



Real Estate Potential. **Realized.**

MORGUARD NORTH AMERICAN
RESIDENTIAL REAL ESTATE
INVESTMENT TRUST

SEPTEMBER 30, 2025

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
(UNAUDITED)

BALANCE SHEETS

In thousands of Canadian dollars

As at	Note	September 30, 2025	December 31, 2024
ASSETS			
Non-current assets			
Real estate properties	3	\$4,339,874	\$4,333,075
Equity-accounted investments	4	73,556	70,874
		4,413,430	4,403,949
Current assets			
Morguard Facility	8	74,500	90,000
Amounts receivable		10,880	12,584
Prepaid expenses		15,102	8,983
Restricted cash		4,268	4,857
Cash		77,501	51,258
		182,251	167,682
		\$4,595,681	\$4,571,631
LIABILITIES AND EQUITY			
Non-current liabilities			
Mortgages payable	5	\$1,586,310	\$1,502,163
Convertible debentures	6	53,637	52,830
Class B LP Units	7	312,599	295,376
Deferred income tax liabilities	16	299,093	299,129
Lease liabilities	9	17,220	17,612
		2,268,859	2,167,110
Current liabilities			
Mortgages payable	5	135,960	218,917
Accounts payable and accrued liabilities	10	86,025	73,614
		221,985	292,531
Total liabilities		2,490,844	2,459,641
EQUITY			
Unitholders' equity		1,993,870	2,001,337
Non-controlling interest		110,967	110,653
Total equity		2,104,837	2,111,990
		\$4,595,681	\$4,571,631

See accompanying notes to the condensed consolidated financial statements.

STATEMENTS OF INCOME (LOSS)

In thousands of Canadian dollars

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
Revenue from real estate properties	12	\$87,664	\$85,788	\$266,475	\$256,300
Property operating expenses					
Property operating costs		(24,849)	(24,331)	(73,669)	(71,254)
Realty taxes		(3,066)	(4,050)	(43,592)	(41,706)
Utilities		(5,617)	(5,376)	(17,362)	(16,073)
Net operating income		54,132	52,031	131,852	127,267
Other expense (income)					
Interest expense	13	22,964	23,513	68,531	62,783
Trust expenses	14	5,689	5,534	17,543	16,691
Equity income from investments	4	(1,040)	(4,242)	(5,974)	(8,108)
Foreign exchange loss		3	552	7	558
Other income		(1,605)	(1,391)	(5,054)	(1,625)
Income before fair value changes and income taxes		28,121	28,065	56,799	56,968
Fair value gain (loss) on real estate properties, net	3	(18,187)	22,417	50,946	93,557
Fair value gain (loss) on Class B LP Units	7	1,895	(65,276)	(17,223)	(77,504)
Income (loss) before income taxes		11,829	(14,794)	90,522	73,021
Provision for (recovery of) income taxes					
Current		(533)	213	40	1,820
Deferred		(107)	3,822	9,632	14,683
		(640)	4,035	9,672	16,503
Net income (loss) for the period		\$12,469	(\$18,829)	\$80,850	\$56,518
Net income (loss) attributable to:					
Unitholders		\$7,849	(\$20,791)	\$75,089	\$53,256
Non-controlling interest		4,620	1,962	5,761	3,262
		\$12,469	(\$18,829)	\$80,850	\$56,518

See accompanying notes to the condensed consolidated financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

In thousands of Canadian dollars

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Net income (loss) for the period	\$12,469	(\$18,829)	\$80,850	\$56,518
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that may be reclassified subsequently to net income (loss):				
Unrealized foreign currency translation gain (loss)	26,763	(14,701)	(43,412)	27,478
Total comprehensive income (loss) for the period	\$39,232	(\$33,530)	\$37,438	\$83,996
Total comprehensive income (loss) attributable to:				
Unitholders	\$32,474	(\$34,227)	\$35,088	\$78,457
Non-controlling interest	6,758	697	2,350	5,539
	\$39,232	(\$33,530)	\$37,438	\$83,996

See accompanying notes to the condensed consolidated financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

In thousands of Canadian dollars

	Note	Units	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total Unitholders' Equity	Non- controlling Interest	Total Equity
Unitholders' equity, December 31, 2023		\$448,150	\$48,762	\$1,237,892	\$117,974	\$1,852,778	\$106,873	\$1,959,651
Changes during the period:								
Net income		—	—	53,256	—	53,256	3,262	56,518
Other comprehensive income		—	—	—	25,201	25,201	2,277	27,478
Repurchase of Units		(19,141)	—	—	—	(19,141)	—	(19,141)
Issue of Units - DRIP		696	—	(696)	—	—	—	—
Distributions		—	—	(20,103)	—	(20,103)	(1,069)	(21,172)
Unitholders' equity, September 30, 2024		\$429,705	\$48,762	\$1,270,349	\$143,175	\$1,891,991	\$111,343	\$2,003,334
Changes during the period:								
Net income (loss)		—	—	48,602	—	48,602	(5,724)	42,878
Other comprehensive income		—	—	—	74,576	74,576	6,616	81,192
Repurchase of Units		(7,147)	—	—	—	(7,147)	—	(7,147)
Issue of Units - DRIP		187	—	(187)	—	—	—	—
Distributions		—	—	(6,685)	—	(6,685)	(1,582)	(8,267)
Unitholders' equity, December 31, 2024		\$422,745	\$48,762	\$1,312,079	\$217,751	\$2,001,337	\$110,653	\$2,111,990
Changes during the period:								
Net income		—	—	75,089	—	75,089	5,761	80,850
Other comprehensive loss		—	—	—	(40,001)	(40,001)	(3,411)	(43,412)
Repurchase of Units	11(b)	(22,860)	—	—	—	(22,860)	—	(22,860)
Issue of Units - DRIP	11(d)	578	—	(578)	—	—	—	—
Distributions	11(d)	—	—	(19,695)	—	(19,695)	(2,036)	(21,731)
Unitholders' equity, September 30, 2025		\$400,463	\$48,762	\$1,366,895	\$177,750	\$1,993,870	\$110,967	\$2,104,837

See accompanying notes to the condensed consolidated financial statements.

STATEMENTS OF CASH FLOWS

In thousands of Canadian dollars

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
OPERATING ACTIVITIES					
Net income (loss)		\$12,469	(\$18,829)	\$80,850	\$56,518
Add (deduct) items not affecting cash	17(a)	7,897	38,106	(16,153)	3,942
Additions to tenant incentives		(482)	(447)	(1,185)	(1,208)
Distributions from equity-accounted investments	4	693	680	966	2,057
Net change in non-cash operating assets and liabilities	17(b)	(1,897)	(4,377)	197	4,470
Cash provided by operating activities		18,680	15,133	64,675	65,779
INVESTING ACTIVITIES					
Additions to real estate properties	3	(17,777)	(14,361)	(40,334)	(31,810)
Cash used in investing activities		(17,777)	(14,361)	(40,334)	(31,810)
FINANCING ACTIVITIES					
Proceeds from new mortgages	5	166,128	—	245,541	209,632
Financing cost on new mortgages		(1,018)	—	(3,493)	(5,458)
Repayment of mortgages					
Principal instalment repayments		(7,566)	(7,658)	(23,605)	(23,810)
Repayment on maturity	5	(155,838)	—	(186,670)	—
Repayment due to mortgage extinguishment		—	—	—	(91,411)
Principal payment of lease liabilities	9	(9)	(9)	(29)	(28)
Proceeds from Morguard Facility		18,000	—	58,500	28,250
Repayments/advances on Morguard Facility		—	—	(43,000)	(25,902)
Units repurchased for cancellation	11(b)	(1,909)	(10,825)	(22,860)	(19,141)
Distributions to Unitholders		(6,478)	(6,687)	(19,782)	(20,159)
Distributions to non-controlling interest		(2,036)	—	(2,036)	(1,069)
Decrease (increase) in restricted cash		165	(307)	434	(96)
Cash provided by (used in) financing activities		9,439	(25,486)	3,000	50,808
Net increase (decrease) in cash during the period		10,342	(24,714)	27,341	84,777
Net effect of foreign currency translation on cash balance		1,155	258	(1,098)	670
Cash, beginning of period		66,004	127,728	51,258	17,825
Cash, end of period		\$77,501	\$103,272	\$77,501	\$103,272

See accompanying notes to the condensed consolidated financial statements.

NOTES

For the three and nine months ended September 30, 2025 and 2024

In thousands of Canadian dollars, except Unit and per Unit amounts and where otherwise noted

NOTE 1

NATURE AND FORMATION OF TRUST

Morguard North American Residential Real Estate Investment Trust (the "REIT") is an unincorporated open-ended real estate investment trust established pursuant to a Declaration of Trust dated March 1, 2012, and as most recently amended and restated on February 16, 2021 (the "Declaration of Trust"), under and governed by the laws of the Province of Ontario. The trust units of the REIT ("Units") trade on the Toronto Stock Exchange ("TSX") under the symbol "MRG.UN." The REIT invests in multi-suite residential rental properties in Canada and the United States. The REIT's head office is located at 55 City Centre Drive, Suite 1000, Mississauga, Ontario, L5B 1M3.

The REIT holds its investments in its real estate properties through its ownership in Morguard NAR Canada Limited Partnership (the "Partnership"). As at September 30, 2025, Morguard Corporation ("Morguard"), the parent company of the REIT, holds an indirect 48.5% (December 31, 2024 - 47.4%) interest through its ownership of 8,120,666 Units and 17,223,090 Class B LP Units.

NOTE 2

STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and thus do not contain all the disclosures applicable to the annual audited consolidated financial statements.

The condensed consolidated financial statements were approved and authorized for issue by the Board of Trustees on October 27, 2025.

These condensed consolidated financial statements use the same accounting policies and methods of their application as the most recent annual audited consolidated financial statements and should be read in conjunction with the most recent annual audited consolidated financial statements, which include the material accounting policies most affected by estimates and judgments.

Foreign Exchange

The foreign exchange rates for the current and prior reporting periods are as follows:

	2025	2024
Canadian dollar to United States dollar exchange rates:		
- As at September 30	\$0.7182	\$0.7394
- As at December 31	—	0.6950
- Average for the three months ended September 30	0.7260	0.7332
- Average for the nine months ended September 30	0.7149	0.7351
United States dollar to Canadian dollar exchange rates:		
- As at September 30	1.3924	1.3525
- As at December 31	—	1.4389
- Average for the three months ended September 30	1.3775	1.3639
- Average for the nine months ended September 30	1.3987	1.3603

NOTE 3

REAL ESTATE PROPERTIES

Reconciliations of the carrying amounts for real estate properties at the beginning and end of the current period and prior financial year are set out below:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	\$4,333,075	\$3,999,481
Additions:		
Capital expenditures	40,334	59,402
Right-of-use assets	207	170
Fair value gain, net	50,946	60,372
Foreign currency translation	(85,350)	212,473
Other	662	1,177
Balance, end of period	\$4,339,874	\$4,333,075

As at September 30, 2025, and December 31, 2024, the REIT had its portfolio appraised by Morguard's appraisal division. In addition, the REIT's U.S. portfolio is appraised by independent U.S. real estate appraisal firms on a three-year cycle.

The REIT utilizes the direct capitalization income method to appraise its portfolio. This method requires that rental income from current leases and key assumptions about rental income, vacancies and inflation rates, among other factors, are used to determine a one-year stabilized net operating income forecast for each individual property within the REIT's portfolio and also considers any capital expenditures anticipated within the year. A capitalization rate was also determined for each property based on market information related to the external sale of similar properties within a similar location. These factors were used to determine the fair value of income producing properties at each reporting period.

As at September 30, 2025, using the direct capitalization income approach, the properties were valued using capitalization rates in the range of 3.8% to 6.3% (December 31, 2024 - 3.8% to 6.3%), resulting in an overall weighted average capitalization rate of 4.5% (December 31, 2024 - 4.5%).

The average capitalization rates by location are set out in the following table:

	September 30, 2025 Capitalization Rates			December 31, 2024 Capitalization Rates		
	Maximum	Minimum	Weighted Average	Maximum	Minimum	Weighted Average
Canada						
Alberta	5.0%	5.0%	5.0%	5.3%	5.3%	5.3%
Ontario	4.8%	3.8%	3.9%	4.5%	3.8%	3.9%
United States						
Colorado	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Texas	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Louisiana	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Illinois	5.3%	5.0%	5.0%	5.3%	5.0%	5.1%
Georgia	5.5%	5.3%	5.4%	5.3%	5.0%	5.2%
Florida	6.3%	4.8%	5.3%	6.3%	4.8%	5.3%
North Carolina	5.3%	5.3%	5.3%	5.0%	5.0%	5.0%
Virginia	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Maryland	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%

Fair values are most sensitive to changes in capitalization rates and stabilized net operating income. Generally, an increase in stabilized net operating income will result in an increase in the fair value of the real estate properties, and an increase in capitalization rates will result in a decrease in the fair value of the properties. The capitalization rate magnifies the effect of a change in stabilized net operating income, with a lower capitalization rate resulting in a greater impact on the fair value of the property than a higher capitalization rate. If the weighted average stabilized capitalization rate were to increase or decrease by 25 basis points (assuming no change to stabilized net operating income), the fair value of the real estate properties as at September 30, 2025 would decrease by \$222,100 or increase by \$248,328, respectively.

NOTE 4

EQUITY-ACCOUNTED INVESTMENTS

The following are the REIT's equity-accounted investments as at September 30, 2025, and December 31, 2024:

Property	Principal Place of Business	Type	REIT's Ownership		Carrying Value	
			September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Marquee at Block 37	Chicago, IL	Joint Venture	50%	50%	\$73,556	\$70,874

The following table presents the change in the balance of the equity-accounted investments:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	\$70,874	\$53,282
Distributions received	(966)	(2,734)
Share of net income	5,974	15,116
Foreign exchange gain (loss)	(2,326)	5,210
Balance, end of period	\$73,556	\$70,874

The following tables present the financial results of the REIT's equity-accounted investments on a 100% basis:

As at	September 30, 2025	December 31, 2024
Non-current assets	\$359,188	\$364,764
Current assets	5,912	2,736
Total assets	\$365,100	\$367,500
Non-current liabilities	\$200,920	\$211,728
Current liabilities	17,068	14,024
Total liabilities	\$217,988	\$225,752
Net assets	\$147,112	\$141,748
Equity-accounted investments	\$73,556	\$70,874

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue	\$8,524	\$7,810	\$25,612	\$23,688
Expenses	(4,254)	(4,302)	(19,288)	(17,604)
Fair value gain (loss) on income producing properties	(2,190)	4,976	5,624	10,132
Net income for the period	\$2,080	\$8,484	\$11,948	\$16,216
Income in equity-accounted investments	\$1,040	\$4,242	\$5,974	\$8,108

NOTE 5

MORTGAGES PAYABLE

Mortgages payable consist of the following:

As at	September 30, 2025	December 31, 2024
Principal balance of mortgages	\$1,744,310	\$1,742,986
Deferred financing costs	(20,865)	(20,162)
Mark-to-market adjustment	(1,175)	(1,744)
	\$1,722,270	\$1,721,080
Current	\$135,960	\$218,917
Non-current	1,586,310	1,502,163
	\$1,722,270	\$1,721,080
Range of interest rates	2.03–6.41%	2.03–6.73%
Weighted average interest rate	4.08%	3.88%
Weighted average term to maturity (years)	5.1	5.2
Fair value of mortgages	\$1,725,824	\$1,689,869

As at September 30, 2025, the REIT's first mortgages are registered against specific real estate assets and approximately 95% of the REIT's real estate properties, and related rental revenue, have been pledged as collateral for the mortgages payable.

On March 3, 2025, the REIT completed the Canada Mortgage and Housing Corporation ("CMHC") insured financing of a multi-suite residential property located in Kitchener, Ontario, for an amount of \$79,413 at an interest rate of 4.02% and for a term of 10 years. The maturing mortgage amounted to \$30,832 and had an interest rate of 2.25%.

On July 31, 2025, the REIT completed the refinancing of a multi-suite residential property located in Chicago, Illinois, in the amount of \$166,128 (US\$120,000) at an interest rate of 5.35% and for a term of 3 years. The maturing mortgage amounted to \$155,838 (US\$112,567) and had an interest rate of 3.49%.

The aggregate principal repayments and balances maturing of the mortgages payable as at September 30, 2025, together with the weighted average contractual interest rate on debt maturing in the next five years and thereafter, are as follows:

	Principal Instalment Repayments	Balances Maturing	Total	Weighted Average Contractual Rate
2025 (remainder of the year)	\$7,423	\$—	\$7,423	—%
2026	26,461	170,933	197,394	3.26%
2027	24,630	177,775	202,405	4.24%
2028	21,633	278,952	300,585	4.75%
2029	20,764	226,830	247,594	3.98%
Thereafter	69,472	719,437	788,909	4.02%
	\$170,383	\$1,573,927	\$1,744,310	4.08%

NOTE 6

CONVERTIBLE DEBENTURES

Convertible debentures consist of the following:

As at	September 30, 2025	December 31, 2024
6.00% convertible unsecured subordinated debentures	\$53,792	\$53,129
Fair value of conversion option	1,159	1,361
Unamortized financing costs	(1,314)	(1,660)
	\$53,637	\$52,830

For the three and nine months ended September 30, 2025, interest on the convertible debentures amounting to \$840 (2024 - \$840) and \$2,520 (2024 - \$2,520), respectively, is included in interest expense (Note 13). As at September 30, 2025, \$nil (December 31, 2024 - \$840) is included in accounts payable and accrued liabilities.

6.00% Convertible Unsecured Subordinated Debentures

On March 9, 2023, the REIT issued \$50,000 principal amount of 6.00% convertible unsecured subordinated debentures (the "2023 Debentures") maturing on March 31, 2028 (the "Maturity Date"). On March 17, 2023, an additional principal amount of \$6,000 was issued pursuant to the exercise of the over-allotment option. Interest is payable semi-annually, not in advance, on March 31 and September 30 of each year. Underwriters' commission, legal and other issue costs attributable to the 2023 Debentures in the amount of \$2,410 have been capitalized and are being amortized over their term to maturity. Morguard and Paros Enterprises Limited, related parties, own \$5,000 and \$2,000 aggregate principal amount of the 2023 Debentures, respectively.

As at September 30, 2025, \$56,000 of the face value of the 2023 Debentures was outstanding.

Each of the 2023 Debentures can be converted into fully paid, non-assessable and freely tradable Units at the option of the holder at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the REIT for redemption of the 2023 Debentures, at a conversion price of \$24.15 per Unit, being a ratio of approximately 41.4079 Units per \$1,000 principal amount of the 2023 Debentures.

NOTE 7

CLASS B LP UNITS

On April 18, 2012, the REIT issued 17,223,090 Class B LP Units to Morguard for \$172,231. The Class B LP Units are non-transferable, except under certain circumstances, but are exchangeable on a one-for-one basis into Units of the REIT at any time at the option of the holder. Prior to such exchange, distributions are made on the Class B LP Units in an amount equivalent to the distribution that would have been made had the Units of the REIT been issued. Each Class B LP Unit was accompanied by a Special Voting Unit, which entitles the holder to receive notice of, attend and vote at all meetings of the Unitholders. There is no value assigned to the Special Voting Units.

As at September 30, 2025, the REIT valued the Class B LP Units based on the closing price of the TSX-listed Units, which resulted in a fair value liability of \$312,599 (December 31, 2024 - \$295,376) and a corresponding fair value gain for the three months ended September 30, 2025 of \$1,895 (2024 - loss of \$65,276) and a fair value loss for the nine months ended September 30, 2025 of \$17,223 (2024 - \$77,504).

For the three and nine months ended September 30, 2025, distributions on Class B LP Units amounting to \$3,272 (2024 - \$3,186) and \$9,816 (2024 - \$9,558), respectively, are included in interest expense (Note 13).

As at September 30, 2025, and December 31, 2024, there were 17,223,090 Class B LP Units issued and outstanding.

NOTE 8

MORGUARD FACILITY

The REIT has an unsecured revolving credit facility with Morguard (the "Morguard Facility") that provides for borrowings or advances that can be drawn or advanced either in Canadian dollars or an equivalent amount in United States dollars at the entity's borrowing cost, subject to the availability of sufficient funds. The maximum allowable to be borrowed or advanced under the Morguard Facility is \$100,000.

As at September 30, 2025, the net amount receivable under the Morguard Facility was \$74,500 (December 31, 2024 - \$90,000).

During the three months ended September 30, 2025, the REIT recorded net interest income of \$1,080 (2024 - \$nil) and during the nine months ended September 30, 2025, the REIT recorded net interest income of \$3,741 (2024 - \$9) on the Morguard Facility.

NOTE 9

LEASE LIABILITIES

The following table presents the change in the balance of lease liabilities:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	\$17,612	\$16,059
Interest on lease liabilities (Note 13)	804	987
Payments	(833)	(1,025)
Additions	207	170
Foreign exchange gain (loss)	(570)	1,421
Balance, end of period	\$17,220	\$17,612

Future minimum lease payments under the lease liabilities are as follows:

As at	September 30, 2025	December 31, 2024
Within 12 months	\$1,123	\$1,144
2 to 5 years	13,898	14,722
Over 5 years	17,728	18,235
Total minimum lease payments	32,749	34,101
Less: Future interest costs	(15,529)	(16,489)
Present value of minimum lease payments	\$17,220	\$17,612

NOTE 10

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

As at	September 30, 2025	December 31, 2024
Accounts payable and accrued liabilities	\$67,822	\$64,056
Accrued liabilities (IFRIC 21, Levies)	8,524	—
Tenant deposits	9,679	9,558
	\$86,025	\$73,614

NOTE 11

UNITHOLDERS' EQUITY

(a) Units

The REIT is authorized to issue an unlimited number of Units. Each Unit confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in the distributions by the REIT and, in the event of termination or winding-up of the REIT, in the net assets of the REIT. The Unitholders have the right to require the REIT to redeem their Units on demand subject to certain conditions. The Units have no par value. Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption will cease and the holder thereof will be entitled to receive a price per Unit ("Redemption Price") as determined by a formula outlined in the Declaration of Trust. The Redemption Price will be paid in accordance with the conditions provided for in the Declaration of Trust.

The Trustees have discretion with respect to the timing and amounts of distributions.

(b) Normal Course Issuer Bids

On January 10, 2024, the REIT had the approval of the TSX under its normal course issuer bid ("NCIB") to purchase up to 2,795,028 Units and \$4,900 principal amount of the 2023 Debentures. The program expired on January 11, 2025. On January 8, 2025, the REIT obtained the approval of the TSX under its NCIB, commencing January 12, 2025, to purchase up to 2,648,573 Units, being approximately 10% of the public float of outstanding Units; the program expires on January 11, 2026. The daily repurchase restriction for the Units is 5,522. Additionally, the REIT may purchase up to \$4,900 principal amount of the 2023 Debentures, being 10% of the public float of outstanding 2023 Debentures. The daily repurchase restriction for the 2023 Debentures is \$8. The price that the REIT would pay for any such Units or 2023 Debentures would be the market price at the time of acquisition.

During the nine months ended September 30, 2025, 1,313,709 Units were repurchased for cash consideration of \$22,860 at a weighted average price of \$17.40 per Unit. During the year ended December 31, 2024, 1,505,535 Units were repurchased for cash consideration of \$26,288 at a weighted average price of \$17.46 per Unit.

(c) Special Voting Units

The REIT is authorized to issue an unlimited number of Special Voting Units. The Declaration of Trust and the exchange agreement provide for the issuance of the Special Voting Units, which have no economic entitlement in the REIT or in the distribution or assets of the REIT, but are used to provide voting rights proportionate to the votes of the Units to holders of securities exchangeable into Units, including the Class B LP Units. Each Special Voting Unit is not transferable separately from the Class B LP Unit to which it is attached and will be automatically redeemed and cancelled upon exchange of the attached Class B LP Unit into a Unit.

(d) Units Outstanding

The following table summarizes the changes in Units for the period from December 31, 2023, to September 30, 2025:

Issued and Fully Paid Units	Units	Amount
Balance, December 31, 2023	37,735,959	\$448,150
Units issued under the DRIP	53,757	883
Units repurchased through the NCIB plan	(1,505,535)	(26,288)
Balance, December 31, 2024	36,284,181	422,745
Units issued under the DRIP	32,854	578
Units repurchased through the REIT's NCIB plan	(1,313,709)	(22,860)
Balance, September 30, 2025	35,003,326	\$400,463

Total distributions declared during the nine months ended September 30, 2025, amounted to \$20,273, or \$0.56997 per Unit (2024 - \$20,799, or \$0.55503 per Unit), including distributions payable of \$2,217 that were declared on September 15, 2025, and paid on October 15, 2025. On October 15, 2025, the REIT declared a distribution of \$0.06333 per Unit payable on November 14, 2025.

(e) Distribution Reinvestment Plan

Under the REIT's Distribution Reinvestment Plan ("DRIP"), Unitholders can elect to reinvest cash distributions into additional Units at a weighted average closing price of the Units on the TSX for the five trading days immediately preceding the applicable date of distribution. During the nine months ended September 30, 2025, the REIT issued 32,854 Units under the DRIP (year ended December 31, 2024 - 53,757 Units).

NOTE 12

RENTAL INCOME

The components of revenue from real estate properties are as follows:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Rental income	\$43,287	\$41,996	\$132,483	\$127,243
Property management and ancillary income	31,105	30,019	93,496	88,336
Property tax and insurance	13,272	13,773	40,496	40,721
	\$87,664	\$85,788	\$266,475	\$256,300

NOTE 13

INTEREST EXPENSE

The components of interest expense are as follows:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Interest on mortgages	\$17,576	\$15,994	\$51,452	\$45,114
Interest on convertible debentures (Note 6)	840	840	2,520	2,520
Interest on lease liabilities (Note 9)	265	241	804	720
Amortization of mark-to-market adjustment on mortgages	153	162	515	519
Amortization of deferred financing costs	912	755	2,617	2,230
Amortization of deferred financing costs on convertible debentures (Note 6)	116	108	346	323
Accretion on convertible debentures (Note 6)	221	221	663	663
Fair value loss (gain) on conversion option on convertible debentures (Note 6)	(391)	2,006	(202)	879
Prepayment fee on mortgage extinguishment	—	—	—	257
	19,692	20,327	58,715	53,225
Distributions on Class B LP Units (Note 7)	3,272	3,186	9,816	9,558
	\$22,964	\$23,513	\$68,531	\$62,783

NOTE 14

TRUST EXPENSES

The components of trust expenses are as follows:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Asset management fees and distributions	\$5,022	\$4,793	\$15,616	\$14,508
Professional fees	360	312	1,003	998
Public company expenses	203	204	616	605
Other	104	225	308	580
	\$5,689	\$5,534	\$17,543	\$16,691

NOTE 15

RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed in Notes 6, 7 and 8, related party transactions also include the following:

Agreements with Morguard Affiliates

The REIT, the Partnership and its subsidiaries entered into a series of agreements (the “Agreements”) with certain Morguard affiliates whereby the following services are provided by Morguard’s affiliates under the direction of the REIT:

Property Management

Pursuant to the Agreements, Morguard’s affiliates administer the day-to-day operations of the Canadian and U.S. income producing properties, for which Morguard’s affiliates receive partnership fees and distributions equal to 3.5% of gross property revenue of the income producing properties, payable monthly. Fees and distributions for the three and nine months ended September 30, 2025 amounted to \$3,138 (2024 - \$3,066) and \$9,531 (2024 - \$9,153), respectively, and are included in property operating costs and equity income from investments. As at September 30, 2025, \$914 (December 31, 2024 - \$925) is included in accounts payable and accrued liabilities.

Asset Management

Pursuant to the Agreements, Morguard’s affiliates have certain duties and responsibilities for the strategic management and administration of the Partnership and its subsidiaries, for which they receive partnership fees and distributions equal to 0.25% of the Partnership’s gross book value defined as acquisition cost of the REIT’s assets plus: (i) fair value adjustments; and (ii) accumulated amortization on property, plant and equipment. In addition, an annual fee and distribution are calculated in arrears, determined by multiplying 15% of the Partnership’s funds from

operations in excess of \$0.66 per Unit. Fees and distributions for the three and nine months ended September 30, 2025 amounted to \$5,134 (2024 - \$4,895) and \$15,954 (2024 - \$14,813), respectively, and are included in trust expenses and equity income from investments. As at September 30, 2025, \$3,231 (December 31, 2024 - \$3,280) is included in accounts payable and accrued liabilities.

Acquisition

Pursuant to the Agreements, Morguard's affiliates are entitled to receive partnership fees with respect to properties acquired, directly or indirectly, by the REIT from third parties, and the fees are to be paid upon the closing of the purchase of each such property. The fees range from 0% of the purchase price paid for properties acquired directly or indirectly from Morguard, including entities controlled by Morguard, up to 0.75% of the purchase price paid for properties acquired from third parties. There were no fees relating to acquisition services for the three and nine months ended September 30, 2025, and 2024.

Financing

Pursuant to the Agreements, with respect to arranging for financing services, Morguard's affiliates are entitled to receive partnership fees equal to 0.15% of the principal amount and associated costs (excluding mortgage premiums) of any debt financing or refinancing. Fees relating to financing services for the three and nine months ended September 30, 2025 amounted to \$250 (2024 - \$nil) and \$369 (2024 - \$313), respectively, and have been capitalized to deferred financing costs.

Other Services

As at September 30, 2025, and December 31, 2024, the REIT had its portfolio appraised by Morguard's appraisal division. Fees relating to appraisal services for the three and nine months ended September 30, 2025 amounted to \$52 (2024 - \$52) and \$156 (2024 - \$156), respectively, and are included in trust expenses.

NOTE 16

INCOME TAXES

(a) Canadian Status

The REIT is a "mutual fund trust" pursuant to the *Income Tax Act* (Canada) (the "Act"). Under current tax legislation, a mutual fund trust that is not a Specified Investment Flow-Through ("SIFT") trust pursuant to the Act is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes, provided that its taxable income is fully distributed to Unitholders. The REIT intends to continue to qualify as a mutual fund trust that is not a SIFT trust and to make distributions not less than the amount necessary to ensure that the REIT will not be liable to pay income taxes.

(b) U.S. Status

Certain of the REIT's operations or a portion thereof are conducted through its taxable U.S. subsidiaries, which are subject to U.S. federal and state corporate income taxes.

As at September 30, 2025, the REIT's U.S. subsidiaries have total net operating losses of approximately US\$46,350 (December 31, 2024 - US\$22,731) of which deferred income tax assets were recognized as it is probable that taxable income will be available against such losses and can be carried forward indefinitely. Included in the net operating losses is the REIT's portion of net operating losses of a subsidiary where the REIT owns a 51% effective interest in a limited partnership of US\$9,819 (December 31, 2024 - US\$8,747).

As at September 30, 2025, the REIT's U.S. subsidiaries have a total of US\$65,739 (December 31, 2024 - US\$57,092) of unutilized interest expense deductions on which deferred income tax assets were recognized and can be carried forward indefinitely.

NOTE 17

CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Items Not Affecting Cash

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Fair value loss (gain) on real estate properties, net	\$9,754	(\$30,055)	(\$41,496)	(\$85,109)
Fair value loss (gain) on Class B LP Units	(1,895)	65,276	17,223	77,504
Fair value loss (gain) on conversion option on convertible debentures	(391)	2,006	(202)	879
Equity income from investments	(1,040)	(4,242)	(5,974)	(8,108)
Amortization of deferred financing - mortgages	912	755	2,617	2,230
Amortization of deferred financing - convertible debentures	116	108	346	323
Amortization of mark-to-market adjustment on mortgages	153	162	515	519
Accretion on convertible debentures	221	221	663	663
Amortization of tenant incentives	174	53	523	358
Deferred income taxes	(107)	3,822	9,632	14,683
	\$7,897	\$38,106	(\$16,153)	\$3,942

(b) Net Change in Non-cash Operating Assets and Liabilities

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Amounts receivable	(\$2,755)	(\$2,163)	\$1,434	(\$2,171)
Prepaid expenses	(9,284)	(9,651)	(6,372)	(5,735)
Accounts payable and accrued liabilities	10,142	7,437	5,135	12,376
	(\$1,897)	(\$4,377)	\$197	\$4,470

(c) Supplemental Cash Flow Information

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Interest paid	\$18,917	\$17,185	\$54,430	\$48,293

(d) Reconciliation of Liabilities Arising from Financing Activities

The following provides a reconciliation of liabilities arising from financing activities:

As at September 30, 2025	Mortgages Payable	Convertible Debentures	Lease Liabilities	Total
Balance, beginning of period	\$1,721,080	\$52,830	\$17,612	\$1,791,522
Repayments	(23,605)	—	(29)	(23,634)
New financing, net of financing costs	242,048	—	207	242,255
Lump-sum repayments	(186,670)	—	—	(186,670)
Non-cash changes	3,132	807	—	3,939
Foreign exchange	(33,715)	—	(570)	(34,285)
Balance, end of period	\$1,722,270	\$53,637	\$17,220	\$1,793,127

NOTE 18

MANAGEMENT OF CAPITAL

Refer to the REIT's audited consolidated financial statements as at and for the year ended December 31, 2024 for an explanation of the REIT's capital management policy.

The total managed capital for the REIT as at September 30, 2025, and December 31, 2024, is summarized below:

As at	September 30, 2025	December 31, 2024
Mortgages payable, principal balance	\$1,744,310	\$1,742,986
Convertible debentures, face value	56,000	56,000
Lease liabilities	17,220	17,612
Class B LP Units	312,599	295,376
Unitholders' equity	1,993,870	2,001,337
	\$4,123,999	\$4,113,311

The REIT's debt ratios compared to its borrowing limits established in the Declaration of Trust are outlined in the table below:

As at	Borrowing Limits	September 30, 2025	December 31, 2024
Total debt to gross book value	70%	39.5%	39.7%
Floating-rate debt to gross book value	20%	0.8%	0.9%

NOTE 19

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Refer to the REIT's audited consolidated financial statements as at and for the year ended December 31, 2024 for an explanation of the REIT's risk management policy as it relates to financial instruments.

Fair Value of Financial Assets and Liabilities

The fair values of cash, restricted cash, amounts receivable, the Morguard Facility and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

Mortgages payable, lease liabilities and convertible debentures are carried at amortized cost using the effective interest rate method of amortization. The estimated fair values of long-term borrowings have been determined based on market information, where available, or by discounting future payments of interest and principal at estimated interest rates expected to be available to the REIT.

The fair value of the mortgages payable has been determined by discounting the cash flows of these financial obligations using September 30, 2025 market rates for debt of similar terms (Level 2). Based on these assumptions, as at September 30, 2025 the fair value of mortgages payable before deferred financing costs and mark-to-market adjustment is estimated at \$1,725,824 (December 31, 2024 - \$1,689,869), compared to the carrying value of \$1,744,310 (December 31, 2024 - \$1,742,986). The fair value of mortgages payable varies from the carrying value due to fluctuations in market interest rates since their issue.

The fair value of the convertible debentures are based on their market trading price (Level 1). As at September 30, 2025, the fair value of the convertible debentures before deferred financing costs has been estimated at \$58,514 (December 31, 2024 - \$58,464), compared with the carrying value of \$53,792 (December 31, 2024 - \$53,129).

The fair value of the Class B LP Units is equal to the market trading price of the Units.

The REIT's convertible debentures have no restrictive covenants.

The fair value hierarchy of real estate properties and financial instruments measured at fair value on the consolidated balance sheets is as follows:

	September 30, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Real estate properties	\$—	\$—	\$4,339,874	\$—	\$—	\$4,333,075
Financial liabilities:						
Class B LP Units	312,599	—	—	295,376	—	—
Conversion option of convertible debentures	—	1,159	—	—	1,361	—

NOTE 20

SEGMENTED INFORMATION

Substantially all of the REIT's assets and liabilities are in, and their revenue is derived from, the Canadian and U.S. multi-suite residential real estate segments. The Canadian properties are located in the provinces of Alberta and Ontario, and the U.S. properties are located in the states of Colorado, Texas, Louisiana, Illinois, Georgia, Florida, North Carolina, Virginia and Maryland. No single tenant accounts for 10% or more of the REIT's total revenue. The REIT is separated into two reportable segments: Canada and the United States. The REIT has applied judgment by aggregating its operating segments according to the nature of the property operations. Such judgment considers the nature of operations, types of customers and an expectation that operating segments within a reportable segment have similar long-term economic characteristics.

Additional information with respect to each reportable segment is outlined below:

	Three months ended September 30, 2025			Three months ended September 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Revenue from real estate properties	\$28,245	\$59,419	\$87,664	\$28,226	\$57,562	\$85,788
Property operating expenses	(11,778)	(21,754)	(33,532)	(11,478)	(22,279)	(33,757)
Net operating income	\$16,467	\$37,665	\$54,132	\$16,748	\$35,283	\$52,031

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Revenue from real estate properties	\$85,387	\$181,088	\$266,475	\$83,690	\$172,610	\$256,300
Property operating expenses	(35,603)	(99,020)	(134,623)	(34,468)	(94,565)	(129,033)
Net operating income	\$49,784	\$82,068	\$131,852	\$49,222	\$78,045	\$127,267

As at	September 30, 2025			December 31, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Real estate properties	\$1,797,870	2,542,004	\$4,339,874	\$1,713,940	\$2,619,135	\$4,333,075
Mortgages payable	708,440	1,013,830	1,722,270	675,069	1,046,011	1,721,080

	Three months ended September 30, 2025			Three months ended September 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Additions to real estate properties	\$8,613	\$9,164	\$17,777	\$6,184	\$8,177	\$14,361
Fair value gain (loss) on real estate properties	\$5,589	(\$23,776)	(\$18,187)	\$33,313	(\$10,896)	\$22,417

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Additions to real estate properties	\$18,146	\$22,188	\$40,334	\$15,520	\$16,290	\$31,810
Fair value gain (loss) on real estate properties	\$65,675	(\$14,729)	\$50,946	\$80,802	\$12,755	\$93,557