, 2022, is attributable to the addition of the Prairie View Pointe Property which has higher average rent per unit.

Financial Measures	Three months ended December 31 2022	Three months ended December 31 2021	Year ended December 31 2022	Year ended December 31 2021
Revenue	$ 2,253,104	$ 1,407,646	$ 7,170,916	$ 3,339,846
NOI [1]	1,396,583	816,423	4,304,812	2,022,976
NOI Margin [1]	61.98%	58.00%	60.03%	60.57%
FFO [1]				
Net income (loss) and comprehensive income (loss)	(2,862,894)	4,359,805	3,401,418	9,215,064
Distributions on Exchangeable Units	40,607	13,557	162,617	13,557
Fair value (gain) loss on properties	2,561,638	(2,894,776)	(2,079,396)	(6,095,866)
Fair value (gain) loss on unit-based compensation	2,170	(7,975)	(13,575)	(13,935)
Fair value gain on warrant liability	-	(93,982)	(21,359)	(405,830)
Fair value (gain) loss on exchangeable units	650,476	(1,005,899)	108,412	(1,888,985)
FFO [1]	391,997	370,730	1,558,117	824,005
Weighted average number of Units	19,508,838	19,158,233	19,565,490	12,090,883
FFO/unit [1]	$ 0.0201	$ 0.0194	$ 0.0796	$ 0.0682
AFFO [1]				
FFO [1]	$ 391,997	$ 370,730	$ 1,558,117	$ 824,005
Capital expenditures	(65,702)	(52,911)	(167,845)	(96,466)
Leasing costs	(368)	(3,779)	(32,183)	(23,334)
AFFO [1]	325,927	314,040	1,358,089	704,205
Weighted average number of Units	19,508,838	19,158,233	19,565,490	12,090,883
AFFO/unit [1]	$ 0.0167	$ 0.0164	$ 0.0694	$ 0.0582
AFFO payout ratio [1]	22.45%	22.88%	21.61%	2.15%

[1] See Non-IFRS Measures

(Expressed in Canadian Dollars)

For the years ended December 31, 2022 and 2021 the Trust reported $0.0796 and $0.0682 of FFO/unit[1] respectively. This increase in FFO/unit[1] was due to the addition of the Prairie View Pointe Property and increased NOI[1] reported on same properties. The Trust reported FFO/unit[1] of $0.0201 the three months ended December 31, 2022 compared to $0.0194 the three months ended December 31, 2021, this increase is due to the addition of Prairie View Pointe Property in October 2022.

NAV [1]	At December 31, 2022	At December 31, 2021
Unitholders' Equity	$19,014,023	$15,893,174
Exchangeable Units	9,215,083	9,106,671
NAV [1]	28,229,106	24,999,845
Trust Units	8,667,564	8,831,564
Exchangeable Units	10,841,274	10,841,274
Deferred Units	110,036	53,595
Total Units oustanding	19,618,874	19,726,433
NAV per unit [1]	$1.44	$1.27

At December 31, 2022, NAV[1] was $28,229,106 representing a NAV per Unit[1] of $1.44 (December 31, 2021 - $24,999,845 representing a NAV per Unit[1] of $1.27). The increase in NAV[1] was due to the implementation of the NCIB, increase in market value of the Exchangeable Units, accompanied by the increase in the valuation of the Element property compared to 2021 and market conditions throughout all properties.

Leverage	At December 31, 2022
Debt-to-Gross Book Value ratio [1]:	
Total interest-bearing debt	$ 102,118,460
Total assets on balance sheet	131,809,871
Debt-to-Gross Book Value ratio [1]	77.47%
Debt Service Coverage ratio [1]:	
Net Operating Income for the year ended December 31, 2022	$ 4,304,812
Mortgage payments for the year ended December 31, 2022	3,450,321
Debt Service Coverage ratio [1]	1.25
Weighted average term to maturity on fixed rate debt	80.27 months
Weighted average interest rate on fixed debt	3.01%

Exchangeable Units are not indebtedness for the purposes of Debt-to-Gross Book Value ratio[1] and therefore are not included in the determination of Debt-to-Gross Book Value ratio[1].

Total assets at December 31, 2022 are $131,809,871, the increase from December 31, 2021 is due to the acquisition of the Prairie View Pointe Property. Total interest-bearing debt includes mortgages payable of $102,118,460. During the year ending December 31, 2022, mortgages increased overall due to the refinancing the Brio Phase 1 Property mortgage by $16,311,873 less repayment of $12,847,479 relating to the Brio Phase I Property mortgage and also increased due to the assumption of the existing mortgage on the Prairie View Pointe Property acquired, principal payments and amortization of mark-to-market adjustments, and financing costs.

[1] See Non-IFRS Measures

(Expressed in Canadian Dollars)

Review of Financial Performance

The following tables highlight selected information for the Trust's portfolio for the three months and year ended December 31, 2022 and 2021:

	Three months ended				Year ended			
Summary of Statement of Net Income		December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021
Revenue from investment properties	$	2,253,104	$	1,407,646	$	7,170,916	$	3,339,846
Property operating expenses		(620,091)		(431,927)		(2,144,127)		(949,549)
Realty taxes		(236,430)		(159,296)		(721,977)		(367,321)
Net Operating Income [1]	$	1,396,583	$	816,423	$	4,304,812	$	2,022,976
NOI Margin [1]		61.98%		58.00%		60.03%		60.57%
General and administrative		(208,624)		(113,420)		(715,467)		(438,461)
Finance costs		(836,569)		(345,830)		(2,193,845)		(774,067)
Fair value gain (loss) on:								
Investment properties		(2,561,638)		2,894,776		2,079,396		6,095,866
Unit-based compensation		(2,170)		7,975		13,575		13,935
Warrants liability		-		93,982		21,359		405,830
Exchangeable Units		(650,476)		1,005,899		(108,412)		1,888,985
Net Income (loss) and Comprehensive Income (loss)	$	(2,862,894)	$	4,359,805	$	3,401,418	$	9,215,064

Net operating income[1]

For the three months and year ended December 31, 2022 the Trust incurred of $1,396,583 and $4,304,812 respectively of NOI[1] (three months and year ended December 31, 2021 – NOI[1] of $816,423 and $2,022,976). The Trust acquired investment properties in the second quarter of 2021 resulting in eight months of comparative NOI[1] to report. The Trust acquired the Element Property on November 15, 2021 thus reporting 46 days of operations and 62 days of operations for the Prairie View Pointe Property acquired October 31, 2022.

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 increased from the comparable 2021 periods due to a full year of property level operations, refinancing of debt and the acquisition of the Prairie View Pointe Property, contributing to higher mortgage interest, financing, CMHC and mark-to-market amortization. Distributions commenced in December 2021, resulting in a full year of distributions reported in 2022.

	Three months ended December 31				Year ended December 31			
Summary of Finance costs		2022		2021		2022		2021
Interest on mortgages	$	704,278	$	373,316	$	2,064,201	$	862,002
Loan and financing charges		17,918		-		215,402		-
Amortization of financing charges		13,248		5,839		48,581		14,905
Amortization of CMHC fees		21,081		9,524		55,586		21,948
Amortization of mark-to-market adjustments		57,080		(52,130)		(304,238)		(129,671)
Distribution on Exchangeable Units		40,607		13,557		162,617		13,557
Interest income		(17,643)		(4,276)		(48,304)		(8,674)
Total	$	836,569	$	345,830	$	2,193,845	$	774,067

[1] See Non-IFRS Measures

(Expressed in Canadian Dollars)

Fair value gain on Exchangeable Units
The Exchangeable Units are issued by the Partnership. The Exchangeable Units are economically equivalent to Trust Units, in that a holder is entitled to receive cash distributions from the Partnership 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.

During the year ended December 31, 2022, the market price of the Trust Units increased from the December 31, 2021 market price of $0.84 per Trust Unit to $0.85 per Trust Unit at December 31, 2022. The increase in market value for the period resulted in a fair value gain on the Exchangeable Units of $108,412.

Fair value gain on unit-based compensation liability
The Trust has issued Deferred Units to its Trustees. The liability is remeasured at each reporting date based on the closing Trust Unit price with changes in value recorded in net income.

During the three months and year ended December 31, 2022, the Trust experienced a fair value loss of $2,170 and $13,575 gain from changes in the Trust Unit price for the Deferred Units outstanding at December 31, 2021 and the Deferred Units issued in the period. For the year ended December 31, 2022, the Unit price increased from $0.84 to $0.85.

Assessment of Financial Position

Investment Properties
The following table summarizes the changes in investment properties for the three months and year ended December 31, 2022 and 2021:

	Three months ended December 31		Year ended December 31	
Summary of Changes in Investment Properties	2022	2021	2022	2021
Opening balance	$ 90,270,000	$ 57,200,000	$ 85,495,008	$ -
Additions:				
Acquisitions of investment properties	39,028,598	25,380,547	39,028,598	79,279,342
Capital expenditures [1]	65,702	15,274	167,845	96,466
Direct leasing costs	368	4,411	32,183	23,334
Fair value gain (loss)	(2,561,638)	2,894,776	2,079,396	6,095,866
Closing balance	$ 126,803,030	$ 85,495,008	$ 126,803,030	$ 85,495,008

Valuation
Under the direct capitalization approach the estimated 12 month stabilized net operating income[1] 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 5.25 percent at December 31, 2022 and 5.0 percent at December 31, 2021.

Exchangeable Units
The holders of Exchangeable Units are entitled to receive cash distributions from the Partnership equivalent to the cash distributions that the Trust 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, 2022 there were 10,841,274 Exchangeable Units and 10,894,987 Special Voting Units outstanding. The outstanding Special Voting Units include:
- Special Voting Units accompanying Deferred Units issued on or before March 31, 2022
- Special Voting Units accompanying Exchangeable Units of the Partnership issued on or before December 31, 2022

During the three months and year ended December 31, 2022, distributions to holders of Exchangeable Units of $40,670 and $122,010 were declared based on approved monthly distributions of $0.00125 per Trust Unit.

[1] Capital expenditures include upgrades to suites upon turnover

(Expressed in Canadian Dollars)

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 3.01 percent and mature at dates between January 2024 and September 2032, resulting in a weighted average maturity of 80.27 months. The REIT's mortgage that matures in January 2024 is a conventional mortgage, bearing interest at 3.502%.

Trust Units
The Declaration of Trust authorizes the issue of an unlimited number of Trust Units. As at December 31, 2022, there were 8,667,564 Trust Units outstanding with a carrying value of $6,665,236. On March 31, 2022, the Trust commenced a NCIB which allows the Trust to purchase up to 787,956 of the Trust Units for cancellation. The NCIB is in effect until March 30, 2023. During the year ended December 31, 2022, nil and 164,000 Trust units were purchased and cancelled respectively.

Distributions
Distributions are paid monthly to Unitholders of record at the close of business on the last day of a month on or about the 15th day of the following month. Distributions must be approved by the Board and are subject to change depending on the general economic outlook and financial performance of the Trust. During the three months and year ended December 31, 2022, distributions to Unitholders of $32,504 and $130,680 were declared based on approved monthly distributions of $0.00125 per Trust Unit.

Liquidity, Capital Resources and Contractual Commitments

The Trust's capital structure at December 31, 2022 and 2021 is set out in the table below:

	December 31, 2022	December 31, 2021
Exchangeable Units	$ 9,215,083	$ 9,106,671
Warrants	-	21,359
Unit based compensation liability	93,531	45,020
Mortgages	102,118,460	65,546,453
Unitholders' equity	19,014,023	15,893,174
Total	$ 130,441,097	$ 90,612,677

The Trust Unit purchase warrants issued on August 10, 2021 expired unexercised on August 10, 2022.

The objective of the REIT's capital strategy is to arrange capital at the lowest possible cost while balancing mortgage maturities and having sufficient liquidity to fund ongoing operations of the REIT and pay distributions. 100 percent of the REIT's debt is at fixed interest rates.

The REIT uses a significant amount of debt financing in its capital structure. Pursuant to the Declaration of Trust, overall indebtedness of not more than 75 percent of the gross book value of the REIT once gross book value reaches $300,000,000.

The REIT's liquidity ratio is calculated as follows:

As at	At December 31, 2022	At December 31, 2021
Current Assets	$ 1,637,673	$ 4,337,639
Current Liabilities	2,720,791	2,369,260
Liquidity Ratio[1]	60.19%	183.08%

As of December 31, 2022, current liabilities of $2,720,791 (December 31, 2021 - $2,369,260) exceeded current assets of $1,637,673 (December 31, 2021 - $4,337,639), resulting in a net working capital deficit of $1,083,118 and liquidity ratio[1] of 60.19% (December 31, 2021 – 183.08%). The REIT's immediate liquidity needs are met through cash-on-hand, cash flow from operations and refinancing of maturing mortgages. Management believes there is sufficient liquidity to meet the REIT's financial obligations for the foreseeable future. For purposes of calculating the liquidity ratio[1], current liabilities exclude Exchangeable Units.

[1] See Non-IFRS Measures

(Expressed in Canadian Dollars)

Cash Flows and Use of Funds

During the three months and year ended December 31, 2022 and 2021 the Trust reported the following changes in cash.

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Cash provided by (used in) operating activities	$ 934,356	$ 397,823	$ 1,988,729	$ 690,492
Cash provided by (used in) investing activities	(8,622,506)	22,116	(9,406,464)	83,205
Cash provided by (used in) financing activities	3,463,838	(1,481,124)	4,624,628	2,971,946
Change in cash during the period	$ (4,224,312)	$ (1,061,185)	$ (2,793,107)	$ 3,745,643

During Q4 2022, the Trust acquired the Prairie View Pointe Property and obtained a second mortgage on the Kenwood Property.

Cash provided by operating activities and cash distributions

The following table outlines the differences between cash from operating activities, net income and cash distributions in accordance with National Policy 41-201, *Income Trusts and Other Indirect Offerings*:

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Net (loss) income and comprehensive (loss) income	$ (2,862,894)	$ 4,359,805	$ 3,401,418	$ 9,215,064
Add: distributions on Exchangeable Units	40,607	13,557	162,617	13,557
	(2,822,287)	4,373,362	3,564,035	9,228,621
Less: distributions paid	(73,172)	-	(293,564)	-
(Shortfall) excess of net (loss) income and comprehensive (loss) income over total distributions paid	(2,895,459)	4,373,362	3,270,471	9,228,621
Cash provided by operating activities	934,356	397,823	1,988,729	690,492
Less: distributions paid	(73,172)	-	(293,564)	-
Excess of cash provided by operating activities over total distributions and interest paid	861,184	397,823	1,695,165	690,492
Distributions declared	$ 73,111	$ 24,596	$ 293,297	$ 24,596

For Q4 2022, total distributions increased the net loss and comprehensive loss, whereas for the year ended December 31, 2022 net income and comprehensive income was in excess of total distributions paid. Distributions are better evaluated in the context of operating cash flows rather than net income as net income is impacted by several non-cash items, including fair value gains or losses on investment properties, Exchangeable Units and Unit-based compensation.

While cash flows provided by operating activities are generally sufficient to cover distribution requirements, the timing of expenses and fluctuations in non-cash working capital may result in a temporary shortfall. In these cases, some portion of distributions may come from the REIT's capital or financing sources other than cash flows provided by operating activities. For the quarter and year ended December 31, 2022, cash provided by operating activities was in excess of total distributions and interest paid.

[1] See Non-IFRS Measures

(Expressed in Canadian Dollars)

QUARTERLY RESULTS AND DISCUSSION OF QUARTERLY OPERATIONS

A seven-quarter trend highlighting key operating results since commencing commercial operations is shown below:

	2022				2021		
	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Property revenue	$ 2,253,104	$ 1,679,767	$ 1,619,305	$ 1,618,740	$ 1,407,298	$ 1,153,245	$ 778,955
NOI[1]	1,396,583	1,042,689	954,939	910,601	816,075	713,676	492,877
Net Income (Loss)	(2,862,894)	1,237,561	3,148,015	1,878,723	4,374,004	5,366,130	(510,871)
FFO[1]	391,997	487,104	350,486	328,530	384,929	240,720	212,555
FFO per Unit[1]	$ 0.02	$ 0.03	$ 0.02	$ 0.03	$ 0.02	$ 0.01	$ 0.03
AFFO[1]	325,927	444,597	306,731	280,834	365,244	184,030	169,130
AFFO per Unit[1]	$ 0.02	$ 0.02	$ 0.02	$ 0.02	$ 0.02	$ 0.01	$ 0.03
Weighted average number of Units outstanding	19,508,838	19,508,838	19,572,918	19,726,674	19,158,233	16,786,283	10,365,358

Variations in property revenue and net income is due to the closing of the qualifying transaction on April 30, 2021, thus Q2 2021 reported only 2 months of operations. In Q4 2021 the acquisition of the Element Property occurred on November 15, 2021, thus there were only 46 days of operations reported for this property in Q4 2021. In Q4 2022 the Prairie View Pointe Property was acquired thus representing 62 days of operations reported in 2022. Seasonal variations in operating expenses also contribute to quarterly fluctuations in NOI[1], Net Income, AFFO[1] and FFO[1].

SAME PROPERTY PORTFOLIO PERFORMANCE

Same property results for the three months ended December 31, 2022 are defined as all properties owned and operated by the REIT throughout the comparative periods being reported, and therefore do not take into account the impact on performance of acquisitions, dispositions, or properties going through a lease-up during the period from October 1, 2022 through December 31, 2022. The same property portfolio represents 251 units or 48.64% of the total portfolio at December 31, 2022.

	December 31	
	2022	2021
Revenue from investment properties	$ 1,206,723	$ 1,156,356
Expenses:		
Property operating expenses	364,325	347,813
Realty taxes	112,194	124,746
Total operating expenses	476,519	472,559
Net property operating income	$ 730,204	$ 683,797

For the three months ended December, 2022, rental revenues for same property increased by 4.36% compared to Q4 2021. Property operating costs increased by 0.11% as a percentage of operating revenues, respectively, whereas property taxes decreased by 1.49% due to higher occupancy and increased school tax rebates year over year. This resulted in an overall decrease in operating expenses, as a percentage of operating revenues of 137.8 basis points as compared to the same period last year.

Operating expense growth of 4.75% was more than offset by revenue growth of 4.36%, achieved through achieving market rents on turnover. This resulted in an increase in same property NOI[1] of 46,407, or 6.79% as compared to the same period last year. NOI margin for Q4 2022 was 61.98% as compared to 60.03% for Q4 2021, a 195 basis point increase.

The average monthly rent for the three months ended December 31, 2022 for same property increased to $1,565 per suite from $1,522 same period 2021, an increase of 2.82%. Occupancy for the three months ended December 31, 2022 for same property was 99.87%, compared to 98.47% for the three months ended December 31, 2021.

ACCOUNTING ESTIMATES AND POLICIES, CONTROLS AND PROCEDURES AND RISK ANALYSIS

Critical Judgments in Applying Accounting Policies

Significant areas of judgment, estimates and assumptions are set out in Note 3 to the annual audited consolidated financial statements for the years ended December 31, 2022 and 2021.

[1] See Non-IFRS Measures

Risks and Uncertainties

The REIT faces a variety of diverse risks, many of which are inherent in the business conducted by the REIT. These are described in detail under the heading "Risks and Uncertainties" in the MD&A for the years ended December 31, 2022 and 2021 and in the latest annual information form, each filed on SEDAR (www.sedar.com). These factors still exist at the end of this year and remain relatively unchanged.

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 include the following:

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, 2022 and 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.

The Trust is exposed to other price risk on its Exchangeable Units and warrants. A one percent change in the prevailing market price of the Exchangeable Units as at December 31, 2022 would have a $92,150 (December 31, 2021 - $91,067) change in the fair value of the Exchangeable Units. A one percent change in the prevailing market price of the Trust Units at December 31, 2021 would have a nominal impact on the fair value of the warrants. The warrants expired on August 10, 2022.

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 statement.

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(loss) and comprehensive income(loss) 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.

(Expressed in Canadian Dollars)

An analysis of the contractual cash flows at December 31, 2022 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	$ 4,899,296	$ 10,576,605	$ 4,539,309	$ 4,539,309	$ 99,606,312	$ 124,160,831
Accounts payable and accrued liabilities	727,951	-	-	-	-	727,951
Security deposits and prepaid rent	605,992	34,831	-	-	-	640,823
	$ 6,233,239	$ 10,611,436	$ 4,539,309	$ 4,539,309	$ 99,606,312	$ 125,529,605

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Trust's financial instruments consist solely of cash and cash equivalents, trade and other receivables, accounts payable, accrued liabilities and amounts due to related parties. As of December 31, 2022, there were no significant differences between the carrying value of these items and their estimated fair values because of the short-term nature of these instruments.

DISCLOSURE OF OUTSTANDING UNIT DATA

The following table sets forth the Trust's capitalization as of the date hereof.

Type of Security	Number Outstanding
Trust Units	8,667,564
Exchangeable Units	10,841,274
Deferred Units(1)	110,406
Total securities outstanding	**19,619,244**

Voting Securities

Type of Security	Number Outstanding
Trust Units	8,667,564
Special Voting Units(2)	10,894,987
Total Voting Units	**19,562,551**

Notes:

(1) The Deferred Units entitle the holder thereof to receive: (i) additional deferred units of the REIT upon payment of cash distributions to Unitholders; and (ii) one (1) Trust Unit, or cash in lieu thereof, upon the redemption thereof in accordance with the terms and conditions of the Trust's equity incentive plan.

(2) The Special Voting Units have no economic entitlement in the REIT or in the distributions or assets of the REIT but entitle the holder to one (1) vote per Special Voting Unit at any meeting of the Unitholders. Special Voting Units may only be issued in connection with or in relation to securities exchangeable into or redeemable for Trust Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities.

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 for the year ended December 31, 2022 include:

	Three months ended		Year ended	
Related Party Transactions	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Property management fees	$ 95,559	$ 59,794	$ 302,403	$ 141,386
Salary reimbursement	29,577	27,723	116,179	91,588
Asset management fees	40,726	-	124,885	-
Board compensation	38,005	28,467	148,924	69,002

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 and October 31, 2022, a sub-agreement between the Manager and Marwest Management Canada Ltd. was entered into for the property management of Marwest (Element) Apartments L.P. and the Prairie View Pointe Property respectively.

[1] See Non-IFRS Measures

On April 30, 2021, in conjunction with the acquisitions described in note 5 of the December 31, 2022 audited consolidated financial statements, the REIT issued 4,006,308 Exchangeable Units and 168,965 Trust Units to related parties of the Manager.

For the year ending December 31, 2022, the Manager has waived 50% of the Asset Management Fees eligible under the Asset Management Agreement, (December 31, 2021 – 100%).

During the three months and year ended December 31, 2022, the Board of Trustees were issued an aggregate of 14,296 and 56,441 (December 31, 2021 – 23,224 and 53,595) Deferred Units respectively at an aggregated value of $15,675 and $62,086 (December 31, 2021 - $25,546 and $58,955) respectively along with $22,330 and $87,838 (2021 - $2,921 and $10,047 respectively) respectively in cash as part of the Trustee annual remuneration. The Trustees were also remunerated $1,500 per board meeting in the three and twelve months ended December 31, 2022 (December 31, 2021 - $1,000).

During the three months and year ended December 31, 2022, loan financing fees of $48,000 and $163,198 respectively, were paid to a Company of which a member of the Board of Trustees provides services to.

INCOME TAXES

The *Income Tax Act* (Canada) (the "Act") contains legislation affecting the tax treatment of specified investment flow-through (SIFT) trusts which include publicly-listed income trusts (the "SIFT Rules"). Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation.

However, distributions paid by a SIFT as returns of capital are generally not subject to tax. The SIFT Rules do not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). Instead, a real estate investment trust that meets the REIT Conditions is not liable to pay Canadian Income taxes provided that its taxable income is fully distributed to unitholders during the period.

The REIT has reviewed the SIFT Rules and has assessed their application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT has met the REIT Conditions for the year ended December 31, 2022, and accordingly is not subject to current income taxes. Accordingly, no provision for current income taxes payable is required.

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* (the 2020 amendments), to clarify the classification of liabilities as current or non-current. The 2020 amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

For the purposes of non-current classification, the 2020 amendments removed the requirement for a right to defer settlement or roll over a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The 2020 amendments also clarify how a company *classifies* a liability that includes a counterparty conversion option. The amendments stated that: a settlement of a liability includes transferring a company's own equity instruments to the counterparty; and, when classifying liabilities as current or non-current a company can ignore those conversion options that are recognized as equity.

The 2020 amendments are subject to future developments. Certain application issues resulting from the 2020 amendments have been raised with the IFRS Interpretations Committee, which referred them to the IASB. In November 2021, the IASB published the exposure draft *Non-current Liabilities with Covenants* (proposed amendments to IAS 1). The exposure draft aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions, in addition to addressing concerns about the classification of such a liability as current or non-current. The IASB proposed to defer the effective date of the 2020 amendments to no earlier than January 1, 2024. The REIT is assessing the impact of the amendments.

SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2022:

(i) On each of January 16, 2023, February 15, 2023 and March 15, 2023, 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 March 15, 2023, the REIT declared a distribution of $0.00125 per Trust Unit, payable on April 17, 2023 to Unitholders of record as of the close of business on March 31, 2023. Holders of the Exchangeable Units will also be paid a distribution of $0.00125 per Unit.