

2025 Annual Review

MORGUARD NORTH AMERICAN RESIDENTIAL REIT

Durable returns with high-quality multi-suite
residential properties in Canada and the U.S.

Morguard

ABOUT MORGUARD NORTH AMERICAN RESIDENTIAL REIT

Durable Returns, Steady Growth

Morguard North American Residential REIT's strategy is built on high quality multi-suite residential assets and geographic diversification:

Our record of ongoing growth since our IPO in 2012 stands among the highest and most durable among residential REITs in our peer group. That record reflects the success of our strategy of investing in a broad range of residential property types and tenant profiles across North America.

As at December 31, 2025, the REIT's multi-suite residential property portfolio consists of 16 Canadian properties and 27 U.S. properties, having a total of 13,089 residential suites and 239,500 square feet of commercial area.

Guided by a mandate of broad geographic diversity that prioritizes investment in vibrant and well-amenitized communities,

the REIT's properties are primarily located in urban centres and major suburban regions in Alberta, Ontario, Colorado, Texas, Louisiana, Illinois, Georgia, Florida, North Carolina, Virginia and Maryland.

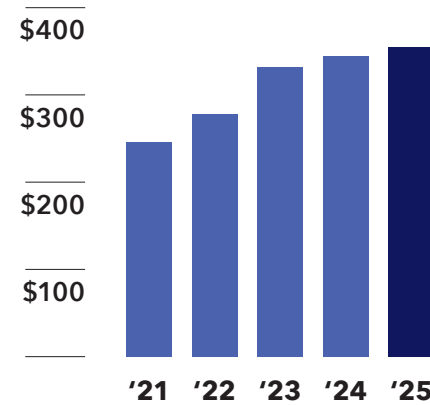
Approximately 79% of the suites in Canada are located in Toronto and Mississauga, which form part of the Greater Toronto Area (GTA), Canada's most significant economic cluster with the largest concentration of people.

The regional distribution of the remaining properties serves to add stability to the REIT's cash flows because it reduces the REIT's vulnerability to economic fluctuations affecting any particular region. Alongside that, we engage in a policy of ongoing investment in our properties, to maintain the high tenant engagement and strong occupancy rates that drive value for our investors.

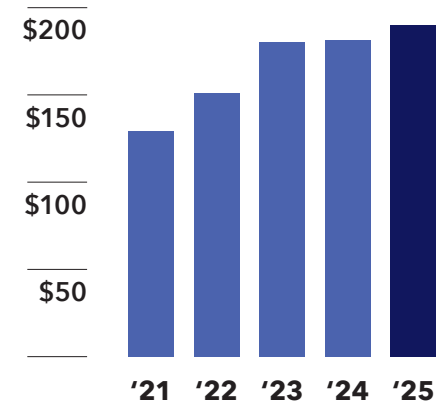


Mississauga City Centre
Mississauga, ON
1,294 suites

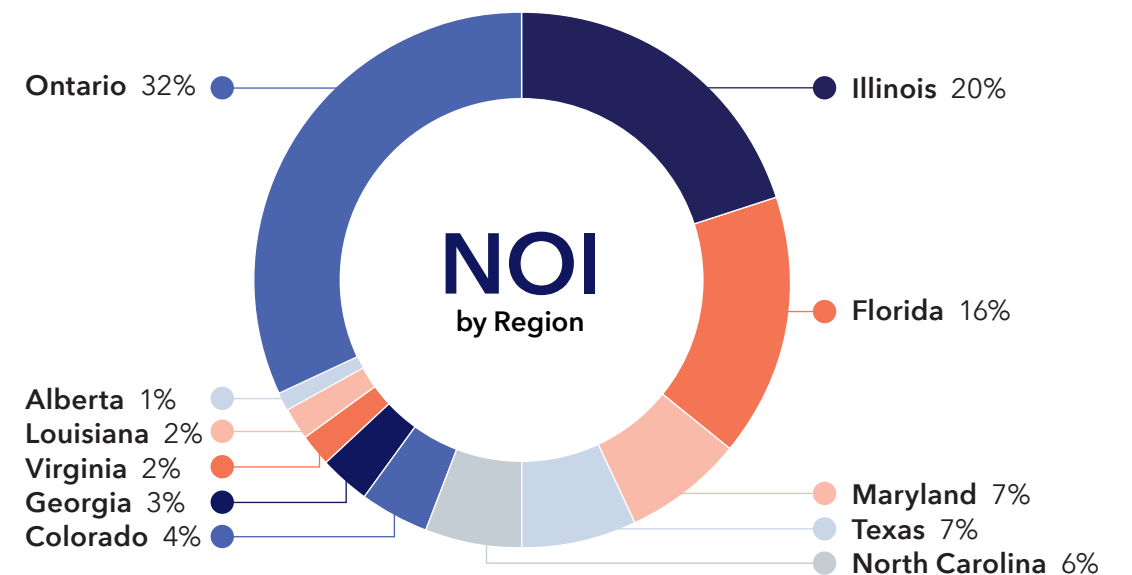
TOTAL REVENUE
In Millions of Dollars



NET OPERATING INCOME
In Millions of Dollars



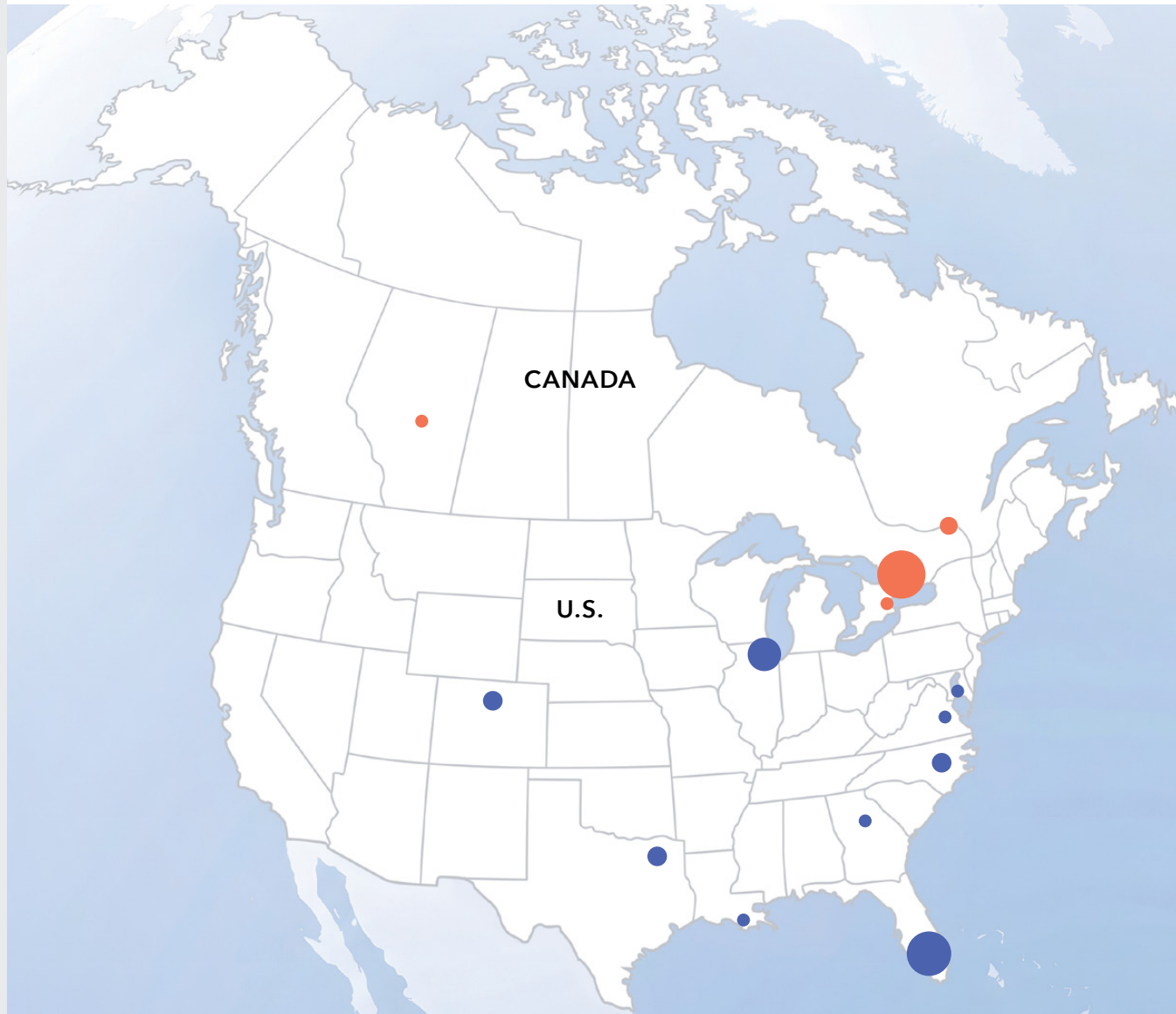
2025 NET OPERATING INCOME BY REGION¹



¹ Includes equity-accounted investments at ownership share.

Real Estate Portfolio by Geographic Area

As at December 31, 2025



CANADA BY THE NUMBERS

2 PROVINCES | 16 PROPERTIES

CA\$1.8B
PROPERTY VALUE IN CANADA

5,335 SUITES | 93.3% OCCUPANCY

CA\$1,851
AVERAGE MONTHLY RENT

U.S. BY THE NUMBERS

9 STATES | 27 PROPERTIES

US\$1.8B
PROPERTY VALUE IN THE U.S.

7,754 SUITES | 91.3% OCCUPANCY

US\$1,930
AVERAGE MONTHLY RENT

Leadership Perspective: Fiscal Prudence and Strategic Growth

“The REIT’s FFO has grown at a compounded annual rate of 8.2% since our IPO, among the highest in our residential peer group.”

Angela Sahi
President & CEO



In 2025, the REIT executed its growth strategy while operating our North American residential properties with fiscal prudence and a focus on durable, steady returns.

Reflecting our conviction in the multi-suite residential asset class, the REIT and Morguard announced in early 2026 a significant investment in a geographically diversified Canadian multi-suite residential real estate portfolio owned by TD Asset Management.

EXECUTING OUR GROWTH STRATEGY

The deal, subject to completion of due diligence and CMHC approval, sees Morguard North American Residential REIT and Morguard Corporation agreeing to

jointly invest \$1 billion, which represents an approximate 20% undivided interest in 106 properties valued at approximately \$5 billion. The portfolio comprises more than 15,500 suites across properties located in major urban and suburban markets across Canada, in well-established rental markets supported by population growth and long-term housing demand.

This investment enhances the REIT’s geographic and product diversification, resulting in a stronger portfolio spanning Canada and the United States. This strategic positioning across multiple markets enhances resilience, mitigates regional risk and captures growth opportunities across economic cycles. The investment with TD Asset Management is expected to close in the second half of 2026.

RESILIENT UNDER PRESSURE

Our strong operating fundamentals in 2025 support our conviction in the multi-suite residential asset class. As at December 31, 2025, the REIT’s total assets were \$4.5 billion. Net operating income grew to \$189.7 million in 2025, from \$181.4 million in 2024, an increase of 4.6%.

Total revenue from real estate properties grew a steady 3% to \$354.6 million at the end of 2025, from \$344.2 million in 2024, while average monthly rent (AMR) climbed in Canada and the United States.

INCREASED AMR IN CANADA AND THE U.S.

In Canada, AMR increased by 4.5% to \$1,851. Contributing to strong Canadian growth was the Ontario guideline rental rate increase of 2.5% and above-guideline increases at certain properties upon the completion of large capital projects, upgrading the overall appeal of the properties. In the U.S., AMR increased by 1.2% to US\$1,930, led by solid market fundamentals in such regions as Illinois, Virginia and Maryland.

Immigration policy changes impacted population growth in both Canada and the United States, affecting occupancy. In addition, increased competition from newly constructed rental and condominium buildings impacted certain markets.

LETTER FROM THE PRESIDENT & CEO

Canadian occupancy is expected to strengthen as new supply is absorbed, incentive-driven competition moderates and population growth trends return to historical norms. In the United States, the REIT expects supply and absorption to improve through 2026 as we continue to focus on steady AMR growth and maintaining optimal occupancy levels. In Canada, occupancy declined to 93.3% at December 31, 2025, compared to 97.2% in 2024, while in the United States occupancy declined to 91.3%, from 93.8% over the same period.

“While the multi-suite residential asset class faced pressure, the REIT’s operating fundamentals remained resilient.”

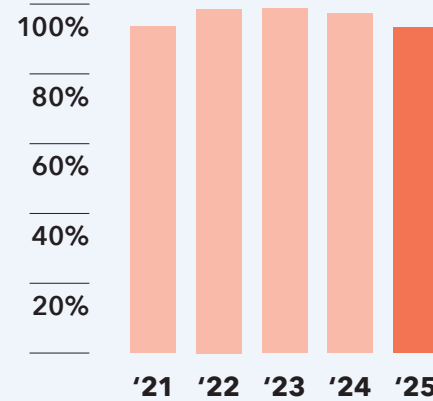
ONGOING, STEADY GROWTH

In 2025, our funds from operations (FFO) amounted to \$1.79 per unit, an 8.5% increase compared to \$1.65 per unit in 2024. Basic FFO was \$94.1 million for the year, an increase of 4.7% over the same period in 2024.

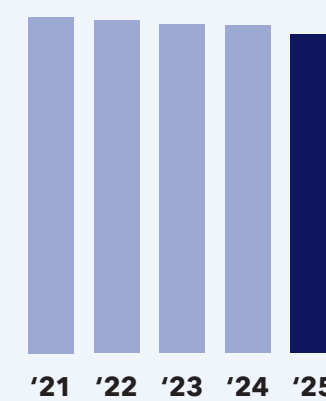
Further, the REIT’s 8.2% FFO compounded annual growth rate (CAGR) since our IPO in 2012 is amongst the highest when compared to our residential peers.

During 2025, we continued to be active under our normal course issuer bid program (NCIB) as approximately 1.4 million units were repurchased for cash consideration of \$24.3 million at a weighted average price of \$17.40 per unit. The NCIB has been a prudent use of capital during the past several years in our ongoing effort to strengthen net asset value.

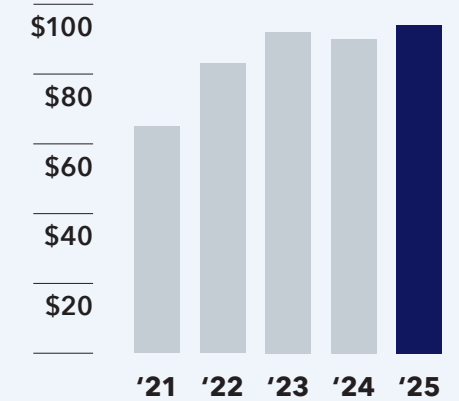
OCCUPANCY - CANADA



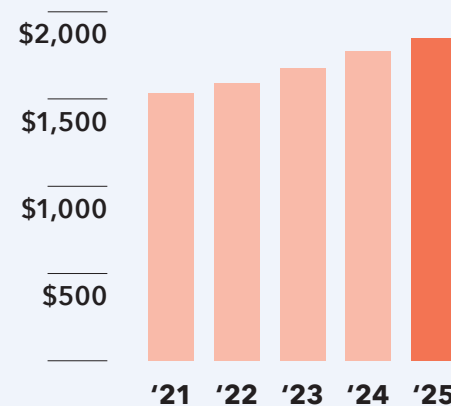
OCCUPANCY - U.S.



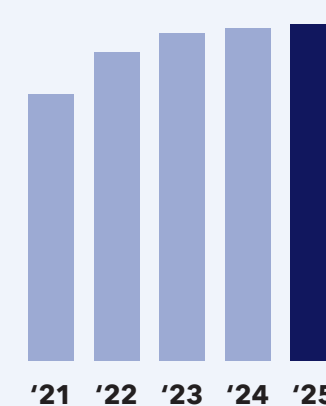
FUNDS FROM OPERATIONS - BASIC
In Millions of Dollars



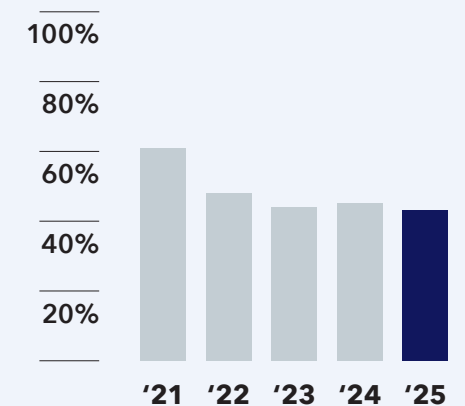
AMR - CANADA
In Canadian Dollars



AMR - U.S.
In U.S. Dollars



FUNDS FROM OPERATIONS - PAYOUT RATIO



LETTER FROM THE PRESIDENT & CEO

CAPITAL EXPENDITURES

As prudent owner-operators, we invest in our properties to improve long-term value. During the year ended December 31, 2025, the REIT's total capital expenditures amounted to \$64.1 million, compared to \$59.4 million during 2024.

The REIT concentrated its in-suite renovations at properties where solid rental demand, coupled with strong market fundamentals, allow for rent increases and an attractive return on the capital invested. Revenue-enhancing capital expenditures consisted of in-suite improvements and energy initiative upgrades, as well as common area and exterior enhancements, which enhance the overall appeal of the properties.

ENHANCING LIQUIDITY

Setting the stage to capitalize on future opportunities, the REIT refinanced maturing mortgages for gross proceeds of \$245.6 million at a weighted average interest rate of 4.92% for a weighted average term of 5.3 years. The maturing mortgages had a balance of \$186.7 million at a weighted average interest rate of 3.29%, resulting in additional net proceeds of \$58.9 million, before financing costs. Reflecting the REIT's conservative debt management, our indebtedness to gross book value decreased slightly to 39.5%.

As at year end, the REIT reported liquidity of \$226.5 million, comprising approximately \$114.5 million in cash and \$112 million available in revolving credit facilities with Morguard Corporation. In addition, the REIT has approximately \$86.5 million of additional net mortgage financing proceeds expected to close in the second quarter of 2026, and \$202.5 million in unencumbered assets that can be utilized for financing.

DURABLE UNITHOLDER VALUE

Maintaining the REIT's record of generating stable and growing cash distributions, in October 2025 the REIT raised its annual distribution by \$0.03 per unit, or 3.95%, to \$0.79 per unit, on an annualized basis, from \$0.76 per unit. The steady growth reflects our commitment to maximizing the long-term value for our unitholders.

"We see potential in the North American multi-suite residential sector as a mechanism to generate durable and growing cash flow."

FOCUSING ON OPERATIONAL EXCELLENCE

At Morguard North American Residential REIT, we take pride in our ability to generate earnings and FFO growth.

We continue to be focused on operational excellence, fostering resident communities and capturing growth opportunities. Morguard has strong conviction in the multi-suite residential asset class as a mechanism to generate durable and growing cash flow.

As ever, I am thankful to our Morguard North American Residential REIT team as well as the communities, partners, trustees and unitholders who have been so instrumental to our success over the years. Looking back on 2025, it is clear that our strong relationship with Morguard will allow us to maintain our emphasis on steady cash flow and durable long-term value.

Sincerely,



Angela Sahi
President & CEO



THE COAST AT LAKESHORE EAST Chicago, IL | 515 total suites

Such Chicago properties as the Coast at Lakeshore East stood out as bright spots in 2025 after renovations to 36 suites. The renewals yielded strong return on investment. With limited new inventory coming online in downtown Chicago over the next two years, we anticipate continued rental growth in the region over the near-term.

ASSET SPOTLIGHT

Value-Enhancing Renewal

The REIT has strong conviction in the multi-suite residential asset class, and takes pride in the ability to generate durable earnings and cash flow while thoughtfully reinvesting in our properties.



The Square
Rockville, MD
186,500 SF GLA



Fenestra Apartments at The Square
Rockville, MD
492 suites



Village Crossing
West Palm Beach, FL
189 suites



160 Chapel
Ottawa, ON
370 suites

THE SQUARE

Redefining what it means to be a modern neighbourhood centre, The Square and Fenestra Apartments form a dynamic community destination located in the heart of Maryland’s Montgomery County, creating a central hub where residents and visitors can shop, dine and connect.

In 2025, the community marked a pivotal moment in its revitalization with the opening of Trader Joe’s, the latest of a number of new retail and restaurant openings.

VILLAGE CROSSING

Reflecting our ongoing commitment to targeted renovation programs that build value and boost asset quality, The REIT’s Village Crossing was one of numerous U.S. properties that benefited from strategic investment. In 2025, a total of 64 apartments were equipped with new windows and doors, appliances, mechanical systems, fixtures, cabinetry, countertops, and flooring.

The renovation strengthened the property’s long-term value and performance within the affluent West Palm Beach submarket, supporting strong rent growth and double-digit returns.

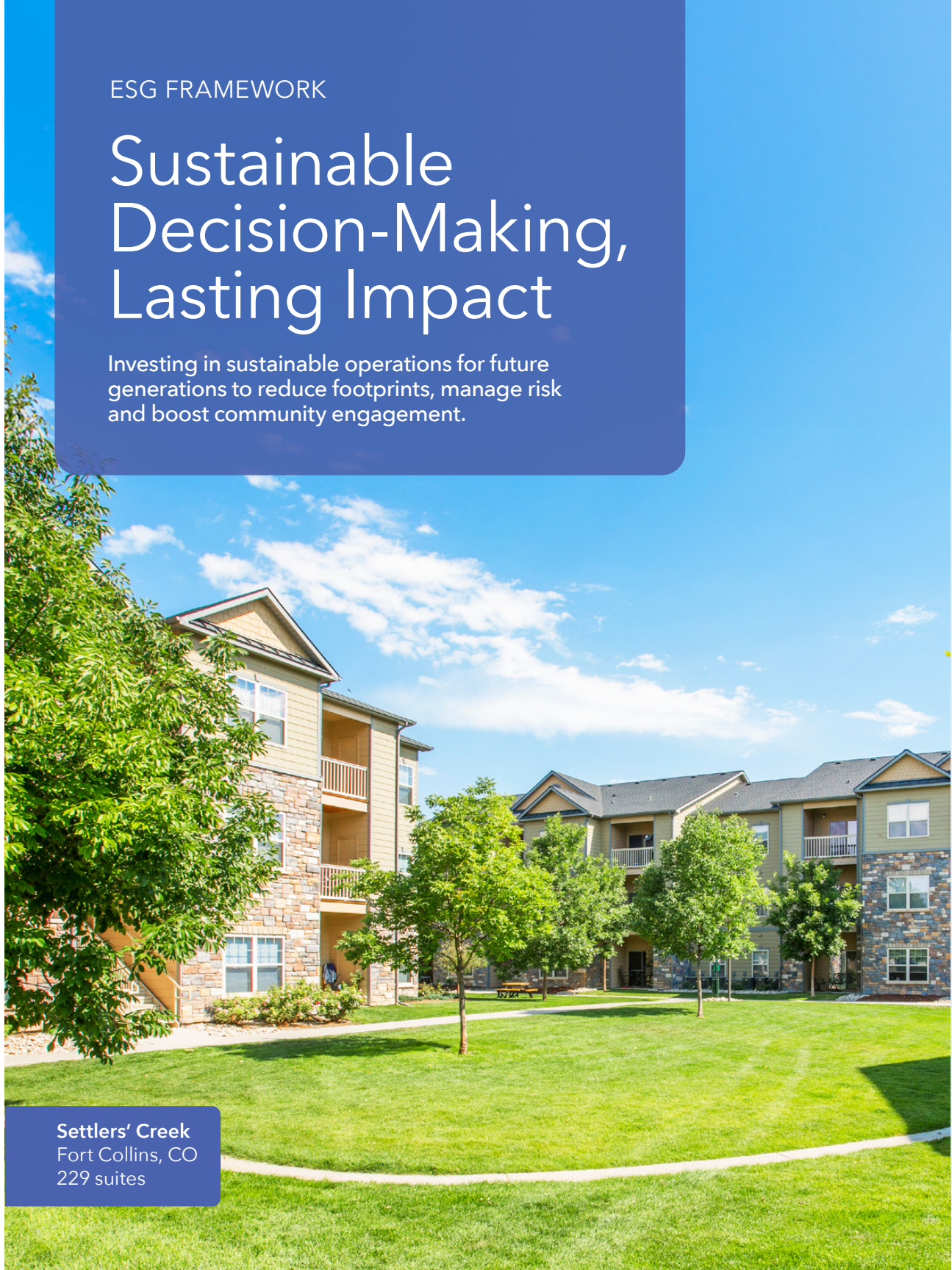
160 CHAPEL

Located in the historic and highly walkable neighbourhood of Sandy Hill, 160 Chapel is a high-quality 22-storey rental apartment property that appeals to tenants seeking both long- and short-term stays. In a rental environment affected by changes in Canadian immigration policy, the REIT continued in 2025 a campaign of revenue- and value-enhancing renewals on a selection of apartments throughout its portfolio, including at 160 Chapel. The renovations reflect the REIT’s commitment to Canada’s national capital region.

ESG FRAMEWORK

Sustainable Decision-Making, Lasting Impact

Investing in sustainable operations for future generations to reduce footprints, manage risk and boost community engagement.



Settlers' Creek
Fort Collins, CO
229 suites

Guided by Morguard Corporation's sustainability framework, our ESG efforts build on more than a decade of experience seeking to reduce environmental impact and build engaged communities. We view ESG as a natural extension of responsible management, reflecting our commitment to long-term success and sustainable growth.

The strategy is guided by our key values of diversity, integrity and responsibility. And each initiative is tracked to assess impact on returns and ensure that each one reflects the overall Morguard priority of promoting steady growth and stable returns for our investors.



REDUCING FOOTPRINTS

We're committed to improving building efficiency, conserving resources and integrating sustainable design across our portfolio. Morguard's long-term targets include a 50% reduction in greenhouse gas (GHG) emissions by 2030 and achieving net-zero status across the portfolio by 2050.

By enhancing building efficiency and conserving resources, we can make a significant difference.

Our efforts include:

- ongoing program of major retrofits and conservation upgrades, including HVAC systems, lighting retrofits and energy-efficient windows
- tracking progress toward achieving energy, water and waste reduction targets
- embracing sustainable design and construction practices



INCREASING IMPACTS

Sustainability is about people as much as our planet. Through meaningful engagement with employees, tenants, and communities, we're creating environments where everyone can thrive, with:

- deep retrofits that improve energy efficiency
- smart building technologies
- improved data collection



MANAGING OPPORTUNITIES & RISKS

We're strengthening our business resilience by understanding and managing our climate-related and ESG risks, while actively seeking out opportunities to future-proof our assets. The approach prioritizes:

- robust ESG governance
- climate-change risk assessments
- rigorous health and safety standards
- enhanced cybersecurity protocols
- responsible supply chain approach

Such priorities help to future-proof our assets against climate and ESG-related factors. We'll continue to measure, monitor and report our sustainability efforts, setting the stage for enduring value and impact.



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