

Morguard North American Residential REIT

# Management's Discussion and Analysis & Consolidated Financial Statements

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Second Quarter  
Report



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

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## PART I

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Morguard North American Residential Real Estate Investment Trust ("Morguard Residential REIT" or the "REIT") is pleased to provide this review of operations and update on our financial performance for the three and six months ended June 30, 2025. Unless otherwise noted, dollar amounts are stated in thousands of Canadian dollars, except per suite and REIT trust unit ("Unit") amounts.

The following Management's Discussion and Analysis ("MD&A") sets out the REIT's strategies and provides an analysis of the financial performance for the three and six months ended June 30, 2025, and significant risks facing the business. Historical results, including trends that might appear, should not be taken as indicative of future operations or results.

This MD&A should be read in conjunction with the REIT's unaudited condensed consolidated financial statements and accompanying notes for the three and six months ended June 30, 2025 and 2024. This MD&A is based on financial information prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and is dated July 29, 2025. Disclosure contained in this document is current to that date unless otherwise noted.

Additional information relating to Morguard Residential REIT, including the REIT's Annual Information Form, can be found at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.morguard.com](http://www.morguard.com).

### FORWARD-LOOKING STATEMENTS DISCLAIMER

Statements contained herein that are not based on historical or current fact, including without limitation, statements containing the words "anticipates", "believes", "may", "continue", "estimate", "expects" and "will" and words of similar expression, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the REIT operates; changes in business strategy or development/acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or failure to comply with, governmental regulations; liability and other claims asserted against the REIT; risks and uncertainties relating to pandemics or epidemics and other factors referred to in the REIT's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Morguard Residential REIT does not assume the obligation to update or revise any forward-looking statements.

### SPECIFIED FINANCIAL MEASURES

Morguard Residential REIT reports its financial results in accordance with IFRS. However, this MD&A also uses specified financial measures that are not defined by IFRS, which follow the disclosure requirements established by National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. Specified financial measures are categorized as non-GAAP financial measures, non-GAAP ratios and other financial measures, which are capital management measures, supplementary financial measures and total of segments measures.

### NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. The REIT's management uses these measures to aid in assessing the REIT's underlying core performance and provides these additional measures so that investors may do the same. Management believes that the non-GAAP financial measures described below, which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the REIT's operating results and performance.

The following discussion describes the non-GAAP financial measures the REIT uses in evaluating its operating results:

### PROPORTIONATE SHARE BASIS

The REIT's balance sheet and statements of income prepared in accordance with IFRS have been adjusted (as described below) to derive the REIT's proportionately owned financial results ("Proportionate Basis"). The Proportionate Basis adjustment excludes the impact of realty taxes accounted for under IFRIC 21 (described below) and records realty taxes for all properties on a *pro rata* basis over the entire fiscal year. Management believes that the Proportionate Basis non-GAAP financial measures, which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the REIT's operating results and performance.

### Non-Controlling Interest Share ("NCI Share")

NCI Share adjusts for three Canadian properties and two U.S. properties whereby the REIT controls but does not own a 100% interest in the subsidiary and, as a result, the REIT fully consolidates their financial results within its consolidated financial statements. The adjustment removes the non-controlling interest portion that is consolidated under IFRS. The presentation of *pro rata* assets, liabilities, revenue and expenses represents a non-GAAP financial measure and may not accurately depict the legal and economic implications of the REIT's interest in the joint ventures.

### Equity-Accounted Investments ("Equity Interest")

Equity Interest adjusts interests in joint arrangements that are accounted for using the equity method of accounting. The financial results of one U.S. property under IFRS is presented on a single line within the consolidated balance sheet and statements of income and have been adjusted on a proportionately owned basis to each respective financial statement line presented within the balance sheet and statements of income. The presentation of *pro rata* assets, liabilities, revenue and expenses represents a non-GAAP financial measure and may not accurately depict the legal and economic implications of the REIT's interest in the joint venture.

### IFRIC 21

Net operating income ("NOI") includes the impact of realty taxes accounted for under the International Financial Reporting Interpretations Committee ("IFRIC") Interpretation 21, Levies ("IFRIC 21"). IFRIC 21 states that an entity recognizes a levy liability in accordance with the relevant legislation. The obligating event for realty taxes for the U.S. municipalities in which the REIT operates is ownership of the property on January 1 of each year for which the tax is imposed and, as a result, the REIT records the entire annual realty tax expense for its U.S. properties on January 1, except for U.S. properties acquired during the year in which the realty taxes are not recorded in the year of acquisition.

A reconciliation of the REIT's proportionately owned financial results from the IFRS financial statement presentation is presented in Part IX, "Reconciliation of Non-GAAP Financial Measures."

### PROPORTIONATE SHARE NOI ("PROPORTIONATE NOI")

NOI and Proportionate NOI are important measures in evaluating the operating performance of the REIT's real estate properties and are a key input in determining the fair value of the REIT's properties. Proportionate NOI represents NOI (an IFRS measure) adjusted for the following: i) to exclude the impact of realty taxes accounted for under IFRIC 21 as noted above. Proportionate NOI records realty taxes for all properties on a *pro rata* basis over the entire fiscal year; ii) to exclude the non-controlling interest share of NOI for those properties that are consolidated under IFRS; and iii) to include equity-accounted investments NOI at the REIT's ownership interest.

In addition, included in Proportionate Share NOI is the composition of revenue from real estate properties (an IFRS measure) in three categories: i) gross rental revenue (before vacancy and ancillary revenue); ii) vacancy; and iii) ancillary revenue. The presentation of revenue from real estate properties in these three categories (on a Proportionate Share Basis) represents a non-GAAP financial measure and is presented in this MD&A because management considers this non-GAAP financial measure to be an important measure of the REIT's operating performance that provides a more comprehensive understanding of revenue from real estate properties.

A reconciliation of Proportionate NOI from the IFRS financial statement presentation of NOI (revenue from real estate properties (and the composition of revenue), property operating costs, realty taxes and utilities) is presented in Part IX, "Reconciliation of Non-GAAP Financial Measures."

### **SAME PROPERTY PROPORTIONATE NOI**

Same Property Proportionate NOI is presented in this MD&A because management considers this non-GAAP financial measure to be an important measure of the REIT's operating performance for properties owned by the REIT continuously for the current and comparable reporting period and does not take into account the impact of the operating performance of property acquisitions and dispositions as well as development properties until reaching stabilized occupancy. In addition, Same Property Proportionate NOI is presented in local currency and by country, isolating any impact of foreign exchange fluctuations. A reconciliation of the components of Same Property Proportionate NOI is presented in Part III, "Review of Operational Results."

A reconciliation of Same Property Proportionate NOI from the IFRS financial statement presentation of NOI (revenue from real estate properties (and the composition of revenue), property operating costs, realty taxes and utilities) is presented in Part IX, "Reconciliation of Non-GAAP Financial Measures."

### **FUNDS FROM OPERATIONS ("FFO")**

FFO (and FFO per Unit) is a non-GAAP financial measure widely used as a real estate industry standard that supplements net income (loss) and evaluates operating performance but is not indicative of funds available to meet the REIT's cash requirements. FFO can assist with comparisons of the operating performance of the REIT's real estate between periods and relative to other real estate entities. FFO is computed by the REIT in accordance with the current definition of the Real Property Association of Canada ("REALPAC") and is defined as net income (loss) attributable to Unitholders adjusted for fair value adjustments, distributions on the Class B LP Units, realty taxes accounted for under IFRIC 21, deferred income taxes (on the REIT's U.S. properties), gains/losses on the sale of real estate properties (including income taxes on the sale of real estate properties) and other non-cash items. The REIT considers FFO to be a useful measure for reviewing its comparative operating and financial performance. FFO per Unit is calculated as FFO divided by the weighted average number of Units outstanding (including Class B LP Units) during the period.

A reconciliation of net income (loss) attributable to Unitholders (an IFRS measure) to FFO is presented in Part III, "Funds From Operations."

### **INDEBTEDNESS**

Indebtedness (as defined in the Declaration of Trust) is a measure of the amount of debt financing utilized by the REIT. Indebtedness is presented in this MD&A because management considers this non-GAAP financial measure to be an important measure of the REIT's financial position.

A reconciliation of indebtedness from the IFRS financial statement presentation is presented in Part IX, "Reconciliation of Non-GAAP Financial Measures."

### **GROSS BOOK VALUE**

Gross book value (as defined in the Declaration of Trust) is a measure of the value of the REIT's assets. Gross book value is presented in this MD&A because management considers this non-GAAP financial measure to be an important measure of the REIT's asset base and financial position.

A reconciliation of gross book value from the IFRS financial statement presentation is presented in Part IX, "Reconciliation of Non-GAAP Financial Measures."

### **TOTAL DISTRIBUTIONS (INCLUDING CLASS B LP UNITS)**

Total distributions (including Class B LP Units) is a non-GAAP financial measure calculated by combining distributions to Unitholders and distributions on the Class B LP Units that originate from different IFRS financial statement line items. Under IFRS, the Class B LP Units are classified as financial liabilities, and the corresponding distributions paid to the unitholders are classified as interest expense. Total distributions (including Class B LP Units) is presented in this MD&A because management believes Class B LP Unit distribution payments do not represent financing charges because these amounts are payable only if the REIT declares distributions and only for the amount of any distributions declared, both of which are at the discretion of the Board of Trustees, as outlined in the Declaration of Trust (defined below).

A reconciliation of the IFRS financial statement presentation of Unitholders' distributions plus distributions on the Class B LP Units is presented in Part III, "Distributions."

### **NON-GAAP RATIOS**

Non-GAAP ratios do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These

measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. The REIT's management uses these measures to aid in assessing the REIT's underlying core performance and provides these additional measures so that investors may do the same. Management believes that the non-GAAP ratios described below provide readers with a more comprehensive understanding of management's perspective on the REIT's operating results and performance.

The following discussion describes the non-GAAP ratios the REIT uses in evaluating its operating results:

#### **PROPORTIONATE NOI MARGIN**

Proportionate NOI margin is calculated as Proportionate NOI divided by revenue (on a Proportionate Basis) and is an important measure in evaluating the operating performance (including the level of operating expenses) of the REIT's real estate properties. Proportionate NOI margin is presented in this MD&A because management considers this non-GAAP ratio to be an important measure of the REIT's operating performance and financial position.

#### **FFO PAYOUT RATIO**

FFO payout ratio compares distributions (including Class B LP Units) to FFO. Distributions (including Class B LP Units) is calculated based on the monthly distribution per Unit multiplied by the weighted average number of Units outstanding (including Class B LP Units) during the period and is an important metric in assessing the sustainability of retained cash flow to fund capital expenditures and distributions. FFO payout ratio is presented in this MD&A because management considers this non-GAAP ratio to be an important measure of the REIT's operating performance and financial position.

#### **INDEBTEDNESS TO GROSS BOOK VALUE RATIO**

Indebtedness to gross book value ratio is a compliance measure in the Declaration of Trust and establishes the limit for financial leverage of the REIT. Indebtedness to gross book value ratio is presented in this MD&A because management considers this non-GAAP ratio to be an important measure of the REIT's financial position.

#### **INTEREST COVERAGE RATIO**

Interest coverage ratio measures the amount of cash flow available to meet annual interest payments on the REIT's indebtedness. Generally, the higher the interest coverage ratio, the lower the credit risk. Interest coverage ratio is presented in this MD&A because management considers this non-GAAP ratio to be an important measure of the REIT's operating performance and financial position.

#### **INDEBTEDNESS COVERAGE RATIO**

Indebtedness coverage ratio measures the amount of cash flow available to meet annual principal and interest payments on the REIT's indebtedness. Generally, the higher the indebtedness coverage ratio, the higher the capacity for additional debt. Indebtedness coverage ratio is presented in this MD&A because management considers this non-GAAP ratio to be an important measure of the REIT's operating performance and financial position.

#### **SUPPLEMENTARY FINANCIAL MEASURES**

Supplementary financial measures represent a component of a financial statement line item (including ratios that are not non-GAAP ratios) that are presented in a more granular way outside the financial statements, calculated in accordance with the accounting policies used to prepare the line item presented in the financial statements.

The following discussion describes the supplementary financial measures the REIT uses in evaluating its operating results:

#### **SAME PROPERTY NOI**

Same Property NOI is presented in this MD&A because management considers this supplementary financial measure to be an important measure of the REIT's operating performance, representing NOI for properties owned by the REIT continuously for the current and comparable reporting period and does not take into account the impact of the operating performance of property acquisitions and dispositions as well as development properties until reaching stabilized occupancy. In addition, Same Property NOI is presented in local currency and by country, isolating any impact of foreign exchange fluctuations. A summary of the components of Same Property NOI is presented in Part III, "Review of Operational Results."

Included in Same Property NOI is the composition of revenue from real estate properties (an IFRS measure) in three categories: i) gross rental revenue (before vacancy and ancillary revenue); ii) vacancy; and iii) ancillary revenue. The presentation of revenue from real estate properties in these three categories represents a supplementary financial measure and is presented in this MD&A because management considers this measure to be an important measure of the REIT's operating performance that provides a more comprehensive understanding of revenue from real estate properties.

#### **NOI MARGIN**

NOI margin is calculated as NOI divided by revenue and is an important measure in evaluating the operating performance (including the level of operating expenses) of the REIT's real estate properties. NOI margin is presented in this MD&A because management considers this supplementary financial measure to be an important measure of the REIT's operating performance and financial position.

#### **REAL ESTATE PROPERTIES BY REGION**

The composition of the REIT's real estate properties by region is presented in this MD&A because management considers this supplementary financial measure to be an important measure of the REIT's asset base and financial position. A summary of the components of real estate properties by region is presented in Part IV, "Balance Sheet Analysis."

#### **CAPITAL EXPENDITURES BY COUNTRY**

The composition of the REIT's capital expenditures by country is presented in this MD&A because management considers this supplementary financial measure to be an important measure of the REIT's capital expenditures by its Canadian and U.S. portfolios. The REIT is committed to improving its operating performance by incurring appropriate capital expenditures in order to replace and maintain the productive capacity of its property portfolio so as to sustain its rental income generating potential over the portfolio's useful life. A summary of the components of capital expenditures by country is presented under the section Part IV, "Balance Sheet Analysis."

#### **LOAN-TO-VALUE ("LTV")**

LTV is calculated by multiplying a rate of leverage by the real estate properties' fair value and is presented in this MD&A by year and plotted against the balance at maturity of the REIT's mortgages payable. Included in the analysis is an equity-accounted investment at the REIT's interest. The presentation of LTV against its corresponding mortgage maturity balance represents a supplementary financial measure and is presented in this MD&A because management considers this measure to be an important measure of the REIT's financial position. A table illustrating LTV by year, plotted against the REIT's mortgage maturity profile, is presented in Part V, "Capital Structure and Debt Profile."

#### **CAPITAL MANAGEMENT MEASURES**

The REIT's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions pursuant to the Declaration of Trust, as well as existing debt covenants, while continuing to build long-term Unitholder value and maintaining sufficient capital contingencies.

The following discussion describes the REIT's capital management measures:

#### **TOTAL CAPITALIZATION**

Total capitalization as disclosed in the notes to the REIT's unaudited condensed consolidated financial statements for the three and six months ended June 30, 2025, and 2024 is calculated as the sum of the principal amount of the REIT's total debt (including mortgages payable, convertible debentures, lease liabilities and amounts drawn under its revolving credit facility with Morguard Corporation), Unitholders' equity and Class B LP Units liability, and is presented in this MD&A because management considers this capital management measure to be an important measure of the REIT's financial position.

#### **LIQUIDITY**

Liquidity is calculated as the sum of cash, amounts available under its revolving credit facility with Morguard and any committed net additional mortgage financing proceeds, and is presented in this MD&A because management considers this capital management measure to be an important measure of the REIT's financial position as well as determining the annual level of distributions to Unitholders.

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## PART II

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### BUSINESS OVERVIEW AND STRATEGY

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 Units of the REIT trade on the Toronto Stock Exchange ("TSX") under the symbol "MRG.UN."

The REIT has been formed to own multi-suite residential rental properties across Canada and the United States. The objectives of the REIT are to: i) generate stable and growing cash distributions on a tax-efficient basis; ii) enhance the value of the REIT's assets and maximize the long-term value of the Units through active asset and property management; and iii) expand the asset base of the REIT primarily through acquisitions and improvement of its properties through targeted and strategically deployed capital expenditures.

The REIT's internal growth strategy will focus on maximizing cash flow from its portfolio. The REIT intends to increase cash flows by maximizing occupancy and average monthly rent ("AMR"), taking into account local conditions in each of its regional markets, managing its operating expenses as a percentage of revenues and strengthening its asset base through its building infrastructure improvement and capital expenditure programs.

The REIT's external growth strategy is focused on opportunities to acquire additional multi-suite residential properties located in urban centres and major suburban regions in Canada and the United States that satisfy the REIT's investment criteria, as well as generating greater cash flows from acquired properties. The REIT will seek to leverage its relationship with Morguard Corporation ("Morguard") to access acquisition opportunities that satisfy the REIT's investment criteria. Additionally, subject to limited exceptions, the REIT has the right of first opportunity to acquire the existing interests in Morguard's multi-suite residential properties prior to any disposition by Morguard to a third party.



## FINANCIAL AND OPERATIONAL HIGHLIGHTS

As at (In thousands of dollars, except as noted otherwise)	June 30, 2025	December 31, 2024	June 30, 2024
<b>Operational Information</b>			
Number of properties	43	43	43
Total suites	13,089	13,089	13,089
Occupancy percentage - Canada	95.2%	97.2%	98.0%
Occupancy percentage - U.S.	94.8%	93.8%	93.3%
AMR - Canada (in actual dollars)	\$1,821	\$1,772	\$1,730
AMR - U.S. (in actual U.S. dollars)	US\$1,898	US\$1,907	US\$1,896
<b>Summary of Financial Information</b>			
Gross book value <sup>(1)</sup>	\$4,536,576	\$4,571,631	\$4,377,500
Indebtedness <sup>(1)</sup>	\$1,793,811	\$1,816,598	\$1,720,043
Indebtedness to gross book value ratio <sup>(1)</sup>	39.5%	39.7%	39.3%
Weighted average mortgage interest rate	3.90%	3.88%	3.87%
Weighted average term to maturity on mortgages payable (years)	5.1	5.2	5.4
Exchange rates - United States dollar to Canadian dollar	\$1.36	\$1.44	\$1.37
Exchange rates - Canadian dollar to United States dollar	\$0.73	\$0.69	\$0.73

(1) Represents a non-GAAP financial measure/ratio that does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. This measure should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. Additional information on this non-GAAP financial measure/ratio can be found in Part I, "Specified Financial Measures."

(In thousands of dollars, except per Unit amounts)	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
<b>Summary of Financial Information</b>				
Interest coverage ratio <sup>(1)</sup>	2.32	2.39	2.29	2.42
Indebtedness coverage ratio <sup>(1)</sup>	1.63	1.63	1.61	1.63
Revenue from real estate properties	\$88,537	\$85,756	\$178,811	\$170,512
NOI	\$56,897	\$54,649	\$77,720	\$75,236
Proportionate NOI <sup>(1)</sup>	\$48,354	\$46,401	\$95,410	\$91,304
NOI margin - IFRS	64.3%	63.7%	43.5%	44.1%
NOI margin - Proportionate <sup>(1)</sup>	54.9%	54.4%	53.6%	53.8%
Net income	\$30,059	\$50,571	\$68,381	\$75,347
FFO - basic <sup>(1)</sup>	\$24,765	\$22,685	\$47,966	\$45,219
FFO - diluted <sup>(1)</sup>	\$25,605	\$23,525	\$49,646	\$46,899
FFO per Unit - basic <sup>(1)</sup>	\$0.47	\$0.41	\$0.91	\$0.82
FFO per Unit - diluted <sup>(1)</sup>	\$0.47	\$0.41	\$0.90	\$0.82
Distributions per Unit	\$0.18999	\$0.18501	\$0.37998	\$0.37002
FFO payout ratio <sup>(1)</sup>	40.3%	44.6%	41.9%	44.9%
Weighted average number of Units outstanding (in thousands):				
Basic <sup>(2)</sup>	52,515	54,745	52,916	54,856
Diluted <sup>(2) (3)</sup>	54,834	57,064	55,235	57,175
Average exchange rates - United States dollar to Canadian dollar	\$1.38	\$1.37	\$1.41	\$1.36
Average exchange rates - Canadian dollar to United States dollar	\$0.72	\$0.73	\$0.71	\$0.74

(1) Represents a non-GAAP financial measure/ratio that does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. This measure should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. Additional information on this non-GAAP financial measure/ratio can be found in Part I, "Specified Financial Measures."

(2) For purposes of calculating FFO per Unit, Class B LP Units are included as Units outstanding on both a basic and diluted basis.

(3) Includes the dilutive impact of convertible debentures.

## REAL ESTATE PROPERTIES

As at June 30, 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. The 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"). The GTA is Canada's most significant economic cluster and contains the largest concentration of people. The regional distribution of the remaining suites serves to add stability to the REIT's cash flows because it reduces the REIT's vulnerability to economic fluctuations affecting any particular region.

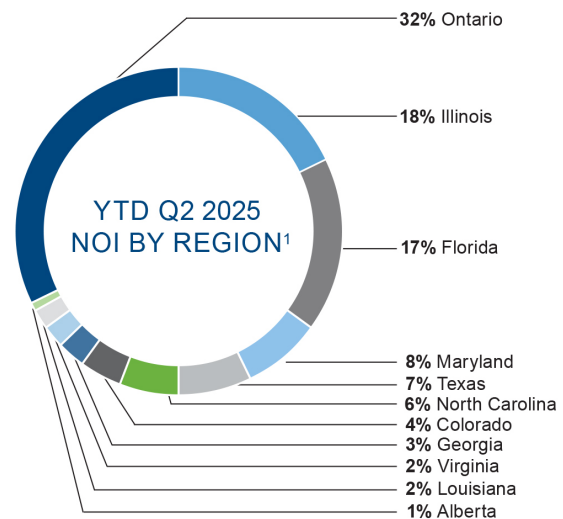
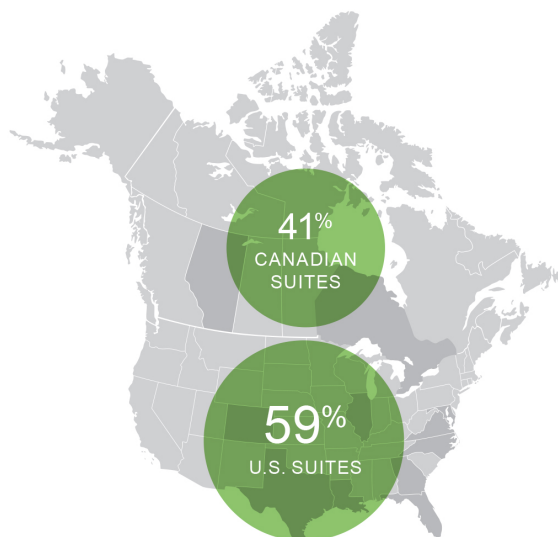
The following table details the regional distribution of the REIT's portfolio as at June 30, 2025:

Region (In thousands of dollars, except as otherwise noted)	Number of Properties	Total Suites <sup>(1)</sup>	% of the Portfolio (based on suites)	Fair Value of Real Estate Properties <sup>(1)</sup>
<b>Canadian Properties</b>				
<b>Alberta</b>	1	277	2.1%	\$58,000
<b>Ontario</b>				
Mississauga	7	2,219	17.0%	914,100
Toronto	6	1,997	15.3%	552,440
Other <sup>(2)</sup>	2	842	6.4%	259,100
	<b>16</b>	<b>5,335</b>	<b>40.8%</b>	<b>\$1,783,640</b>
<b>U.S. Properties</b>				
<b>Colorado</b>	2	454	3.5%	\$170,810
<b>Texas</b>	3	1,021	7.8%	275,998
<b>Louisiana</b>	2	249	1.9%	63,304
<b>Illinois</b>	4	1,795	13.7%	896,894
<b>Georgia</b>	2	522	4.0%	137,112
<b>Florida</b>	9	2,253	17.2%	692,517
<b>North Carolina</b>	2	864	6.6%	257,443
<b>Virginia</b>	1	104	0.8%	68,352
<b>Maryland<sup>(3)</sup></b>	2	492	3.7%	276,238
	<b>27</b>	<b>7,754</b>	<b>59.2%</b>	<b>\$2,838,668</b>
Impact of realty taxes accounted for under IFRIC 21				19,871
<b>Total</b>	<b>43</b>	<b>13,089</b>	<b>100.0%</b>	<b>\$4,642,179</b>

(1) Total suites and fair value of real estate properties include non-controlling interest; the REIT, on a proportionate basis, has ownership of 12,315 suites. Fair value of real estate properties represents the sum of income producing properties (\$4,288,383) and an equity-accounted investment properties (\$353,796), inclusive of non-controlling interest share.

(2) Other Ontario includes one property in each of Kitchener and Ottawa.

(3) Includes a retail property comprising 186,712 square feet of commercial area.



<sup>1</sup> Includes equity-accounted investments at ownership share and excludes the impact of realty taxes under IFRIC 21.

## AVERAGE MONTHLY RENT AND OCCUPANCY BY REGION

The following table details AMR (in actual dollars), stated in local currency, and occupancy of the REIT's portfolio for the following periods and is calculated on a proportionate ownership basis:

Region	AMR/Suite at June 30, 2025	AMR/Suite at June 30, 2024	% Change	Occupancy at June 30, 2025	Occupancy at June 30, 2024
<b>Canadian Properties (in Canadian dollars)</b>					
<b>Alberta</b>	<b>\$1,533</b>	\$1,437	<b>6.7%</b>	<b>96.0%</b>	96.8%
<b>Ontario</b>					
Mississauga	2,053	1,947	5.4%	93.4%	97.6%
Toronto	1,628	1,550	5.0%	96.8%	99.0%
Other <sup>(1)</sup>	1,758	1,678	4.8%	96.0%	97.3%
Total Ontario	1,837	1,746	5.2%	95.2%	98.1%
<b>Total Canada (in Canadian dollars)</b>	<b>\$1,821</b>	\$1,730	<b>5.3%</b>	<b>95.2%</b>	98.0%
<b>U.S. Properties (in U.S. dollars)</b>					
<b>Colorado</b>	<b>\$1,815</b>	\$1,816	<b>(0.1%)</b>	<b>92.4%</b>	92.9%
<b>Texas</b>	<b>1,629</b>	1,663	<b>(2.0%)</b>	<b>95.0%</b>	89.2%
<b>Louisiana</b>	<b>1,635</b>	1,622	<b>0.8%</b>	<b>89.8%</b>	93.0%
<b>Illinois</b>	<b>2,741</b>	2,689	<b>1.9%</b>	<b>98.0%</b>	94.1%
<b>Georgia</b>	<b>1,569</b>	1,616	<b>(2.9%)</b>	<b>94.0%</b>	93.4%
<b>Florida<sup>(2)</sup></b>	<b>1,742</b>	1,769	<b>(1.5%)</b>	<b>94.4%</b>	93.3%
<b>North Carolina</b>	<b>1,456</b>	1,446	<b>0.7%</b>	<b>92.9%</b>	93.9%
<b>Virginia</b>	<b>2,615</b>	2,497	<b>4.7%</b>	<b>99.0%</b>	98.1%
<b>Maryland</b>	<b>2,267</b>	2,166	<b>4.7%</b>	<b>96.1%</b>	98.6%
<b>Total U.S. (in U.S. dollars)<sup>(2)</sup></b>	<b>\$1,898</b>	\$1,896	<b>0.1%</b>	<b>94.8%</b>	93.3%
<b>Total (in local currencies)</b>	<b>\$1,865</b>	\$1,825	<b>2.2%</b>	<b>95.0%</b>	95.3%

(1) Other Ontario includes one property in each of Kitchener and Ottawa.

(2) Excludes 53 suites under renovation at Village Crossing Apartment Homes (West Palm Beach). Including the offline suites at June 30, 2025, Florida and total U.S. occupancy were 92.0% and 94.0%, respectively.

### CANADIAN PROPERTIES

As at June 30, 2025, Canadian AMR per suite was \$1,821, an increase of 5.3% compared to June 30, 2024. Sequentially, Canadian AMR at June 30, 2025 increased by 1.1%, compared to \$1,801 at March 31, 2025.

Effective January 1, 2025, the Ontario guideline rental rate increase is 2.5% (2024 - 2.5%). The REIT also experienced rental rate growth from above-guideline increases ("AGI") at several properties upon the completion of capital projects as well as rental rate increases on suite turnover. Additionally, within the Ontario portfolio, the REIT has submitted AGI applications related to eligible capital repairs, allowing for rent increases upon approval from the Landlord and Tenant Board. During the first six months of the year, approximately 60% of leases in the Ontario portfolio renewed, and a combination of the 2.5% guideline increase, AGI and an uplift on rent on turnover contributed to AMR growth.

The REIT continued to experience steady demand, which allowed the REIT to increase rents from below market rates as suites turned over. During the six months ended June 30, 2025, the REIT's Canadian portfolio turned over 233 suites, or 4.4% of total suites, and achieved AMR growth of 16.0% on suite turnover. Overall, Canadian turnover was lower compared to 4.6% achieved during the six months ended June 30, 2024.

As at June 30, 2025, AMR at the REIT's single property in Edmonton, Alberta, increased by 6.7% compared to June 30, 2024. The increase was due to higher market rent on renewals as well as on turnover. Alberta does not have any restrictions on annual rent increases, which provides flexibility to adjust rent according to demand.

Occupancy within the REIT's Ontario region decreased to 95.2% at June 30, 2025, compared to 98.1% at June 30, 2024. The decrease resulted from increased competition from new rental buildings and condo rentals. In Mississauga, ongoing underground garage restorations at three properties and two other properties that are nearing completion have disrupted leasing activity and caused higher move-outs. In addition, leasing incentives were offered as new buildings continue aggressive promotions.

As at June 30, 2025, occupancy at the REIT's single property located in Edmonton, Alberta, decreased slightly from 96.8% at June 30, 2024 to 96.0% and, sequentially, occupancy decreased compared to 98.2% at March 31, 2025. The decrease in occupancy quarter over quarter is due to seasonal move-outs of students.

As at June 30, 2025, occupancy in Canada decreased to 95.2%, compared to 98.0% at June 30, 2024, and sequentially, occupancy decreased compared to 96.4% at March 31, 2025. The decrease in occupancy was primarily due to increased competition from condominium rentals and newly built apartment rentals entering the market.

## U.S. PROPERTIES

As at June 30, 2025, U.S. AMR per suite was US\$1,898, an increase of 0.1% compared to June 30, 2024. AMR growth was led by Maryland, Virginia and Illinois as these regions continue to show signs of solid market fundamentals. Specifically, AMR in Maryland and Virginia both rose by 4.7%, primarily due to continued strong rental demand and higher occupancy levels. AMR declined compared to June 30, 2024 in Texas and Georgia by 2.0% and 2.9%, respectively, due to continued tenant relocations out of the immediate market, residents requiring larger living spaces, increased home buying, despite stable but higher mortgage rates, and for other financial reasons. Sequentially, U.S. AMR at June 30, 2025 increased by 0.6%, compared to US\$1,887 at March 31, 2025 as every region showed positive AMR growth, reflecting the strong demand throughout most of the portfolio.

The REIT has successfully provided higher than historical AMR growth over the past several years (Same Property AMR growth from 2021 to 2024 averaged 6.3% per annum), which during the second half of 2024 began to normalize. This normalization was specifically tied to the short-term decrease in occupancy across the portfolio during that same time frame. Management expects modest AMR growth in the second half of 2025 in light of strong rental demand and higher occupancies. The rebound in occupancy can be correlated to affordable single-family homes remaining in short supply, mortgage rates remaining higher for longer, and uncertainty in the U.S. economy given fluctuating tariffs, positioning the portfolio for continued rental growth during the remainder of the year. Steady AMR growth and maintaining optimal occupancy levels continue to be the focus of the REIT moving forward.

As at June 30, 2025, AMR at the REIT's properties located in Chicago increased by 1.9% compared to June 30, 2024, due to stabilized occupancy and sustained rental demand. With limited new inventory coming online in downtown Chicago over the next two years, management's focus will continue to find the optimal balance of occupancy and market rent growth. To that end, market rents for the REIT's Chicago assets are expected to rise through the busy summer leasing season.

As at June 30, 2025, AMR at the REIT's properties located in Florida decreased by 1.5% compared to June 30, 2024, and sequentially, AMR increased by 0.1% compared to March 31, 2025. Occupancy at the REIT's properties in Florida remained stable at 94.4%, compared to 95.6% at March 31, 2025 as demand remained strong, specifically within the Pensacola region, where minor reductions in new lease rent pushed occupancy to optimal levels during the quarter. In addition, Village Crossing Apartment Homes, a property located in West Palm Beach, has begun a major renovation with 53 suites currently offline. These suites will be fully updated, equipped with new windows and doors, appliances, fixtures, cabinetry, countertops, and flooring. This renovation will reposition the community and generate significant return on investment within the affluent West Palm Beach submarket.

As at June 30, 2025, U.S. occupancy increased to 94.8%, compared to 93.3% at June 30, 2024. This was achieved by reductions of asking rent and limiting renewal increases over the short term. Now that occupancies have stabilized, the REIT has pivoted and returned to rent growth, given strong rental demand. The increase in occupancy was driven by a 580 bps increase in Texas, which is the result of lowering rents, temporarily reducing AMR by 2.0%. In addition, the Chicago region experienced a 390 bps increase in occupancy, which occurred over the prior two quarters and can be attributed to strong rental demand and lack of affordable single-family homes. Partly offsetting occupancy gains was a 320 bps decrease in occupancy in Louisiana, despite a modest increase in AMR, which was due to a combination of seasonality, competition from new inventory offering concessions and increased relocations out of the neighborhood, state and country. Significant global tariffs continue to provide uncertainty in the U.S. economy, including the housing market. The REIT should benefit from this uncertainty with home building costs on the rise. Renting is likely to remain the more affordable



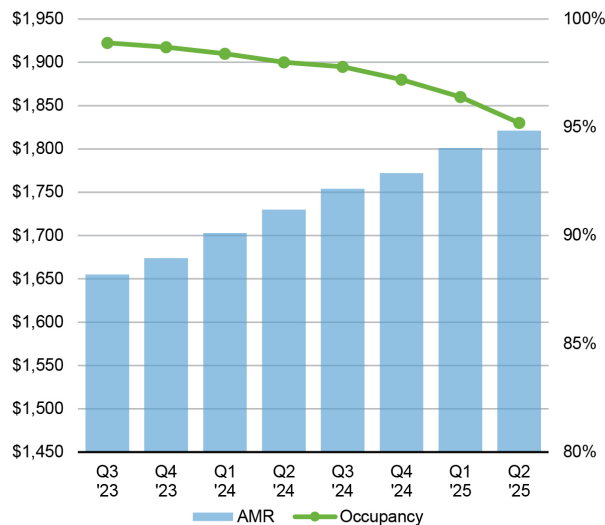
choice. Interest rates remain higher, alongside elevated insurance premiums, making home ownership difficult for many. The REIT's capital reinvestment program along with its resident focused management strategy to continue to develop a true sense of community within each asset, will maintain the portfolio's relevance and performance in each of its markets.

Sequentially, as at June 30, 2025, U.S. occupancy of 94.8% decreased but remained stable as compared to 95.6% as at March 31, 2025. The decrease in occupancy can be attributed to declines in the Louisiana and Georgia regions. Both regions experienced increasing quarter over quarter trends of residents relocating out of the neighborhood/state/country, seeking larger living spaces and buying homes, despite higher mortgage interest rates, and some experiencing financial difficulties and not being able to afford their rent. These declines were partially offset by increases in occupancy in Illinois and Virginia/Maryland due to strong rental demand. Moving forward, management is well positioned for modest AMR growth, while maintaining stable occupancy throughout the portfolio. Looking ahead, management expects occupancy to remain strong as we continue to operate through the busier summer leasing season and into the fall with a combination of seasonal suite turnover and active leasing within the majority of its markets.

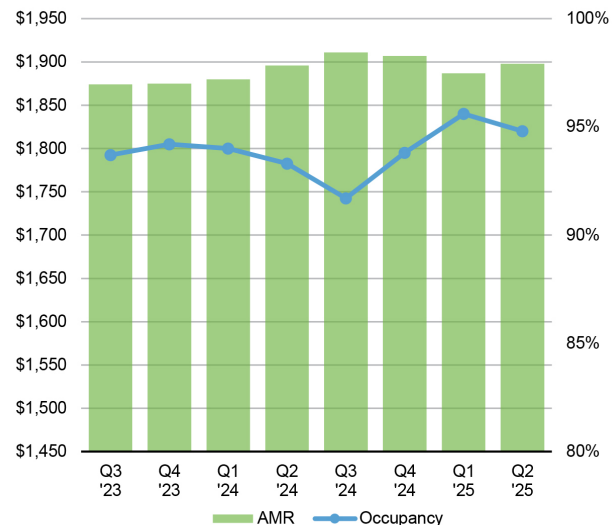
For the six months ended June 30, 2025, the REIT's rental incentives amounted to \$703 (2024 - \$761), mainly at properties that were impacted by new supply and increased vacancy in urban markets. Incentives were used on an as-needed basis in those limited submarkets to compete with new inventory. The REIT's strong occupancies will eliminate the need for these incentives and allow for steady AMR growth.

The following table details AMR (in actual dollars), stated in local currency, and occupancy of the REIT's Same Property portfolio at each quarter end since September 30, 2023:

#### CANADA



#### U.S.



## PART III

### REVIEW OF OPERATIONAL RESULTS

The REIT's operational results are summarized below:

	Three months ended June 30		Six months ended June 30	
(In thousands of dollars)	2025	2024	2025	2024
Revenue from real estate properties	\$88,537	\$85,756	\$178,811	\$170,512
Property operating expenses				
Property operating costs	(24,234)	(23,982)	(48,820)	(46,923)
Realty taxes	(2,492)	(2,445)	(40,526)	(37,656)
Utilities	(4,914)	(4,680)	(11,745)	(10,697)
<b>Net operating income</b>	<b>56,897</b>	<b>54,649</b>	<b>77,720</b>	<b>75,236</b>
Other expense (income)				
Interest expense	23,042	19,692	45,567	39,270
Trust expenses	6,036	5,663	11,854	11,157
Equity income from investments	(2,936)	(2,072)	(4,934)	(3,866)
Foreign exchange loss	2	4	4	6
Other income	(1,760)	(154)	(3,449)	(234)
<b>Income before fair value changes and income taxes</b>	<b>32,513</b>	<b>31,516</b>	<b>28,678</b>	<b>28,903</b>
Fair value gain on real estate properties, net	21,203	18,974	69,133	71,140
Fair value gain (loss) on Class B LP Units	(15,501)	8,095	(19,118)	(12,228)
<b>Income before income taxes</b>	<b>38,215</b>	<b>58,585</b>	<b>78,693</b>	<b>87,815</b>
Provision for income taxes				
Current	49	981	573	1,607
Deferred	8,107	7,033	9,739	10,861
	8,156	8,014	10,312	12,468
<b>Net income for the period</b>	<b>\$30,059</b>	<b>\$50,571</b>	<b>\$68,381</b>	<b>\$75,347</b>
<b>Net income attributable to:</b>				
Unitholders	\$29,172	\$48,316	\$67,240	\$74,047
Non-controlling interest	887	2,255	1,141	1,300
	\$30,059	\$50,571	\$68,381	\$75,347

### REVENUE FROM REAL ESTATE PROPERTIES

Higher rental revenue for the three and six months ended June 30, 2025, is mainly due to rental rate increases and foreign exchange fluctuations.

### NET OPERATING INCOME

The following tables provide the NOI and Proportionate NOI for the REIT's consolidated Canadian and U.S. operations and present the following non-GAAP financial measures/ratios: Proportionate NOI and Proportionate NOI margin. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. Additional information on these non-GAAP financial measures/ratios can be found in Part I, "Specified Financial Measures."

Consolidated and Proportionate results for the three and six months ended June 30, 2025 represent 12,399 and 12,315 residential suites, respectively.

### Net Operating Income - Three months ended June 30, 2025

The following table provides the consolidated net operating income for the REIT's Canadian and U.S. properties:

For the three months ended June 30 (In thousands of dollars)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
<b>Revenue from properties</b>				
Gross rental revenue (before vacancy and ancillary revenue)	\$84,451	\$84,048	\$82,096	\$81,752
Vacancy	(5,642)	(5,457)	(4,991)	(4,896)
Ancillary	9,728	9,506	8,651	8,443
Total revenue from properties	88,537	88,097	85,756	85,299
<b>Property operating expenses</b>				
Operating costs	24,234	23,928	23,982	23,669
Realty taxes	2,492	10,920	2,445	10,640
Utilities	4,914	4,895	4,680	4,589
Total property operating expenses	31,640	39,743	31,107	38,898
<b>NOI</b>	<b>\$56,897</b>	<b>\$48,354</b>	<b>\$54,649</b>	<b>\$46,401</b>
<b>NOI margin</b>	<b>64.3%</b>	<b>54.9%</b>	<b>63.7%</b>	<b>54.4%</b>

For the three months ended June 30, 2025, NOI from the REIT's properties increased by \$2,248 (or 4.1%) to \$56,897, compared to \$54,649 in 2024. The increase of \$2,248 is due to an increase in Canada of \$409 (or 2.4%), an increase in the U.S. of US\$1,014 (or 3.7%) and the change in foreign exchange rate which increased NOI by \$825.

For the three months ended June 30, 2025, Proportionate NOI from the REIT's properties increased by \$1,953 (or 4.2%) to \$48,354, compared to \$46,401 in 2024. The increase of \$1,953 is due to an increase in Canada of \$412 (or 2.5%), an increase in the U.S. of US\$864 (or 4.0%) and the change in foreign exchange rate which increased Proportionate NOI by \$677.

The following table provides the consolidated net operating income for the REIT's Canadian and U.S. properties in local currency:

For the three months ended June 30 (In thousands of dollars)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
NOI - Canada (local currency)	\$17,245	\$17,153	\$16,836	\$16,741
NOI - U.S. (local currency)	28,648	22,540	27,634	21,676
Exchange amount to Canadian dollars	11,004	8,661	10,179	7,984
<b>Total NOI</b>	<b>\$56,897</b>	<b>\$48,354</b>	<b>\$54,649</b>	<b>\$46,401</b>

The following table provides the NOI and Proportionate NOI for the REIT's Canadian properties:

For the three months ended June 30 (In thousands of dollars)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
<b>Revenue from properties</b>				
Gross rental revenue (before vacancy and ancillary revenue)	\$28,901	\$28,743	\$27,410	\$27,263
Vacancy	(1,794)	(1,782)	(937)	(934)
Ancillary <sup>(1)</sup>	1,512	1,506	1,387	1,378
Revenue from properties	28,619	28,467	27,860	27,707
<b>Property operating expenses</b>				
Operating costs	5,948	5,918	5,672	5,645
Realty taxes	3,002	2,983	2,859	2,840
Utilities	2,424	2,413	2,493	2,481
Total property operating expenses	11,374	11,314	11,024	10,966
<b>NOI</b>	<b>\$17,245</b>	<b>\$17,153</b>	<b>\$16,836</b>	<b>\$16,741</b>
<b>NOI margin</b>	<b>60.3%</b>	<b>60.3%</b>	<b>60.4%</b>	<b>60.4%</b>

(1) Ancillary revenue mainly comprises parking, laundry and cable income; amortized rent concessions and storage fees. Ancillary revenue also includes commercial revenue, net of vacancy.

For the three months ended June 30, 2025, NOI from the Canadian properties increased by \$409 (or 2.4%) to \$17,245, compared to \$16,836 in 2024. The increase in NOI is primarily due to an increase in revenue of \$759 (or 2.7%) from higher gross rental revenue (5.4%) resulting from an increase in AMR and ancillary revenue (higher parking revenue), net of higher vacancy, partially offset by an increase in operating expenses of \$350 (or 3.2%). Higher vacancy is due to increased competition and a large capital project at several properties located in Mississauga leading to higher than normal move outs. The increase in operating expenses was due to higher operating costs of \$276 (4.9%) and an increase in realty taxes of \$143 (5.0%), partially offset by lower utilities of \$69 (2.8%). The increase in operating costs is mainly due to an increase in payroll costs (hiring for vacant positions as well as in-house maintenance staff), repairs and maintenance expense, marketing expenses and property management fees, partially offset by a decrease in insurance expense and general and administrative expenses (lower legal expense). The increase in realty taxes was mainly due to a higher mill rate as most property assessments continue to be based on 2016 assessed values. The decrease in utilities was mainly due to: i) a decrease in gas rate due to the removal of the federal carbon charge, net of an increase in gas consumption, ii) a decrease in hydro consumption and rate, net of lower rebates under Ontario Electricity Rebate program, partially offset by, iii) an increase in water consumption and rate.

For the three months ended June 30, 2025, Proportionate NOI from the Canadian properties increased by \$412 (or 2.5%) to \$17,153, compared to \$16,741 in 2024. The increase in Proportionate NOI is due to an increase in revenue of \$760 (or 2.7%) from higher gross rental revenue (5.4%) resulting from an increase in AMR and ancillary revenue, net of higher vacancy for the same reasons described above, partially offset by an increase in operating expenses of \$348 (or 3.2%). The increase in operating expenses was due to higher operating costs of \$273, an increase in realty taxes of \$143, partially offset by lower utilities of \$68, for the same reasons described above.

The REIT's Canadian NOI margin and Proportionate NOI margin were 60.3% and 60.3%, respectively, for the three months ended June 30, 2025, compared to 60.4% and 60.4%, respectively, for the three months ended June 30, 2024. Overall, as noted above, the impact of higher vacancy and an increase in operating expenses relative to the increase in AMR, contributed to the slight decrease in NOI margin.



The following table provides the NOI and Proportionate NOI for the U.S. properties:

For the three months ended June 30 (In thousands of U.S. dollars, unless otherwise stated)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
<b>Revenue from properties</b>				
Gross rental revenue (before vacancy and ancillary revenue)	\$40,131	\$39,953	\$39,960	\$39,816
Vacancy	(2,783)	(2,658)	(2,962)	(2,895)
Ancillary <sup>(1)</sup>	5,940	5,783	5,312	5,165
Total revenue from properties	43,288	43,078	42,310	42,086
<b>Property operating expenses</b>				
Operating costs	13,207	13,008	13,381	13,172
Realty taxes	(366)	5,738	(303)	5,699
Utilities	1,799	1,792	1,598	1,539
Total property operating expenses	14,640	20,538	14,676	20,410
<b>NOI (in US dollars)</b>	<b>28,648</b>	<b>22,540</b>	27,634	21,676
Exchange amount to Canadian dollars	11,004	8,661	10,179	7,984
<b>NOI (in Canadian dollars)</b>	<b>\$39,652</b>	<b>\$31,201</b>	\$37,813	\$29,660
<b>NOI margin (in US dollars)</b>	<b>66.2%</b>	<b>52.3%</b>	65.3%	51.5%

(1) Ancillary revenue mainly comprises parking, laundry and cable income; amortized rent concessions; storage fees; utility chargebacks and other fee income associated with moving in or out (such as application fees and cleaning fees), late rental payment fees from residents under the terms of the lease arrangements. Ancillary revenue also includes commercial revenue, net of vacancy.

For the three months ended June 30, 2025, NOI from the U.S. properties increased by \$1,839 (or 4.9%) to \$39,652, compared to \$37,813 in 2024. The increase in NOI is primarily due to an increase in NOI of US\$1,014 (or 3.7%) and the change in foreign exchange rate which increased NOI by \$825. The increase in NOI is primarily due to an increase in revenue of US\$978 (or 2.3%) from higher gross rental revenue (0.4%) resulting from an increase in AMR, an increase in ancillary revenue (from higher utility chargebacks, cable income and higher commercial revenue from an increase in rent and occupancy), a decrease in vacancy, net of vacancy from suites that are offline due to a renovation at Village Crossing Apartment Homes, and a decrease in operating expenses of US\$36 (or 0.2%). The decrease in operating expenses was primarily due to lower operating costs of US\$174 (1.3%) and a decrease in realty taxes of US\$63 (20.8%), partially offset by an increase in utilities of US\$201 (12.6%). The decrease in operating costs is primarily due to a decrease in insurance expense (lower premiums), lower commercial bad debt expense and a reclassification of utility service fees previously recorded under operating costs to utilities, partially offset by an increase in payroll costs (hiring for new and vacant positions), repairs and maintenance (higher contract expenses) and higher administrative expenses (higher software fees, net of a decrease in bad debt expense). The decrease in realty taxes is mainly due to lower IFRIC 21 adjustment and a tax rebate received on successful appeals at several properties located in Texas, Georgia and Florida, net of an increase in assessed market value at certain properties. The increase in utilities is mainly due to higher water rate and consumption due to higher occupancy, as well as reclassification of utility service fees from operating costs as noted above.

For the three months ended June 30, 2025, Proportionate NOI from the U.S. properties increased by \$1,541 (or 5.2%) to \$31,201, compared to \$29,660 in 2024. The increase in Proportionate NOI is due to higher Proportionate NOI of US\$864 (or 4.0%) and the change in foreign exchange rate which increased Proportionate NOI by \$677. The increase in Proportionate NOI was due to an increase in revenue of US\$992 (or 2.4%) from higher gross rental revenue (0.3%), lower vacancy and an increase in ancillary revenue for the same reasons described above, partially offset by an increase in operating expenses of US\$128 (or 0.6%). The increase in operating expenses was due to an increase in realty taxes of US\$39 and an increase in utilities of US\$253, partially offset by lower operating costs of US\$164, for the same reasons described above.

The REIT's U.S. NOI margin and Proportionate NOI margin were 66.2% and 52.3%, respectively, for the three months ended June 30, 2025, compared to 65.3% and 51.5%, respectively, for the three months ended June 30, 2024. The NOI margin and Proportionate NOI margin were both impacted by the increase in revenue, relative to the increase operating expenses. In addition, the NOI margin was impacted by accounting for realty taxes under IFRIC 21.

## Net Operating Income

The following table provides the consolidated net operating income for the REIT's Canadian and U.S. properties:

For the six months ended June 30 (In thousands of dollars)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
<b>Revenue from properties</b>				
Gross rental revenue (before vacancy and ancillary revenue)	\$170,402	\$169,603	\$162,597	\$161,923
Vacancy	(10,883)	(10,632)	(9,148)	(9,018)
Ancillary	19,292	18,871	17,063	16,722
Total revenue from properties	178,811	177,842	170,512	169,627
<b>Property operating expenses</b>				
Operating costs	48,820	48,183	46,923	46,361
Realty taxes	40,526	22,594	37,656	21,473
Utilities	11,745	11,655	10,697	10,489
Total property operating expenses	101,091	82,432	95,276	78,323
<b>NOI</b>	<b>\$77,720</b>	<b>\$95,410</b>	<b>\$75,236</b>	<b>\$91,304</b>
<b>NOI margin</b>	<b>43.5%</b>	<b>53.6%</b>	<b>44.1%</b>	<b>53.8%</b>

For the six months ended June 30, 2025, NOI from the REIT's properties increased by \$2,484 (or 3.3%) to \$77,720, compared to \$75,236 in 2024. The increase in NOI is due to an increase in Canada of \$843 (or 2.6%), an increase in the U.S. of US\$657 (or 2.1%) and the change in foreign exchange rate, which increased NOI by \$984.

For the six months ended June 30, 2025, Proportionate NOI from the REIT's properties increased by \$4,106 (or 4.5%) to \$95,410, compared to \$91,304 in 2024. The increase in Proportionate NOI is due to an increase in Canada of \$848 (or 2.6%), an increase in the U.S. of US\$757 (or 1.7%) and the change in foreign exchange rate, which increased Proportionate NOI by \$2,501.

The following table provides the consolidated net operating income for the REIT's Canadian and U.S. properties in local currency:

For the six months ended June 30 (In thousands of dollars)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
Same Property NOI - Canada (local currency)	\$33,317	\$33,137	\$32,474	\$32,289
Same Property NOI - U.S. (local currency)	31,961	44,195	31,304	43,438
Exchange amount to Canadian dollars	12,442	18,078	11,458	15,577
<b>Total NOI</b>	<b>\$77,720</b>	<b>\$95,410</b>	<b>\$75,236</b>	<b>\$91,304</b>

The following table provides the NOI and Proportionate NOI for the REIT's Canadian properties:

For the six months ended June 30 (In thousands of dollars)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
<b>Revenue from properties</b>				
Gross rental revenue (before vacancy and ancillary revenue)	\$57,380	\$57,067	\$54,377	\$54,083
Vacancy	(3,305)	(3,283)	(1,658)	(1,653)
Ancillary <sup>(1)</sup>	3,067	3,054	2,745	2,731
Revenue from properties	57,142	56,838	55,464	55,161
<b>Property operating expenses</b>				
Operating costs	11,533	11,474	11,198	11,143
Realty taxes	6,004	5,966	5,716	5,680
Utilities	6,288	6,261	6,076	6,049
Total property operating expenses	23,825	23,701	22,990	22,872
<b>NOI</b>	<b>\$33,317</b>	<b>\$33,137</b>	<b>\$32,474</b>	<b>\$32,289</b>
<b>NOI margin</b>	<b>58.3%</b>	<b>58.3%</b>	<b>58.5%</b>	<b>58.5%</b>

(1) Ancillary revenue mainly comprises parking, laundry and cable income, amortized rent concessions and storage fees. Ancillary revenue also includes commercial revenue, net of vacancy.

For the six months ended June 30, 2025, NOI from the Canadian properties increased by \$843 (or 2.6%) to \$33,317, compared to \$32,474 in 2024. The increase in NOI is primarily due to an increase in revenue of \$1,678 (or 3.0%) from higher gross rental revenue (5.5%) resulting from an increase in AMR and an increase in ancillary revenue (higher parking revenue), net of higher vacancy, partially offset by an increase in operating expenses of \$835 (or 3.6%). Higher vacancy is due to increased competition and a large capital project at several properties located in Mississauga leading to higher than normal move outs. The increase in operating expenses is primarily due to higher operating costs of \$335 (3.0%), an increase in realty taxes of \$288 (5.0%) and higher utilities of \$212 (3.5%). The increase in operating costs is mainly due to an increase in payroll costs (hiring for vacant positions as well as in-house maintenance staff), repairs and maintenance expense, marketing expenses and property management fees, partially offset by a decrease in insurance expense and general and administrative expenses (lower legal expense). The increase in realty taxes is mainly due to a higher mill rate as most property assessments continue to be based on 2016 assessed values. The increase in utilities is predominantly due to: i) higher gas consumption attributable to a colder winter, partially offset by a decrease in gas rate due to the removal of the federal carbon charge, ii) lower hydro rebates under the Ontario Electricity Rebate program and an increase in consumption, net of a decrease in rate, and iii) an increase in water expense due to an increase in rate, net of a decrease in consumption.

For the six months ended June 30, 2025, Proportionate NOI from the Canadian properties increased by \$848 (or 2.6%) to \$33,137, compared to \$32,289 in 2024. The increase in Proportionate NOI is due to an increase in revenue of \$1,677 (or 3.0%) from higher gross rental revenue (5.5%) resulting from an increase in AMR and an increase in ancillary revenue, net of higher vacancy, for the same reasons described above, partially offset by an increase in operating expenses of \$829 (or 3.6%). The increase in operating expenses is due to higher operating costs of \$331, an increase in realty taxes of \$286 and higher utilities of \$212, for the same reasons described above.

The REIT's Canadian NOI margin and Proportionate NOI margin were 58.3% and 58.3%, respectively, for the six months ended June 30, 2025, compared to 58.5% and 58.5%, respectively, for the six months ended June 30, 2024. Overall, as noted above, the impact of higher vacancy and an increase in operating expenses relative to the increase in AMR, contributed to the slight decrease in NOI margin.

The following table provides the NOI and Proportionate NOI for the U.S. properties:

For the six months ended June 30 (In thousands of U.S. dollars, unless otherwise noted)	2025		2024	
	NOI	Proportionate NOI	NOI	Proportionate NOI
<b>Revenue from properties</b>				
Gross rental revenue (before vacancy and ancillary revenue)	\$80,185	\$79,840	\$79,654	\$79,374
Vacancy	(5,381)	(5,217)	(5,509)	(5,418)
Ancillary <sup>(1)</sup>	11,515	11,224	10,538	10,296
Total revenue from properties	86,319	85,847	84,683	84,252
<b>Property operating expenses</b>				
Operating costs	26,447	26,037	26,293	25,921
Realty taxes	24,045	11,795	23,684	11,625
Utilities	3,866	3,820	3,402	3,268
Total property operating expenses	54,358	41,652	53,379	40,814
<b>NOI (in U.S. dollars)</b>	<b>31,961</b>	<b>44,195</b>	<b>31,304</b>	<b>43,438</b>
Exchange amount to Canadian dollars	12,442	18,078	11,458	15,577
<b>NOI (in Canadian dollars)</b>	<b>\$44,403</b>	<b>\$62,273</b>	<b>\$42,762</b>	<b>\$59,015</b>
<b>NOI margin (in U.S. dollars)</b>	<b>37.0%</b>	<b>51.5%</b>	<b>37.0%</b>	<b>51.6%</b>

(1) Ancillary revenue mainly comprises parking, laundry and cable income; amortized rent concessions; storage fees; utility chargebacks; and other fee income associated with moving in or out (such as application fees and cleaning fees), and late rental payment fees from residents under the terms of the lease arrangements. Ancillary revenue also includes commercial revenue, net of vacancy.

For the six months ended June 30, 2025, NOI from the U.S. properties increased by \$1,641 (or 3.8%) to \$44,403, compared to \$42,762 in 2024. The increase in NOI is due to a higher NOI of US\$657 (or 2.1%) and the change in foreign exchange rate which increased NOI by \$984. The increase in NOI is primarily due to an increase in revenue of US\$1,636 (or 1.9%) from higher gross rental revenue (0.7%) resulting from an increase in AMR, an increase in ancillary revenue (from higher utility chargebacks, cable income and higher commercial revenue from an increase in rent and occupancy) and a decrease in vacancy, net of vacancy from suites that are offline due to a renovation at Village Crossing Apartment Homes, partially offset by an increase in operating expenses of US\$979 (or 1.8%). The increase in operating expenses is due to higher operating costs of US\$154 (0.6%), an increase in realty taxes of US\$361 (1.5%) and an increase in utilities of US\$464 (13.6%). The increase in operating costs is primarily due to an increase in payroll costs (hiring for new and vacant positions), repairs and maintenance (higher contract expenses) and higher administrative expenses (higher software fees, net of a decrease in bad debt expense), partially offset by a decrease in insurance expense (lower premiums), lower commercial bad debt expense and a reclassification of utility service fees previously recorded under operating costs to utilities. The increase in realty taxes is mainly due to a higher IFRIC 21 adjustment and an increase in assessed market value at certain properties, partially offset by a tax rebate received on successful appeals at several properties located in Texas, Georgia and Florida. The increase in utilities is mainly due to an increase in gas and water rates, an increase in consumption due to higher occupancy, as well as the reclassification of utility service fees from operating costs as noted above.

For the six months ended June 30, 2025, Proportionate NOI from the U.S. properties increased by \$3,258 (or 5.5%) to \$62,273, compared to \$59,015 in 2024. The increase in Proportionate NOI is due to higher Proportionate NOI of US\$757 (or 1.7%) and the change in foreign exchange rate which increased Proportionate NOI by \$2,501. The increase in Proportionate NOI is due to an increase in revenue of US\$1,595 (or 1.9%) from higher gross rental revenue (0.6%) resulting from an increase in AMR, an increase in ancillary revenue and a net decrease in vacancy, for the same reasons described above, partially offset by an increase in operating expenses of US\$838 (or 2.1%). The increase in operating expenses is due to higher operating costs of US\$116, an increase in realty taxes of US\$170 and an increase in utilities of US\$552, for the same reasons described above.

The REIT's U.S. NOI margin and Proportionate NOI margin were 37.0% and 51.5%, respectively, for the six months ended June 30, 2025, compared to 37.0% and 51.6%, respectively, for the six months ended June 30, 2024. The NOI margin and Proportionate NOI margin were both impacted by the increase in operating expenses, relative to the increase in revenue. In addition, the NOI margin was impacted by accounting for realty taxes under IFRIC 21.



## INTEREST EXPENSE

Interest expense consists of the following:

	Three months ended June 30		Six months ended June 30	
(In thousands of dollars)	2025	2024	2025	2024
Interest on mortgages	\$16,987	\$14,907	\$33,876	\$29,120
Interest on convertible debentures	840	840	1,680	1,680
Interest on lease liabilities	264	242	539	479
Amortization of mark-to-market adjustment on mortgages	169	179	362	357
Amortization of deferred financing costs	875	727	1,705	1,475
Amortization of deferred financing costs on convertible debentures	115	108	230	215
Accretion on convertible debentures	221	221	442	442
Fair value loss (gain) on conversion option on convertible debentures	299	(975)	189	(1,127)
Prepayment fee on mortgage extinguishment	—	257	—	257
Interest expense before distributions on Class B LP Units	19,770	16,506	39,023	32,898
Distributions on Class B LP Units	3,272	3,186	6,544	6,372
	<b>\$23,042</b>	<b>\$19,692</b>	<b>\$45,567</b>	<b>\$39,270</b>

Interest expense increased by \$3,350 during the three months ended June 30, 2025, to \$23,042, compared to \$19,692 in 2024. The increase is predominantly due to an increase in interest on mortgages of \$2,080, an increase in amortization of deferred financing costs of \$148 and an increase in non-cash fair value loss on the convertible debentures' conversion option of \$1,274, partially offset by a \$257 prepayment fee on mortgage extinguishment in 2024. The increase in interest on mortgages is largely attributable to the REIT's refinancings at higher interest rates and additional net mortgage proceeds. The change in foreign exchange rate increased interest expense on U.S. mortgages by \$62.

Interest expense increased by \$6,297 during the six months ended June 30, 2025 to \$45,567, compared to \$39,270 in 2024. The increase is predominantly due to an increase in interest on mortgages of \$4,756, an increase in amortization of deferred financing costs of \$230, an increase in distribution on Class B LP Units of \$172 and an increase in non-cash fair value loss on convertible debentures' conversion option of \$1,316, partially offset by a \$257 prepayment fee on mortgage extinguishment in 2024. The increase in interest on mortgages is largely attributable to the REIT's refinancings at higher interest rates and additional net mortgage proceeds. The change in foreign exchange rate increased interest expense on U.S. mortgages by \$631.

Under IFRS, the Class B LP Units are classified as financial liabilities, and the corresponding distributions paid to the Unitholders are classified as interest expense. The REIT believes these distribution payments do not represent financing charges because these amounts are payable only if the REIT declares distributions and only for the amount of any distributions declared, both of which are at the discretion of the Board of Trustees, as outlined in the Declaration of Trust. The total distributions paid and accrued to Class B LP Unitholders for the three and six months ended June 30, 2025 amounted to \$3,272 (2024 - \$3,186) and \$6,544 (2024 - \$6,372), respectively.

## TRUST EXPENSES

Trust expenses consist of the following:

	Three months ended June 30		Six months ended June 30	
(In thousands of dollars)	2025	2024	2025	2024
Asset management fees and distributions	\$5,438	\$4,901	\$10,594	\$9,715
Professional fees	327	333	643	686
Public company expenses	206	203	413	401
Other	65	226	204	355
	<b>\$6,036</b>	<b>\$5,663</b>	<b>\$11,854</b>	<b>\$11,157</b>

Trust expenses increased by \$373 during the three months ended June 30, 2025, to \$6,036, compared to \$5,663 in 2024, and increased by \$697 during the six months ended June 30, 2025, to \$11,854, compared to \$11,157 in 2024. The increase during the three and six months ended June 30, 2025 is mainly due to higher asset management fees and distributions, resulting from an increase in incentive distributions from higher FFO per Unit as well as an increase in gross book value (see Part VI, "Related Party Transactions").

## EQUITY INCOME FROM INVESTMENTS

The REIT has a 50% interest in one property comprising 690 suites located in Chicago, Illinois, in which the REIT has joint control of the investment.

Equity income from investment for the three months ended June 30, 2025, was \$2,936 and included a non-cash fair value gain on real estate properties of \$761 and an IFRIC 21 adjustment of \$804. For the three months ended June 30, 2024, equity income from investment was \$2,072 and included a non-cash fair value gain on real estate properties of \$24 and an IFRIC 21 adjustment of \$696. Excluding the impact of IFRIC 21, NOI increased by \$17.

Equity income from investment for the six months ended June 30, 2025, was \$4,934 and included a non-cash fair value gain on real estate properties of \$3,907 and an IFRIC 21 expense adjustment of \$1,696. For the six months ended June 30, 2024, equity income from investment was \$3,866 and included a non-cash fair value gain on real estate properties of \$2,578 and an IFRIC 21 expense adjustment of \$1,366. Excluding the impact of IFRIC 21, NOI increased by \$113, predominantly due to a positive impact from a change in foreign exchange rate.

## FOREIGN EXCHANGE LOSS

IFRS requires monetary assets and liabilities denominated in foreign currencies to be translated into Canadian dollars at the exchange rate in effect at the reporting date, and any gain or loss recognized in the consolidated statements of income. For the three and six months ended June 30, 2025, the REIT's foreign exchange loss amounted to \$2 (2024 - \$4) and \$4 (2024 - \$6), respectively, which is mainly the result of the fluctuation of the Canadian dollar against the United States dollar as at June 30, 2025, compared to December 31, 2024.

## OTHER EXPENSE (INCOME)

Other expense (income) mainly represents interest income earned or expense incurred on the Morguard Facility for advances made to/from Morguard and other expense (income). For the three months ended June 30, 2025, other income amounted to \$1,760 (2024 - \$154) and for the six months ended June 30, 2025, other income amounted to \$3,449 (2024 - \$234). The increase in other income for the three and six months ended June 30, 2025, was predominantly due to an increase in interest income earned from excess cash held from additional net refinancing proceeds and higher net interest income earned on the Morguard Facility.

## FAIR VALUE GAIN ON REAL ESTATE PROPERTIES, NET

The REIT elected to adopt the fair value model to account for its real estate properties, and changes in fair value each period have been recognized as fair value gain or loss in the consolidated statements of income (loss). Fair value adjustments are determined based on the movement of various valuation parameters on a quarterly basis, including stabilized NOI and capitalization rates.

For the three months ended June 30, 2025, the REIT recognized a net fair value gain of \$21,203 (2024 - \$18,974). The net fair value gain comprises a \$23,315 fair value gain at the Canadian properties and a loss of \$2,112 at the U.S. properties. The net fair value gain was mainly due to an increase in stabilized NOI across most of the properties in the REIT's portfolio, partly offset by a \$8,444 adjustment on realty taxes accounted for under IFRIC 21.

For the six months ended June 30, 2025, the REIT recognized a net fair value gain of \$69,133 (2024 - \$71,140). The net fair value gain comprises a \$60,086 fair value gain at the Canadian properties and a \$9,047 fair value gain at the U.S. properties. The fair value gain in Canada was predominantly due to an increase in stabilized NOI across the properties in the REIT's Canadian portfolio. The U.S. fair value gain included a \$17,883 adjustment on realty taxes accounted for under IFRIC 21 and was partly offset by a fair value loss from a net increase in stabilized NOI.

## FAIR VALUE GAIN (LOSS) ON CLASS B LP UNITS

The Class B LP Units are classified as financial liabilities in accordance with IFRS and, as a result, are recorded at their fair value at each reporting date. As at June 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 \$314,494 (December 31, 2024 - \$295,376) and a corresponding fair value loss for the three months ended June 30, 2025 of \$15,501 (2024 - gain of \$8,095) and a fair value loss for the six months ended June 30, 2025 of \$19,118 (2024 - \$12,228). The fair value gain/loss was due to a decrease/increase in the trading price of the REIT's Units (see Part V, "Capital Structure and Debt Profile").

## INCOME TAXES

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.

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.

For the three and six months ended June 30, 2025, the REIT recorded current tax expense of \$49 (2024 - \$981) and \$573 (2024 - \$1,607), respectively. The decrease of the current tax expense compared to 2024 is primarily due to the REIT undertaking a cost segregation study on specific U.S. properties that impacted the timing of the utilization of net operating losses.

For the three and six months ended June 30, 2025, the REIT recorded deferred tax expense of \$8,107 (2024 - \$7,033) and \$9,739 (2024 - \$10,861), primarily due to the utilization of the net operating losses, partially offset by the fair value loss recorded under IFRS of U.S. properties.

The REIT's income tax provision consists of the following:

(In thousands of dollars)	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Current	\$49	\$981	\$573	\$1,607
Deferred	8,107	7,033	9,739	10,861
Provision for income taxes	\$8,156	\$8,014	\$10,312	\$12,468

As at June 30, 2025, the REIT's U.S. subsidiaries have total net operating losses of approximately US\$40,972 (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\$8,446 (December 31, 2024 - US\$8,747).

As at June 30, 2025, the REIT's U.S. subsidiaries have a total of US\$70,692 (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.

## FUNDS FROM OPERATIONS

FFO (and FFO per Unit) is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. This measure should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. FFO is computed by the REIT in accordance with the current definition of the Real Property Association of Canada ("REALPAC") and is widely used as a real estate industry standard that supplements net income and evaluates operating performance but is not indicative of funds available to meet the REIT's cash requirements. Additional information on this non-GAAP financial measure can be found in Part I, "Specified Financial Measures."

The following table provides a reconciliation of FFO to its closely related financial statement measurement for the following periods:

	Three months ended June 30		Six months ended June 30	
(In thousands of dollars, except per Unit amounts)	2025	2024	2025	2024
<b>Net income for the period attributable to Unitholders</b>	<b>\$29,172</b>	<b>\$48,316</b>	<b>\$67,240</b>	<b>\$74,047</b>
Add/(deduct):				
Realty taxes accounted for under IFRIC 21 <sup>(1)</sup>	(8,435)	(8,202)	17,862	16,032
Fair value loss (gain) on conversion option on convertible debentures	299	(975)	189	(1,127)
Distributions on Class B LP Units recorded as interest expense <sup>(2)</sup>	3,272	3,186	6,544	6,372
Foreign exchange loss	2	4	4	6
Fair value gain on real estate properties, net <sup>(3)</sup>	(21,964)	(18,998)	(73,040)	(73,718)
Non-controlling interests' share of fair value gain (loss) on real estate properties	(1,189)	416	310	518
Fair value loss (gain) on Class B LP Units	15,501	(8,095)	19,118	12,228
Deferred income tax expense	8,107	7,033	9,739	10,861
<b>FFO - basic</b>	<b>\$24,765</b>	<b>\$22,685</b>	<b>\$47,966</b>	<b>\$45,219</b>
Interest expense on convertible debentures	840	840	1,680	1,680
<b>FFO - diluted</b>	<b>\$25,605</b>	<b>\$23,525</b>	<b>\$49,646</b>	<b>\$46,899</b>
FFO per Unit - basic	\$0.47	\$0.41	\$0.91	\$0.82
FFO per Unit - diluted	\$0.47	\$0.41	\$0.90	\$0.82
Weighted average number of Units outstanding (in thousands):				
Basic <sup>(4)</sup>	52,515	54,745	52,916	54,856
Diluted <sup>(4) (5)</sup>	54,834	57,064	55,235	57,175

(1) Realty taxes accounted for under IFRIC 21 (including equity-accounted investments) and excluding non-controlling interests' share.

(2) Under IFRS, the Class B LP Units are considered financial liabilities and, as a result of this classification, their corresponding distribution amounts are considered interest expense. The REIT believes these distribution payments do not truly represent financing charges because these amounts are payable only if the REIT declares distributions and only for the amount of any distributions declared, both of which are at the discretion of the Board of Trustees as outlined in the Declaration of Trust. Therefore, these distributions are excluded from the calculation of FFO.

(3) Includes fair value adjustment on real estate properties for equity-accounted investments.

(4) For purposes of calculating FFO per Unit, Class B LP Units are included as Units outstanding on both a basic and diluted basis.

(5) Includes the dilutive impact of convertible debentures.

Basic FFO for the three months ended June 30, 2025 increased by \$2,080 (or 9.2%) to \$24,765 (\$0.47 per Unit), compared to \$22,685 (\$0.41 per Unit) in 2024. The increase is mainly due to higher Proportionate NOI of \$1,953, an increase in other income of \$1,606 and a decrease in current tax of \$910 (calculated on a Proportionate Basis), partially offset by an increase in interest expense of \$2,009 (calculated on a Proportionate Basis and excluding distributions on Class B LP Units and fair value adjustments on the conversion option on convertible debentures) and an increase in trust expense of \$380 (calculated on a Proportionate Basis).

Basic FFO per Unit for the three months ended June 30, 2025 increased by \$0.06 to \$0.47 per Unit, compared to \$0.41 per Unit in 2024 due to the following factors:

- i) on a Proportionate Basis, in local currency, an increase in NOI and an increase in interest income partly offset an increase in interest expense and trust expenses, had a net \$0.01 per Unit positive impact. The net \$0.01 positive impact includes a \$0.01 per Unit negative impact relating to suites that are offline due to a renovation at a property located in Florida, offset by a \$0.01 per Unit positive impact from a higher property tax rebate. In addition, a change in foreign exchange rate had a \$0.02 per Unit positive impact, primarily from an increase in the average foreign exchange rate;



- ii) a decrease in current tax expense at the REIT's U.S. subsidiaries had a \$0.01 per Unit positive impact; and
- iii) the impact from Units repurchased under the REIT's NCIB had a \$0.02 per Unit positive impact.

Basic FFO for the six months ended June 30, 2025 increased by \$2,747 (or 6.1%) to \$47,966 (\$0.91 per Unit), compared to \$45,219 (\$0.82 per Unit) in 2024. The increase is mainly due to higher Proportionate NOI of \$4,106, an increase in other income of \$3,215 and a decrease in current tax of \$984 (calculated on a Proportionate Basis), partially offset by an increase in interest expense of \$4,843 (calculated on a Proportionate Basis and excluding distributions on Class B LP Units and fair value adjustments on the conversion option on convertible debentures) and an increase in trust expense of \$715 (calculated on a Proportionate Basis).

Basic FFO per Unit for the six months ended June 30, 2025 increased by \$0.09 to \$0.91 per Unit, compared to \$0.82 per Unit in 2024 due to the following factors:

- i) on a Proportionate Basis, in local currency, an increase in NOI and an increase in interest income partly offset an increase in interest expense and trust expenses, had a net \$0.01 per Unit positive impact. The net \$0.01 positive impact includes a \$0.02 per Unit negative impact relating to suites that are offline due to a renovation at a property located in Florida, partly offset by a \$0.01 per Unit positive impact from a higher property tax rebate. In addition, a change in foreign exchange rate had a \$0.04 per Unit positive impact, primarily from an increase in the average foreign exchange rate;
- ii) a decrease in current tax expense at the REIT's U.S. subsidiaries had a \$0.01 per Unit positive impact; and
- iii) the impact from Units repurchased under the REIT's NCIB had a \$0.03 per Unit positive impact.

## DISTRIBUTIONS

Total distributions (including Class B LP Units) is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. This measure should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. Additional information on this non-GAAP financial measure can be found under the section Part I, "Specified Financial Measures."

The Trustees have discretion with respect to the timing and amounts of distributions. For the three and six months ended June 30, 2025, total distributions amounted to \$10,004 (2024 - \$10,142) and \$20,155 (2024 - \$20,311), respectively.

Three months ended June 30 (In thousands of dollars)	2025			2024		
	Units	Class B LP Units	Total	Units	Class B LP Units	Total
Distributions paid and declared	\$6,538	\$3,272	\$9,810	\$6,708	\$3,186	\$9,894
Distributions – DRIP	194	—	194	248	—	248
Total	\$6,732	\$3,272	\$10,004	\$6,956	\$3,186	\$10,142

Six months ended June 30 (In thousands of dollars)	2025			2024		
	Units	Class B LP Units	Total	Units	Class B LP Units	Total
Distributions paid and declared	\$13,229	\$6,544	\$19,773	\$13,454	\$6,372	\$19,826
Distributions – DRIP	382	—	382	485	—	485
Total	\$13,611	\$6,544	\$20,155	\$13,939	\$6,372	\$20,311

The following table summarizes distributions paid to holders of Units in relation to net income and cash provided by operating activities:

(In thousands of dollars)	Three months ended June 30, 2025	Six months ended June 30, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Net income	\$30,059	\$68,381	\$99,396	\$185,281
Cash provided by operating activities	30,647	45,995	97,503	88,966
Distributions - Units <sup>(1)</sup>	\$6,732	\$13,611	\$27,671	\$27,843
Excess of net income over distributions	\$23,327	\$54,770	\$71,725	\$157,438
Excess of cash provided by operating activities over distributions	\$23,915	\$32,384	\$69,832	\$61,123

(1) Excludes distributions on Class B LP Units since these were recorded as interest expense and, therefore, were deducted in calculating net income and cash provided by operating activities.

Net income for the three and six months ended June 30, 2025, includes a net income of \$8,975 and \$27,327, respectively, of non-cash components relating to a fair value gain on real estate properties, fair value loss on Class B LP Units, equity income from investments, an IFRIC 21 adjustment to realty taxes and deferred taxes. Net income exceeded distributions when removing the impact of these non-cash items.

In determining the annual level of distributions to Unitholders, the REIT looks at forward-looking cash flow information, including forecasts and budgets, and the future prospects of the REIT. Furthermore, the REIT does not consider periodic cash flow fluctuations resulting from items such as the timing of property operating costs, property tax instalments or semi-annual debenture interest payments in determining the level of distributions to Unitholders in any particular quarter. Additionally, in establishing the level of distributions to the Unitholders, the REIT considers the impact of, among other items, the future growth in the income producing properties, the impact of future acquisitions and capital expenditures related to the income producing properties.

## PART IV

### BALANCE SHEET ANALYSIS

#### REAL ESTATE PROPERTIES

The REIT accounts for its real estate properties using the fair value model. The following table provides the regional allocation of real estate properties for the following periods:

As at (In thousands of Canadian dollars, unless otherwise stated)	June 30, 2025	December 31, 2024
<b>Canadian Properties</b>		
Alberta	\$58,000	\$54,700
Ontario	1,725,640	1,659,240
<b>Total Canadian Properties</b>	<b>1,783,640</b>	<b>1,713,940</b>
<b>U.S. Properties (in US dollars)</b>		
Colorado	125,200	125,800
Texas	202,300	203,300
Louisiana	46,400	46,400
Illinois	400,400	401,200
Georgia	100,500	104,600
Florida	507,599	503,700
North Carolina	188,700	189,100
Virginia	50,100	50,100
Maryland	202,476	196,034
	<b>1,823,675</b>	<b>1,820,234</b>
Impact of realty taxes accounted for under IFRIC 21	12,243	—
<b>Total U.S. Properties (in US dollars)</b>	<b>1,835,918</b>	<b>1,820,234</b>
Exchange amount to Canadian dollars	668,825	798,901
<b>Total U.S. Properties (in Canadian dollars)</b>	<b>2,504,743</b>	<b>2,619,135</b>
<b>Total real estate properties</b>	<b>\$4,288,383</b>	<b>\$4,333,075</b>

The value of real estate properties decreased by \$44,692 as at June 30, 2025, to \$4,288,383, compared to \$4,333,075 at December 31, 2024. The increase is mainly the result of the following:

- Capitalization of property enhancements of \$22,557;
- A net fair value gain on real estate properties of \$69,133; and
- A decrease of \$136,736 due to the change in U.S. dollar foreign exchange rate.

#### APPRAISAL CAPITALIZATION RATES

Morguard's appraisal division consists of Appraisal Institute of Canada ("AIC") designated Accredited Appraiser Canadian Institute ("AACI") members who are qualified to offer valuation and consulting services and expertise for all types of real property, all of whom are knowledgeable and have recent experience in the fair value techniques for investment properties. AACI members must adhere to AIC's Canadian Uniform Standards of Professional Appraisal Practice and undertake ongoing professional development. Morguard's appraisal division is responsible for determining the fair value of investment properties every quarter. Morguard's valuation processes and results are reviewed by the REIT's senior management at least once every quarter, in line with the REIT's quarterly reporting dates.

Key assumptions used in determining the valuation of income producing properties include estimates of capitalization rates and stabilized net operating income (primarily influenced by revenue growth, vacancy rates, inflation rates and operating costs), which pertain to forward-looking assumptions and market evidence, and accordingly could materially and adversely impact the underlying valuation of the REIT's income producing properties.

As at June 30, 2025, and December 31, 2024, the REIT had all 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 June 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:

As at	June 30, 2025 Capitalization Rates			December 31, 2024 Capitalization Rates		
	Max.	Min.	Weighted Average	Max.	Min.	Weighted Average
<b>Canada</b>						
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%
<b>United States</b>						
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 <sup>(1)</sup>	5.3%	5.0%	5.1%	5.3%	5.0%	5.1%
Georgia	5.3%	5.0%	5.2%	5.3%	5.0%	5.2%
Florida	6.3%	4.8%	5.3%	6.3%	4.8%	5.3%
North Carolina	5.0%	5.0%	5.0%	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%

(1) Includes equity-accounted investment.

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 in stabilized net operating income), the value of the real estate properties as at June 30, 2025 would decrease by \$220,037 or increase by \$246,122, respectively.

## PROPERTY CAPITAL INVESTMENTS

The REIT has a continual capital improvement program with respect to its investment properties. The program is designed to maintain and improve the operating performance of the properties and has enhanced the value of the properties by allowing the REIT to charge higher rents or by enabling it to lower operating expenses. The capital investments have also increased resident retention by ensuring that the properties retain their attractiveness to both existing and prospective tenants.

The REIT is committed to improving its operating performance by incurring appropriate capital expenditures in order to replace and maintain the productive capacity of its property portfolio so as to sustain its rental income-generating potential over the portfolio's useful life. In accordance with IFRS, the REIT capitalizes all capital improvement expenditures on its properties which enhance the service potential of the property and extend the useful life of the asset.

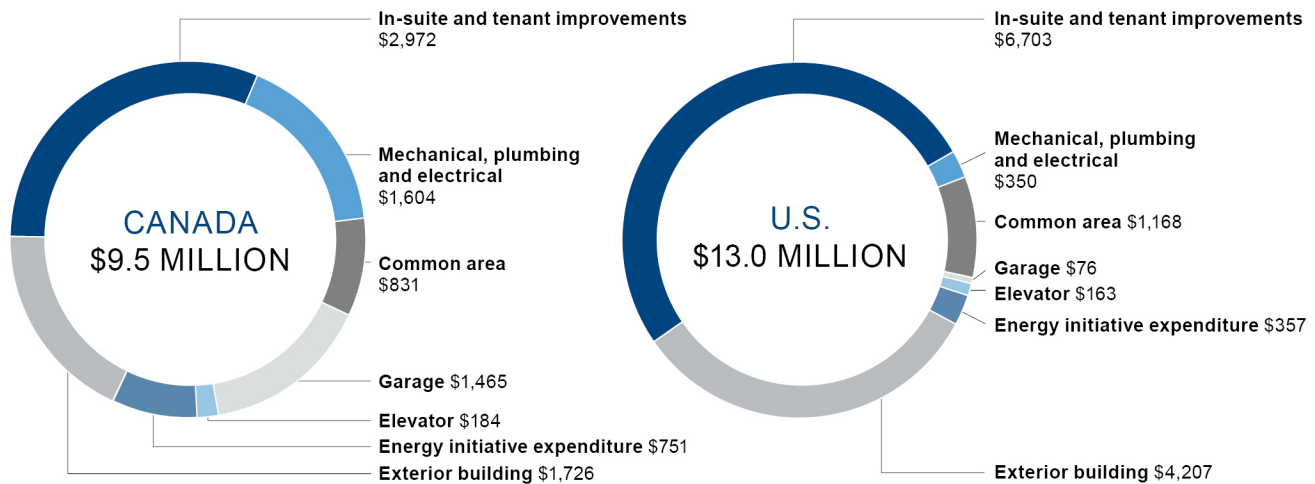
The following table provides additional details on total capital expenditures over the following periods:

(In thousands of dollars)	Six months ended June 30		Year ended December 31	
	2025	2024	2024	2023
Common area	\$1,999	\$2,797	\$9,519	\$9,683
Mechanical, plumbing and electrical	1,954	819	3,600	2,912
Exterior building	5,933	2,184	7,631	7,209
Garage	1,541	2,565	10,127	5,041
Elevator	347	647	2,930	138
Energy initiative expenditure	1,108	2,455	5,820	6,263
In-suite and tenant improvements	9,675	5,982	19,775	13,053
<b>Total capital expenditures</b>	<b>\$22,557</b>	<b>\$17,449</b>	<b>\$59,402</b>	<b>\$44,299</b>

### Capital Expenditures by Country

The following details total capital expenditures by country:

For the six months ended June 30, 2025  
(In thousands of dollars)



### EQUITY-ACCOUNTED INVESTMENTS

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

Property	Place of Business	Investment Type	REIT's Ownership		Carrying Value	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Marquee at Block 37	Chicago, IL	Joint Venture	50%	50%	\$71,723	\$70,874

Marquee at Block 37 is a 38-storey apartment building located in the heart of downtown Chicago which features 690 suites and extensive best-in-class amenities.

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

As at (In thousands of dollars)	June 30, 2025	December 31, 2024
Balance, beginning of period	\$70,874	\$53,282
Distributions received	(273)	(2,734)
Share of net income	4,934	15,116
Foreign exchange gain (loss)	(3,812)	5,210
<b>Balance, end of period</b>	<b>\$71,723</b>	<b>\$70,874</b>



## PART V

### LIQUIDITY AND CAPITAL RESOURCES

#### LIQUIDITY

The REIT has liquidity of \$258,500, comprised of approximately \$66,000 in cash and \$192,500 in available credit under its revolving credit facility with Morguard Corporation. In addition, the REIT has approximately \$10,000 of additional net mortgage financing proceeds expected to close during the third quarter of 2025, and approximately \$201,000 of unencumbered assets.

Net cash flows from operating activities represent the primary source of liquidity to fund distributions and maintenance capital expenditures. The REIT's net cash flows from operating activities depend on the occupancy level of its rental properties, rental rates on its leases, collectability of rent from its tenants, level of operating expenses and other factors. Material changes in these factors may adversely affect the REIT's cash flows from operating activities and liquidity (see Part VII, "Risks and Uncertainties").

The REIT expects to be able to meet all of its obligations, including distributions to Unitholders, maintenance and property capital expenditure commitments as they become due, and to provide for the future growth of the business. The REIT anticipates meeting all future obligations and has no off-balance sheet financing arrangements. Short-term fluctuations in working capital are funded through the Morguard Facility, and the REIT expects to have sufficient liquidity as a result of cash flows from operating activities and financing available through the Morguard Facility. Accordingly, the REIT does not intend to repay maturing debt from cash flow but rather with proceeds from refinancing such debt, subject to certain conditions (see Part V, "Capital Structure and Debt Profile").

#### CASH FLOWS

The following table details the changes in cash for the following periods:

(In thousands of dollars)	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Cash provided by operating activities	<b>\$30,647</b>	\$32,134	<b>\$45,995</b>	\$50,646
Cash used in investing activities	<b>(14,936)</b>	(12,088)	<b>(22,557)</b>	(17,449)
Cash provided by (used in) financing activities	<b>3,414</b>	89,200	<b>(6,439)</b>	76,294
Net increase in cash during the period	<b>19,125</b>	109,246	<b>16,999</b>	109,491
Net effect of foreign currency translation on cash balance	<b>(2,244)</b>	93	<b>(2,253)</b>	412
Cash, beginning of the period	<b>49,123</b>	18,389	<b>51,258</b>	17,825
<b>Cash, end of period</b>	<b>\$66,004</b>	\$127,728	<b>\$66,004</b>	\$127,728

#### Three months ended June 30, 2025 and 2024

##### Cash Provided by Operating Activities

Cash provided by operating activities during the three months ended June 30, 2025, was \$30,647, compared to \$32,134 in 2024. The change during the period mainly relates to a decrease in non-cash operating assets and liabilities of \$2,763, an increase in interest expense of \$1,931, a decrease in distribution from equity-accounted investment of \$1,104 and an increase in trust expense of \$373, partially offset by an increase in NOI (excluding IFRIC 21 adjustment) of \$2,048, an increase in other income of \$1,606 and a decrease in current income tax of \$932.

##### Cash Used in Investing Activities

Cash used in investing activities during the three months ended June 30, 2025, totalled \$14,936, compared to \$12,088 during the same period in 2024. Cash used in investing activities during the period consists of capitalization of property enhancements of \$14,936.

##### Cash Provided by Financing Activities

Cash provided by financing activities during the three months ended June 30, 2025, was \$3,414, compared to \$89,200 during the same period in 2024. The cash provided by financing activities during the period was largely due to proceeds from Morguard Facility of \$29,000, partially offset by the repurchase of Units for cancellation of

\$10,808, mortgage principal installment repayments totalling \$7,979 and distributions paid to Unitholders of \$6,597.

### Six months ended June 30, 2025 and 2024

#### Cash Provided by Operating Activities

Cash provided by operating activities during the six months ended June 30, 2025, was \$45,995, compared to \$50,646 in 2024. The change during the period mainly relates to an increase in interest on mortgages of \$4,731, a net decrease in non-cash operating assets and liabilities of \$6,753, a decrease in distributions from equity-accounted investments of \$1,104 and an increase in trust expense of \$697, partially offset by an increase in NOI (excluding IFRIC 21 adjustment) of \$4,281, an increase in other income of \$3,215 and a decrease in current income taxes of \$1,034.

#### Cash Used in Investing Activities

Cash used in investing activities during the six months ended June 30, 2025, totalled \$22,557, compared to \$17,449 during the same period in 2024. The cash used in investing activities during the period consists of the capitalization of property enhancements of \$22,557.

#### Cash Provided by (Used in) Financing Activities

Cash used in financing activities during the six months ended June 30, 2025, totalled \$6,439, compared to cash provided by financing activities of \$76,294 during the same period in 2024. The cash used in financing activities during the period was largely due to net proceeds from new mortgages of \$76,938, partially offset by the repayment of mortgages on maturity of \$30,832, the repurchase of Units for cancellation of \$20,951, mortgage principal instalment repayments of \$16,039, distributions paid to Unitholders of \$13,304 and net repayments on the Morguard Facility of \$2,500.

## CAPITAL STRUCTURE AND DEBT PROFILE

The REIT's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions pursuant to the Declaration of Trust, as well as existing debt covenants, while continuing to build long-term Unitholder value and maintaining sufficient capital contingencies. Total capitalization is calculated as the sum of the principal amount of the REIT's total debt (including mortgages payable, convertible debentures, lease liabilities and amounts drawn under its revolving credit facility with Morguard), Unitholders' equity and Class B LP Units liability.

The total managed capital of the REIT is summarized below:

As at (In thousands of dollars)	June 30, 2025	December 31, 2024
Mortgages payable, principal balance	\$1,721,131	\$1,742,986
Convertible debentures, face value	56,000	56,000
Lease liabilities	16,680	17,612
Class B LP Units	314,494	295,376
Unitholders' equity	1,969,771	2,001,337
<b>Total capitalization</b>	<b>\$4,078,076</b>	<b>\$4,113,311</b>

## DEBT PROFILE

As at June 30, 2025, the overall leverage, as represented by the ratio of total indebtedness to gross book value was 39.5%. The requirements of the REIT's operating policies as outlined in the Declaration of Trust include the requirement that the REIT will not incur or assume indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the REIT would be more than 70% of the gross book value.

The interest coverage ratio and the indebtedness coverage ratio are calculated based on obligations associated with mortgages payable, lease liabilities, the convertible debentures and the Morguard Facility.

The following tables summarize the key liquidity metrics:

As at	June 30, 2025	December 31, 2024
Total indebtedness to gross book value <sup>(1)</sup>	39.5%	39.7%
Weighted average mortgage interest rate <sup>(2)</sup>	3.90%	3.88%
Weighted average term to maturity on mortgages payable (years)	5.1	5.2

(1) A calculation of indebtedness to gross book value (a non-GAAP ratio) and a reconciliation of the ratio's non-GAAP financial measure components from the IFRS financial statement presentation is presented under the section Part IX, "Reconciliation of Non-GAAP Financial Measures."

(2) Represents the contractual interest rates on mortgages payable.

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interest coverage ratio <sup>(1)</sup>	2.32	2.39	2.29	2.42
Indebtedness coverage ratio <sup>(2)</sup>	1.63	1.63	1.61	1.63

(1) A calculation of interest coverage ratio (a non-GAAP ratio) and a reconciliation of the ratio's non-GAAP financial measure components from the IFRS financial statement presentation is presented under the section Part IX, "Reconciliation of Non-GAAP Financial Measures."

(2) A calculation of indebtedness coverage ratio (a non-GAAP ratio) and a reconciliation of the ratio's non-GAAP financial measure components from the IFRS financial statement presentation is presented under the section Part IX, "Reconciliation of Non-GAAP Financial Measures."

## MORTGAGES PAYABLE

Mortgages payable consist of the following:

As at (In thousands of dollars)	June 30, 2025	December 31, 2024
Principal balance of mortgages	\$1,721,131	\$1,742,986
Deferred financing costs	(20,667)	(20,162)
Mark-to-market adjustment	(1,302)	(1,744)
	<b>\$1,699,162</b>	<b>\$1,721,080</b>
Range of interest rates	2.03–6.37%	2.03–6.73%
Weighted average interest rate	3.90%	3.88%
Weighted average term to maturity (years)	5.1	5.2
Fair value of mortgages	<b>\$1,691,049</b>	<b>\$1,689,869</b>

As at June 30, 2025, the principal balance on the mortgages payable totalled \$1,721,131 (December 31, 2024 - \$1,742,986), the deferred financing costs associated with the mortgages amounted to \$20,667 (December 31, 2024 - \$20,162) and the mark-to-market adjustment amounted to \$1,302 (December 31, 2024 - \$1,744).

Mortgages payable decreased by \$21,918 as at June 30, 2025 to \$1,699,162, compared to \$1,721,080 at December 31, 2024. The increase is mainly due to the following:

- The repayment of mortgages of \$30,832 on a multi-suite residential property located in Kitchener, Ontario, which was refinanced for an amount of \$79,413;
- Financing costs of \$2,475;
- Scheduled principal repayments of \$16,039;
- A decrease of \$54,052 due to the change in the U.S. dollar foreign exchange rate; and
- Amortization of deferred financing costs and mark-to-market adjustment on mortgages totalling \$2,067.

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%.

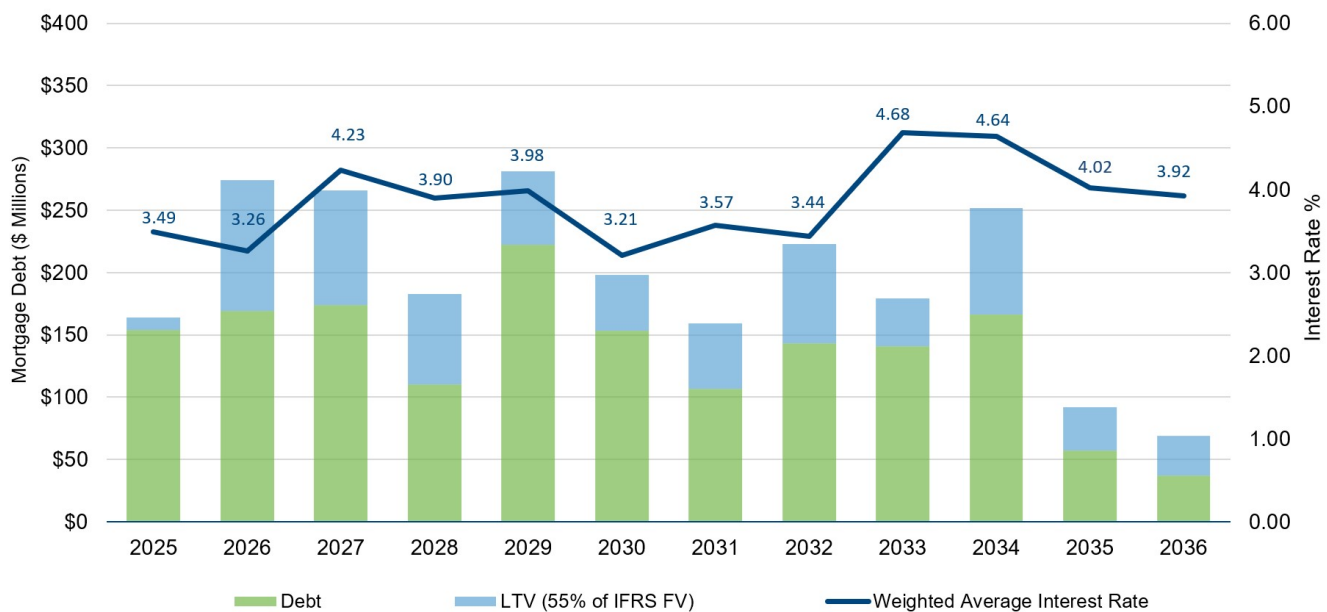
As at June 30, 2025, the REIT's first mortgages are registered against specific real estate assets, and approximately 95% of the REIT's real estate properties, and related rental revenue, have been pledged as collateral for the mortgages payable.

The following table details the REIT's mortgages that are scheduled to mature in the next two years.

Asset Type	2025				2026			
	Number of Properties	Principal Maturing	Weighted Average Interest Rate	Maturing Loan-to-Value Ratio	Number of Properties	Principal Maturing	Weighted Average Interest Rate	Maturing Loan-to-Value Ratio
Canada	—	\$—	—%	—%	3	\$77,432	2.88%	28.4%
U.S.	1	153,575	3.49%	54.4%	4	91,616	3.58%	40.7%
	1	\$153,575	3.49%	54.4%	7	\$169,048	3.26%	34.0%

As at June 30, 2025, the following table illustrates the REIT's mortgage balance at maturity (including equity-accounted investment at the REIT's interest), along with the IFRS fair value (at a loan-to-value ratio of 55%) secured against the mortgages by year of maturity:

As at June 30, 2025



## CONVERTIBLE DEBENTURES

Convertible debentures consist of the following:

(In thousands of dollars)	June 30, 2025	December 31, 2024
6.00% convertible unsecured subordinated debentures	\$53,571	\$53,129
Fair value of conversion option	1,550	1,361
Unamortized financing costs	(1,430)	(1,660)
	<b>\$53,691</b>	<b>\$52,830</b>

For the three and six months ended June 30, 2025, interest on the convertible debentures amounting to \$840 (2024 - \$840) and \$1,680 (2024 - \$1,680), respectively, is included in interest expense.

### 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 June 30, 2025, \$56,000 of the face value of the 2023 Debentures were 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.

### 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. During the first quarter of 2025, the maximum allowable amount to be borrowed or advanced under the Morguard Facility was temporarily increased from \$100,000 to \$150,000.

As part of Morguard's asset management arrangement, Morguard will make payments on behalf of the REIT and charge the Morguard Facility. These transactions are reflected in the consolidated statements of cash flows. Borrowings under the Morguard Facility are considered to be financing activities.

As at June 30, 2025, the net amount receivable under the Morguard Facility was \$92,500 (December 31, 2024 - \$90,000).

During the three months ended June 30, 2025, the REIT recorded net interest income of \$1,347 (2024 - net interest expense of \$71) and during the six months ended June 30, 2025, the REIT recorded net interest income of \$2,661 (2024 - \$9) on the Morguard Facility.

### UNITHOLDERS' EQUITY, SPECIAL VOTING UNITS AND CLASS B LP UNITS

#### 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.

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

Issued and Fully Paid Units (In thousands, except Unit amounts)	Units	Amount
Balance, December 31, 2023	37,735,959	\$448,150
Units issued under DRIP	53,757	883
Units repurchased through the REIT's NCIB plan	(1,505,535)	(26,288)
Balance, December 31, 2024	36,284,181	422,745
<b>Units issued under DRIP</b>	<b>22,181</b>	<b>382</b>
<b>Units repurchased through the REIT's NCIB plan</b>	<b>(1,214,609)</b>	<b>(20,951)</b>
<b>Balance, June 30, 2025</b>	<b>35,091,753</b>	<b>\$402,176</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 six months ended June 30, 2025, 1,214,609 Units were repurchased for cash consideration of \$20,951 at a weighted average price of \$17.25 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.

#### **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 six months ended June 30, 2025, the REIT issued 22,181 Units under the DRIP (year ended December 31, 2024 - 53,757 Units).

#### **SPECIAL VOTING UNITS AND CLASS B LP 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.

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 that 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 June 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 \$314,494 (December 31, 2024 - \$295,376), and a corresponding fair value loss for the three months ended June 30, 2025 of \$15,501 (2024 - gain of \$8,095) and a fair value loss for the six months ended June 30, 2025 of \$19,118 (2024 - \$12,228). For the three and six months ended June 30, 2025, distributions on Class B LP Units amounting to \$3,272 (2024 - \$3,186) and \$6,544 (2024 - \$6,372), respectively, are included in interest expense.

As at June 30, 2025, Morguard owned a 48.4% effective interest in the REIT through its ownership of 8,120,666 Units and 17,223,090 Class B LP Units.

As at June 30, 2025, there were 35,091,753 Units and 17,223,090 exchangeable Class B LP Units issued and outstanding.

As at July 29, 2025, there were 35,095,266 Units and 17,223,090 exchangeable Class B LP Units issued and outstanding.

## PART VI

### RELATED PARTY TRANSACTIONS

Related party transactions that are in the normal course of operations are subject to the same processes and controls as other transactions; that is, they are subject to standard approval procedures and management oversight but are also considered by management for reasonability against fair value. Related party transactions that are found to be material are subject to review and approval by a committee of independent Trustees.

#### AGREEMENTS WITH MORGUARD AFFILIATES

The REIT, Morguard NAR Canada Limited Partnership (the "Partnership") and its subsidiaries entered into a series of agreements ("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 six months ended June 30, 2025 amounted to \$3,173 (2024 - \$3,059) and \$6,393 (2024 - \$6,087), respectively, and are included in property operating costs and equity income from investments.

##### 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 is 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 six months ended June 30, 2025 amounted to \$5,550 (2024 - \$5,004) and \$10,820 (2024 - \$9,918), respectively, and are included in trust expenses and equity income from investments.

##### 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 six months ended June 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 six months ended June 30, 2025 amounted to \$nil (2024 - \$313) and \$119 (2024 - \$313), respectively, and have been capitalized to deferred financing costs.

##### Other Services

As at June 30, 2025 and 2024, the REIT had its portfolio appraised by Morguard's appraisal division. Fees relating to appraisal services for the three and six months ended June 30, 2025 amounted to \$52 (2024 - \$52) and \$104 (2024 - \$104), respectively, and are included in trust expenses.

All the Agreements have an initial term of 10 years and are renewable for further terms of five years each, subject to certain notice provisions or upon the occurrence of an event of default as stipulated in the provisions of the Agreements.

## PART VII

### SUMMARY OF MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The REIT's unaudited condensed consolidated financial statements for the three and six months ended June 30, 2025 and 2024, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the IASB. The condensed consolidated financial statements use the same accounting policies and methods of their application as the most recent annual audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, which include the material accounting policies most affected by estimates and judgments, and should be read in conjunction with the most recent annual audited consolidated financial statements.

The MD&A for the year ended December 31, 2024, contains a discussion of the material accounting policies most affected by estimates and judgments used in the preparation of the consolidated financial statements, being the accounting estimates of fair values of income producing properties and valuation of financial instruments. Management determined that as at June 30, 2025, there is no change to the assessment of the material accounting policies most affected by estimates and judgments as detailed in the MD&A for the year ended December 31, 2024.

### FINANCIAL INSTRUMENTS

The following describes the REIT's recognized and unrecognized financial instruments.

The REIT's financial assets and liabilities comprise cash, restricted cash, amounts receivable, the Morguard Facility, accounts payable and accrued liabilities, mortgages payable, Class B LP Units, lease liabilities and convertible debentures.

Financial assets must be classified and measured on the basis of both the business model in which the assets are managed and the contractual cash flow characteristics of the asset. Financial assets subsequent to initial recognition are classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: amortized cost and FVTPL. Fair values of financial assets and liabilities are presented as follows:

#### 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 those 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 values of the mortgages payable have been determined by discounting the cash flows of these financial obligations using June 30, 2025 market rates for debt of similar terms. Based on these assumptions, as at June 30, 2025 the fair value of mortgages payable before deferred financing costs and mark-to-market adjustments is estimated at \$1,691,049 (December 31, 2024 - \$1,689,869), compared to the carrying value of \$1,721,131 (December 31, 2024 - \$1,742,986). The fair values of mortgages payable vary from their carrying values due to fluctuations in market interest rates since their issue.

The fair value of the convertible debentures are based on their market trading price. As at June 30, 2025, the fair value of the convertible debentures before deferred financing costs has been estimated at \$57,114 (December 31, 2024 - \$58,464), compared with the carrying value of \$53,571 (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.

## RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Units and activities of the REIT that investors should carefully consider before investing in securities of the REIT. Risks and uncertainties are disclosed in the REIT's MD&A for the year ended December 31, 2024 and in the Risks and Uncertainties section of the latest Annual Information Form, dated February 11, 2025.

## CONTROLS AND PROCEDURES CONCERNING FINANCIAL INFORMATION

The financial certification process project team has documented and assessed the design and effectiveness of the internal controls in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. This undertaking has enabled the Chief Executive Officer and Chief Financial Officer to attest that the design and effectiveness of the internal controls with regard to financial information are effective using the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013). In order to ensure that the consolidated financial statements and MD&A present fairly, in all material respects, the financial position of the REIT and the results of its operations, management is responsible for establishing and maintaining disclosure controls and procedures, as well as internal control over financial reporting.

The REIT's management has evaluated the effectiveness of the REIT's disclosure controls and procedures and, based on such evaluation, has concluded that their design is adequate and effective as of and for the six months ended June 30, 2025. The REIT's management has also evaluated the effectiveness of the internal controls over financial reporting and has concluded that their design is effective as of and for the six months ended June 30, 2025.

An information disclosure policy constitutes the framework for the information disclosure process with regard to the annual and interim filings, as well as to other reports filed or submitted under securities legislation. This policy aims in particular at identifying material information and validating the related reporting. Morguard's Disclosure Committee, established in 2005, is responsible for ensuring compliance with this policy for both Morguard and the REIT. Morguard's senior management acts as the Disclosure Committee, ensuring compliance with this policy and reviewing main documents to be filed with regulatory authorities to ensure that all significant information regarding operations is communicated in a timely manner.

## PART VIII

### SUMMARY OF QUARTERLY INFORMATION

The following table provides a summary of operating results for the last eight quarters.

(In thousands of dollars, except per Unit amounts)	Revenue	NOI	Proportionate NOI	FFO	Net Income (Loss) Attributable to Unitholders	Net Income (Loss) Attributable to Unitholders per Unit	
						Basic	Diluted <sup>(1)</sup>
<b>June 30, 2025</b>	<b>\$88,537</b>	<b>\$56,897</b>	<b>\$48,354</b>	<b>\$24,765</b>	<b>\$29,172</b>	<b>\$0.56</b>	<b>\$0.55</b>
March 31, 2025	90,274	20,823	47,056	23,201	38,068	0.71	0.70
December 31, 2024	87,888	54,153	45,554	22,788	48,602	0.90	0.89
September 30, 2024	85,788	52,031	44,353	21,852	(20,791)	(0.38)	(0.35)
June 30, 2024	85,756	54,649	46,401	22,685	48,316	0.88	0.86
March 31, 2024	84,756	20,587	44,903	22,534	25,731	0.47	0.46
December 31, 2023	85,000	55,020	47,675	24,341	25,123	0.47	0.47
September 30, 2023	83,646	52,418	44,179	21,936	40,491	0.73	0.71

(1) Includes the dilutive impact of the convertible debentures.

### SUMMARY OF QUARTERLY RESULTS

A significant portion of the REIT's real estate properties are located in the United States. As a result, the REIT is exposed to foreign currency exchange rate fluctuations with respect to its quarterly results derived from its properties located in the U.S.

Quarterly results fluctuate due to acquisitions and dispositions, the impact of foreign exchange rate fluctuations and mortgage refinancing. In addition, net income (loss) includes a number of non-cash components, such as, fair value gain (loss) on Class B LP Units, fair value gain (loss) on real estate properties, an IFRIC 21 adjustment to realty taxes, equity income (loss) from investments and deferred taxes.

#### Revenue and Net Operating Income

The regional distribution of the REIT's suites serves to add stability to the REIT's cash flows because it reduces the REIT's vulnerability to economic fluctuations affecting any particular region. However, tenant retention and leasing vacant suites are critical to maintaining occupancy levels.

In Canada, certain provinces and territories have enacted residential tenancy legislation that, among other things, imposes rent control guidelines that limit the REIT's ability to raise rental rates at its properties. For the calendar year 2025, the Ontario guideline increase amount was established at 2.5% (2.5% for 2024 and 2.5% in 2023). In addition, overbuilding in the multi-suite residential sector, particularly in the United States, may increase the supply of multi-suite residential properties, further increasing the level of competition in certain markets. Such competition may reduce occupancy rates and rental revenues of the REIT and, consequently, revenue and operating results.

As at June 30, 2025, Same Property occupancy in Canada was 95.2%, reflecting stable demand predominantly in Ontario. Approximately 79% of the suites in Canada are located in the GTA. The GTA is Canada's most significant economic cluster and contains the largest concentration of people.

As at June 30, 2025, Same Property occupancy in the U.S. was 94.8% as the REIT's overall U.S. occupancy maintained optimum levels.

The REIT has seen steady revenue growth resulting from an increase in Same Property revenue due to AMR growth.

Similar to revenue, NOI has profiled stable and steady growth over the last eight quarters resulting from an increase in revenue and the REIT's ability to control expenses as a percentage of revenue. The impact of foreign exchange rates and higher utility costs during the winter months also factored into the variance from quarter to quarter. Furthermore, the first quarter results (three months ended March 31) are impacted by IFRIC 21, whereby the REIT records the entire annual realty tax expense for its U.S. properties on January 1, except for U.S. properties acquired during the year in which the realty taxes are not recorded in the year of acquisition.



As a result, the second, third and fourth quarters typically have no realty tax expense, which results in higher NOI and NOI margins.

In addition, the REIT incurred higher interest expense mainly due to the increase in mortgages from refinancing activities and higher interest income from excess cash and advances to Morguard on the Morguard Facility.

#### **Net Income (Loss) Attributable to Unitholders**

Taking into account the above factors for revenue and NOI variations, the change in net income (loss) is predominantly due to a change in non-cash components as described below:

- The REIT valued the Class B LP Units based on the closing price of the TSX-listed Units from period to period, resulting in a fair value gain/loss on Class B LP Units due to volatility in the trading price of the REIT's Units;
- The REIT recognized a fair value gain on real estate properties for the three months ended June 30, 2025 and 2024 mainly due to a net increase in stabilized NOI across the REIT's portfolio and an IFRIC 21 adjustment on the REIT's U.S. properties. In addition, the equity-accounted investment includes non-cash fair value changes on real estate properties; and
- The REIT has recorded deferred tax expense/recovery coinciding with a fair value gain/loss on the REIT's U.S. real estate properties.

#### **SUBSEQUENT EVENT**

The REIT entered into a binding agreement for the refinancing of a multi-suite residential property located in Chicago, Illinois, in the amount of \$163,716 (US\$120,000) at an interest rate of 5.35% and for a term of 3 years. The maturing mortgage amounts to \$153,575 (US\$112,567) and has an interest rate of 3.49%. The REIT expects to close the refinancing during the third quarter of 2025.

## PART IX

### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

The REIT's proportionate consolidated financial statements are as follows:

#### BALANCE SHEETS

	Non-GAAP Adjustments				Proportionate Basis
As at June 30, 2025	IFRS	NCI Share	Equity Interest	IFRIC 21	(Non-GAAP)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Real estate properties	\$4,288,383	(\$206,913)	\$176,898	(\$18,287)	\$4,240,081
Equity-accounted investments	71,723	—	(71,723)	—	—
	4,360,106	(206,913)	105,175	(18,287)	4,240,081
<b>Current assets</b>					
Morguard Facility	92,500	—	—	—	92,500
Amounts receivable	7,963	(480)	44	—	7,527
Prepaid expenses	5,664	(89)	27	—	5,602
Restricted cash	4,339	(1,311)	—	—	3,028
Cash	66,004	(2,940)	2,007	—	65,071
	176,470	(4,820)	2,078	—	173,728
	\$4,536,576	(\$211,733)	\$107,253	(\$18,287)	\$4,413,809
<b>LIABILITIES AND EQUITY</b>					
<b>Non-current liabilities</b>					
Mortgages payable	\$1,443,573	(\$22,276)	\$99,082	\$—	\$1,520,379
Convertible debentures	53,691	—	—	—	53,691
Class B LP Units	314,494	—	—	—	314,494
Deferred income tax liabilities	293,162	—	—	—	293,162
Lease liabilities	16,680	—	—	—	16,680
	2,121,600	(22,276)	99,082	—	2,198,406
<b>Current liabilities</b>					
Mortgages payable	255,589	(75,772)	2,546	—	182,363
Accounts payable and accrued liabilities	83,371	(7,440)	5,625	(18,287)	63,269
	338,960	(83,212)	8,171	(18,287)	245,632
<b>Total liabilities</b>	2,460,560	(105,488)	107,253	(18,287)	2,444,038
<b>EQUITY</b>					
Unitholders' equity	1,969,771	—	—	—	1,969,771
Non-controlling interest	106,245	(106,245)	—	—	—
<b>Total equity</b>	2,076,016	(106,245)	—	—	1,969,771
	\$4,536,576	(\$211,733)	\$107,253	(\$18,287)	\$4,413,809

The following table provides a reconciliation of gross book value and indebtedness as defined in the Declaration of Trust from their IFRS financial statement presentation:

As at June 30, 2025	IFRS	Non-GAAP Adjustments			Proportionate Basis (Non-GAAP)
		NCI Share	Equity Interest	IFRIC 21	
<b>Total Assets / Gross book value<sup>(1)</sup></b>	<b>\$4,536,576</b>	<b>(\$211,733)</b>	<b>\$107,253</b>	<b>(\$18,287)</b>	<b>\$4,413,809</b>
Mortgage payable	\$1,699,162	(\$98,048)	\$101,628	\$—	\$1,702,742
Add: Deferred financing costs	20,667	(246)	218	—	20,639
Mark-to-market adjustment	1,302	—	—	—	1,302
	1,721,131	(98,294)	101,846	—	1,724,683
Convertible debentures, face value	56,000	—	—	—	56,000
Lease liabilities	16,680	—	—	—	16,680
<b>Indebtedness</b>	<b>\$1,793,811</b>	<b>(\$98,294)</b>	<b>\$101,846</b>	<b>\$—</b>	<b>\$1,797,363</b>
<b>Indebtedness / Gross book value</b>	<b>39.5%</b>				<b>40.7%</b>

(1) Gross book value (as defined in the Declaration of Trust) includes the impact of any fair value adjustments.

## STATEMENTS OF INCOME

For the three months ended June 30 (In thousands of dollars)	2025					2024				
	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)
	IFRS	NCI Share	Equity Interest	IFRIC 21		IFRS	NCI Share	Equity Interest	IFRIC 21	
<b>Revenue from properties</b>										
Gross rental revenue	\$84,451	(\$4,488)	\$4,085	\$—	\$84,048	\$82,096	(\$4,354)	\$4,010	\$—	\$81,752
Vacancy	(5,642)	292	(107)	—	(5,457)	(4,991)	325	(230)	—	(4,896)
Ancillary	9,728	(490)	268	—	9,506	8,651	(439)	231	—	8,443
Total revenue from properties	88,537	(4,686)	4,246	—	88,097	85,756	(4,468)	4,011	—	85,299
<b>Property operating expenses</b>										
Operating costs	24,234	(1,273)	967	—	23,928	23,982	(1,213)	900	—	23,669
Realty taxes	2,492	(9)	2	8,435	10,920	2,445	(18)	11	8,202	10,640
Utilities	4,914	(149)	130	—	4,895	4,680	(169)	78	—	4,589
Total property operating expenses	31,640	(1,431)	1,099	8,435	39,743	31,107	(1,400)	989	8,202	38,898
<b>NOI<sup>(1)</sup></b>	<b>56,897</b>	<b>(3,255)</b>	<b>3,147</b>	<b>(8,435)</b>	<b>48,354</b>	<b>54,649</b>	<b>(3,068)</b>	<b>3,022</b>	<b>(8,202)</b>	<b>46,401</b>
Other expense (income)										
Interest expense	23,042	(1,038)	860	—	22,864	19,692	(1,069)	872	—	19,495
Trust expenses	6,036	(94)	112	—	6,054	5,663	(91)	102	—	5,674
Equity income from investments	(2,936)	—	2,936	—	—	(2,072)	—	2,072	—	—
Foreign exchange loss	2	—	—	—	2	4	—	—	—	4
Other income	(1,760)	—	—	—	(1,760)	(154)	—	—	—	(154)
<b>Income before fair value changes and income taxes</b>	<b>32,513</b>	<b>(2,123)</b>	<b>(761)</b>	<b>(8,435)</b>	<b>21,194</b>	<b>31,516</b>	<b>(1,908)</b>	<b>(24)</b>	<b>(8,202)</b>	<b>21,382</b>
Fair value gain on real estate properties, net	21,203	1,189	761	8,435	31,588	18,974	(416)	24	8,202	26,784
Fair value gain (loss) on Class B LP Units	(15,501)	—	—	—	(15,501)	8,095	—	—	—	8,095
<b>Income before income taxes</b>	<b>38,215</b>	<b>(934)</b>	<b>—</b>	<b>—</b>	<b>37,281</b>	<b>58,585</b>	<b>(2,324)</b>	<b>—</b>	<b>—</b>	<b>56,261</b>
Provision for income taxes										
Current	49	(47)	—	—	2	981	(69)	—	—	912
Deferred	8,107	—	—	—	8,107	7,033	—	—	—	7,033
	8,156	(47)	—	—	8,109	8,014	(69)	—	—	7,945
<b>Net income for the period</b>	<b>\$30,059</b>	<b>(\$887)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$29,172</b>	<b>\$50,571</b>	<b>(\$2,255)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$48,316</b>
<sup>(1)</sup> IFRIC 21 included in NOI	(\$8,444)	\$813	(\$804)	\$8,435	\$—	(\$8,244)	\$738	(\$696)	\$8,202	\$—

The following table provides a reconciliation of interest and indebtedness coverage ratios from their IFRS financial statement presentation:

For the three months ended June 30 (In thousands of dollars)	2025					2024				
	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)
	IFRS	NCI Share	Equity Interest	IFRIC 21		IFRS	NCI Share	Equity Interest	IFRIC 21	
NOI	\$56,897	(\$3,255)	\$3,147	(\$8,435)	\$48,354	\$54,649	(\$3,068)	\$3,022	(\$8,202)	\$46,401
IFRIC 21 adjustment	(8,444)	813	(804)	8,435	—	(8,244)	738	(696)	8,202	—
Trust expenses	(6,036)	94	(112)	—	(6,054)	(5,663)	91	(102)	—	(5,674)
Other income	1,760	—	—	—	1,760	154	—	—	—	154
	\$44,177	(\$2,348)	\$2,231	\$—	\$44,060	\$40,896	(\$2,239)	\$2,224	\$—	\$40,881
Interest expense	\$23,042	(\$1,038)	\$860	\$—	\$22,864	\$19,692	(\$1,069)	\$872	\$—	\$19,495
Amortization of mark-to-market adjustment on mortgages	(169)	—	—	—	(169)	(179)	—	—	—	(179)
Accretion on convertible debentures	(221)	—	—	—	(221)	(221)	—	—	—	(221)
Fair value gain (loss) on conversion option on convertible debentures	(299)	—	—	—	(299)	975	—	—	—	975
Distributions on Class B LP Units	(3,272)	—	—	—	(3,272)	(3,186)	—	—	—	(3,186)
	\$19,081	(\$1,038)	\$860	\$—	\$18,903	\$17,081	(\$1,069)	\$872	\$—	\$16,884
<b>Interest coverage ratio</b>	<b>2.32</b>				<b>2.33</b>	<b>2.39</b>				<b>2.42</b>
<b>Indebtedness coverage ratio</b>	<b>1.63</b>				<b>1.63</b>	<b>1.63</b>				<b>1.63</b>

## STATEMENTS OF INCOME

For the six months ended June 30 (In thousands of dollars)	2025					2024				
	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)
	IFRS	NCI Share	Equity Interest	IFRIC 21		IFRS	NCI Share	Equity Interest	IFRIC 21	
<b>Revenue from properties</b>										
Gross rental revenue	\$170,402	(\$9,113)	\$8,314	\$—	\$169,603	\$162,597	(\$8,600)	\$7,926	\$—	\$161,923
Vacancy	(10,883)	551	(300)	—	(10,632)	(9,148)	596	(466)	—	(9,018)
Ancillary	19,292	(951)	530	—	18,871	17,063	(820)	479	—	16,722
Total revenue from properties	178,811	(9,513)	8,544	—	177,842	170,512	(8,824)	7,939	—	169,627
<b>Property operating expenses</b>										
Operating costs	48,820	(2,540)	1,903	—	48,183	46,923	(2,338)	1,776	—	46,361
Realty taxes	40,526	(3,406)	3,336	(17,862)	22,594	37,656	(2,928)	2,777	(16,032)	21,473
Utilities	11,745	(384)	294	—	11,655	10,697	(366)	158	—	10,489
Total property operating expenses	101,091	(6,330)	5,533	(17,862)	82,432	95,276	(5,632)	4,711	(16,032)	78,323
<b>NOI<sup>(1)</sup></b>	<b>77,720</b>	<b>(3,183)</b>	<b>3,011</b>	<b>17,862</b>	<b>95,410</b>	<b>75,236</b>	<b>(3,192)</b>	<b>3,228</b>	<b>16,032</b>	<b>91,304</b>
Other expense (income)										
Interest expense	45,567	(2,115)	1,758	—	45,210	39,270	(2,128)	1,737	—	38,879
Trust expenses	11,854	(181)	226	—	11,899	11,157	(176)	203	—	11,184
Equity income from investments	(4,934)	—	4,934	—	—	(3,866)	—	3,866	—	—
Foreign exchange loss	4	—	—	—	4	6	—	—	—	6
Other income	(3,449)	—	—	—	(3,449)	(234)	—	—	—	(234)
<b>Income before fair value changes and income taxes</b>	<b>28,678</b>	<b>(887)</b>	<b>(3,907)</b>	<b>17,862</b>	<b>41,746</b>	<b>28,903</b>	<b>(888)</b>	<b>(2,578)</b>	<b>16,032</b>	<b>41,469</b>
Fair value gain on real estate properties, net	69,133	(310)	3,907	(17,862)	54,868	71,140	(518)	2,578	(16,032)	57,168
Fair value loss on Class B LP Units	(19,118)	—	—	—	(19,118)	(12,228)	—	—	—	(12,228)
<b>Income before income taxes</b>	<b>78,693</b>	<b>(1,197)</b>	<b>—</b>	<b>—</b>	<b>77,496</b>	<b>87,815</b>	<b>(1,406)</b>	<b>—</b>	<b>—</b>	<b>86,409</b>
Provision for income taxes										
Current	573	(56)	—	—	517	1,607	(106)	—	—	1,501
Deferred	9,739	—	—	—	9,739	10,861	—	—	—	10,861
	10,312	(56)	—	—	10,256	12,468	(106)	—	—	12,362
<b>Net income for the period</b>	<b>\$68,381</b>	<b>(\$1,141)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$67,240</b>	<b>\$75,347</b>	<b>(\$1,300)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$74,047</b>
<sup>(1)</sup> IFRIC 21 included in NOI	\$17,883	(\$1,717)	\$1,696	(\$17,862)	\$—	\$16,086	(\$1,420)	\$1,366	(\$16,032)	\$—

The following table provides a reconciliation of interest and indebtedness coverage ratios from their IFRS financial statement presentation:

For the six months ended June 30 (In thousands of dollars)	2025					2024				
	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)	Non-GAAP Adjustments				Proportionate Basis (Non-GAAP)
	IFRS	NCI Share	Equity Interest	IFRIC 21		IFRS	NCI Share	Equity Interest	IFRIC 21	
NOI	\$77,720	(\$3,183)	\$3,011	\$17,862	\$95,410	\$75,236	(\$3,192)	\$3,228	\$16,032	\$91,304
IFRIC 21 adjustment	17,883	(1,717)	1,696	(17,862)	—	16,086	(1,420)	1,366	(16,032)	—
Trust expenses	(11,854)	181	(226)	—	(11,899)	(11,157)	176	(203)	—	(11,184)
Other income	3,449	—	—	—	3,449	234	—	—	—	234
	\$87,198	(\$4,719)	\$4,481	\$—	\$86,960	\$80,399	(\$4,436)	\$4,391	\$—	\$80,354
Interest expense	\$45,567	(\$2,115)	\$1,758	\$—	\$45,210	\$39,270	(\$2,128)	\$1,737	\$—	\$38,879
Amortization of mark-to-market adjustment on mortgages	(362)	—	—	—	(362)	(357)	—	—	—	(357)
Accretion on convertible debentures	(442)	—	—	—	(442)	(442)	—	—	—	(442)
Fair value gain (loss) on conversion option on convertible debentures	(189)	—	—	—	(189)	1,127	—	—	—	1,127
Distributions on Class B LP Units	(6,544)	—	—	—	(6,544)	(6,372)	—	—	—	(6,372)
	\$38,030	(\$2,115)	\$1,758	\$—	\$37,673	\$33,226	(\$2,128)	\$1,737	\$—	\$32,835
<b>Interest coverage ratio</b>	<b>2.29</b>				<b>2.31</b>	<b>2.42</b>				<b>2.45</b>
<b>Indebtedness coverage ratio</b>	<b>1.61</b>				<b>1.61</b>	<b>1.63</b>				<b>1.63</b>

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## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## BALANCE SHEETS

In thousands of Canadian dollars

As at	Note	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Real estate properties	3	\$4,288,383	\$4,333,075
Equity-accounted investments	4	71,723	70,874
		<b>4,360,106</b>	<b>4,403,949</b>
<b>Current assets</b>			
Morguard Facility	8	92,500	90,000
Amounts receivable		7,963	12,584
Prepaid expenses		5,664	8,983
Restricted cash		4,339	4,857
Cash		66,004	51,258
		<b>176,470</b>	<b>167,682</b>
		<b>\$4,536,576</b>	<b>\$4,571,631</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Non-current liabilities</b>			
Mortgages payable	5	\$1,443,573	\$1,502,163
Convertible debentures	6	53,691	52,830
Class B LP Units	7	314,494	295,376
Deferred income tax liabilities	16	293,162	299,129
Lease liabilities	9	16,680	17,612
		<b>2,121,600</b>	<b>2,167,110</b>
<b>Current liabilities</b>			
Mortgages payable	5	255,589	218,917
Accounts payable and accrued liabilities	10	83,371	73,614
		<b>338,960</b>	<b>292,531</b>
<b>Total liabilities</b>		<b>2,460,560</b>	<b>2,459,641</b>
<b>EQUITY</b>			
Unitholders' equity		1,969,771	2,001,337
Non-controlling interest		106,245	110,653
<b>Total equity</b>		<b>2,076,016</b>	<b>2,111,990</b>
		<b>\$4,536,576</b>	<b>\$4,571,631</b>

See accompanying notes to the condensed consolidated financial statements.

## STATEMENTS OF INCOME

In thousands of Canadian dollars

		Three months ended June 30		Six months ended June 30	
	Note	2025	2024	2025	2024
Revenue from real estate properties	12	\$88,537	\$85,756	\$178,811	\$170,512
Property operating expenses					
Property operating costs		(24,234)	(23,982)	(48,820)	(46,923)
Realty taxes		(2,492)	(2,445)	(40,526)	(37,656)
Utilities		(4,914)	(4,680)	(11,745)	(10,697)
<b>Net operating income</b>		<b>56,897</b>	<b>54,649</b>	<b>77,720</b>	<b>75,236</b>
Other expense (income)					
Interest expense	13	23,042	19,692	45,567	39,270
Trust expenses	14	6,036	5,663	11,854	11,157
Equity income from investments	4	(2,936)	(2,072)	(4,934)	(3,866)
Foreign exchange loss		2	4	4	6
Other income		(1,760)	(154)	(3,449)	(234)
<b>Income before fair value changes and income taxes</b>		<b>32,513</b>	<b>31,516</b>	<b>28,678</b>	<b>28,903</b>
Fair value gain on real estate properties, net	3	21,203	18,974	69,133	71,140
Fair value gain (loss) on Class B LP Units	7	(15,501)	8,095	(19,118)	(12,228)
<b>Income before income taxes</b>		<b>38,215</b>	<b>58,585</b>	<b>78,693</b>	<b>87,815</b>
Provision for income taxes					
Current		49	981	573	1,607
Deferred		8,107	7,033	9,739	10,861
		<b>8,156</b>	<b>8,014</b>	<b>10,312</b>	<b>12,468</b>
<b>Net income for the period</b>		<b>\$30,059</b>	<b>\$50,571</b>	<b>\$68,381</b>	<b>\$75,347</b>
<b>Net income attributable to:</b>					
Unitholders		\$29,172	\$48,316	\$67,240	\$74,047
Non-controlling interest		887	2,255	1,141	1,300
		<b>\$30,059</b>	<b>\$50,571</b>	<b>\$68,381</b>	<b>\$75,347</b>

See accompanying notes to the condensed consolidated financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

In thousands of Canadian dollars

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
<b>Net income for the period</b>	<b>\$30,059</b>	\$50,571	<b>\$68,381</b>	\$75,347
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Item that may be reclassified subsequently to net income:</b>				
Unrealized foreign currency translation gain (loss)	(68,969)	13,523	(70,175)	42,179
<b>Total comprehensive income (loss) for the period</b>	<b>(\$38,910)</b>	\$64,094	<b>(\$1,794)</b>	\$117,526
<b>Total comprehensive income (loss) attributable to:</b>				
Unitholders	(\$34,345)	\$60,717	\$2,614	\$112,684
Non-controlling interest	(4,565)	3,377	(4,408)	4,842
	<b>(\$38,910)</b>	\$64,094	<b>(\$1,794)</b>	\$117,526

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		—	—	74,047	—	74,047	1,300	75,347
Other comprehensive income		—	—	—	38,637	38,637	3,542	42,179
Repurchase of Units		(8,316)	—	—	—	(8,316)	—	(8,316)
Issue of Units - DRIP		485	—	(485)	—	—	—	—
Distributions		—	—	(13,454)	—	(13,454)	(1,069)	(14,523)
Unitholders' equity, June 30, 2024		\$440,319	\$48,762	\$1,298,000	\$156,611	\$1,943,692	\$110,646	\$2,054,338
Changes during the period:								
Net income (loss)		—	—	27,811	—	27,811	(3,762)	24,049
Other comprehensive income		—	—	—	61,140	61,140	5,351	66,491
Repurchase of Units		(17,972)	—	—	—	(17,972)	—	(17,972)
Issue of Units - DRIP		398	—	(398)	—	—	—	—
Distributions		—	—	(13,334)	—	(13,334)	(1,582)	(14,916)
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		—	—	67,240	—	67,240	1,141	68,381
Other comprehensive loss		—	—	—	(64,626)	(64,626)	(5,549)	(70,175)
Repurchase of Units	11(b)	(20,951)	—	—	—	(20,951)	—	(20,951)
Issue of Units - DRIP	11(d)	382	—	(382)	—	—	—	—
Distributions	11(d)	—	—	(13,229)	—	(13,229)	—	(13,229)
<b>Unitholders' equity, June 30, 2025</b>		<b>\$402,176</b>	<b>\$48,762</b>	<b>\$1,365,708</b>	<b>\$153,125</b>	<b>\$1,969,771</b>	<b>\$106,245</b>	<b>\$2,076,016</b>

See accompanying notes to the condensed consolidated financial statements.

## STATEMENTS OF CASH FLOWS

In thousands of Canadian dollars

		Three months ended June 30		Six months ended June 30	
	Note	2025	2024	2025	2024
<b>OPERATING ACTIVITIES</b>					
Net income		<b>\$30,059</b>	\$50,571	<b>\$68,381</b>	\$75,347
Add (deduct) items not affecting cash	17(a)	<b>(7,114)</b>	(29,916)	<b>(24,050)</b>	(34,164)
Additions to tenant incentives		<b>(527)</b>	(617)	<b>(703)</b>	(761)
Distributions from equity-accounted investments	4	<b>273</b>	1,377	<b>273</b>	1,377
Net change in non-cash operating assets and liabilities	17(b)	<b>7,956</b>	10,719	<b>2,094</b>	8,847
<b>Cash provided by operating activities</b>		<b>30,647</b>	32,134	<b>45,995</b>	50,646
<b>INVESTING ACTIVITIES</b>					
Additions to real estate properties	3	<b>(14,936)</b>	(12,088)	<b>(22,557)</b>	(17,449)
<b>Cash used in investing activities</b>		<b>(14,936)</b>	(12,088)	<b>(22,557)</b>	(17,449)
<b>FINANCING ACTIVITIES</b>					
Proceeds from new mortgages	5	—	209,632	<b>79,413</b>	209,632
Financing cost on new mortgages		—	(5,458)	<b>(2,475)</b>	(5,458)
Repayment of mortgages					
Principal instalment repayments		<b>(7,979)</b>	(8,029)	<b>(16,039)</b>	(16,152)
Repayment on maturity	5	—	—	<b>(30,832)</b>	—
Repayment due to mortgage extinguishment		—	(91,411)	—	(91,411)
Principal payment of lease liabilities	9	<b>(10)</b>	(10)	<b>(20)</b>	(19)
Proceeds from Morguard Facility		<b>29,000</b>	10,250	<b>40,500</b>	28,250
Repayments/advances on Morguard Facility		—	(10,250)	<b>(43,000)</b>	(25,902)
Units repurchased for cancellation	11(b)	<b>(10,808)</b>	(8,107)	<b>(20,951)</b>	(8,316)
Distributions to Unitholders		<b>(6,597)</b>	(6,725)	<b>(13,304)</b>	(13,472)
Distributions to non-controlling interest		—	(539)	—	(1,069)
Decrease (increase) in restricted cash		<b>(192)</b>	(153)	<b>269</b>	211
<b>Cash provided by (used in) financing activities</b>		<b>3,414</b>	89,200	<b>(6,439)</b>	76,294
<b>Net increase in cash during the period</b>		<b>19,125</b>	109,246	<b>16,999</b>	109,491
Net effect of foreign currency translation on cash balance		<b>(2,244)</b>	93	<b>(2,253)</b>	412
Cash, beginning of period		<b>49,123</b>	18,389	<b>51,258</b>	17,825
<b>Cash, end of period</b>		<b>\$66,004</b>	\$127,728	<b>\$66,004</b>	\$127,728

See accompanying notes to the condensed consolidated financial statements.



## NOTES

For the three and six months ended June 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 June 30, 2025, Morguard Corporation ("Morguard"), the parent company of the REIT, holds an indirect 48.4% (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 July 29, 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 June 30	<b>\$0.7330</b>	\$0.7306
- As at December 31	—	0.6950
- Average for the three months ended June 30	<b>0.7225</b>	0.7308
- Average for the six months ended June 30	<b>0.7095</b>	0.7361
United States dollar to Canadian dollar exchange rates:		
- As at June 30	<b>1.3643</b>	1.3687
- As at December 31	—	1.4389
- Average for the three months ended June 30	<b>1.3841</b>	1.3683
- Average for the six months ended June 30	<b>1.4094</b>	1.3585

### 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	June 30, 2025	December 31, 2024
Balance, beginning of period	\$4,333,075	\$3,999,481
Additions:		
Capital expenditures	22,557	59,402
Right-of-use assets	—	170
Fair value gain, net	69,133	60,372
Foreign currency translation	(136,736)	212,473
Other	354	1,177
<b>Balance, end of period</b>	<b>\$4,288,383</b>	<b>\$4,333,075</b>

As at June 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 June 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:

	June 30, 2025 Capitalization Rates			December 31, 2024 Capitalization Rates		
	Maximum	Minimum	Weighted Average	Maximum	Minimum	Weighted Average
<b>Canada</b>						
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%
<b>United States</b>						
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	5.3%	5.0%	5.2%	5.3%	5.0%	5.2%
Florida	6.3%	4.8%	5.3%	6.3%	4.8%	5.3%
North Carolina	5.0%	5.0%	5.0%	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 June 30, 2025 would decrease by \$220,037 or increase by \$246,122, respectively.

#### NOTE 4

##### EQUITY-ACCOUNTED INVESTMENTS

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

Property	Principal Place of Business	Type	REIT's Ownership		Carrying Value	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Marquee at Block 37	Chicago, IL	Joint Venture	50%	50%	\$71,723	\$70,874

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

As at	June 30, 2025	December 31, 2024
Balance, beginning of period	\$70,874	\$53,282
Distributions received	(273)	(2,734)
Share of net income	4,934	15,116
Foreign exchange gain (loss)	(3,812)	5,210
<b>Balance, end of period</b>	<b>\$71,723</b>	<b>\$70,874</b>

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

As at	June 30, 2025	December 31, 2024
Non-current assets	\$353,796	\$364,764
Current assets	4,156	2,736
<b>Total assets</b>	<b>\$357,952</b>	<b>\$367,500</b>
Non-current liabilities	\$198,164	\$211,728
Current liabilities	16,342	14,024
<b>Total liabilities</b>	<b>\$214,506</b>	<b>\$225,752</b>
<b>Net assets</b>	<b>\$143,446</b>	<b>\$141,748</b>
<b>Equity-accounted investments</b>	<b>\$71,723</b>	<b>\$70,874</b>

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenue	\$8,492	\$8,022	\$17,088	\$15,878
Expenses	(4,142)	(3,926)	(15,034)	(13,302)
Fair value gain on income producing properties	1,522	48	7,814	5,156
<b>Net income for the period</b>	<b>\$5,872</b>	<b>\$4,144</b>	<b>\$9,868</b>	<b>\$7,732</b>
<b>Income in equity-accounted investments</b>	<b>\$2,936</b>	<b>\$2,072</b>	<b>\$4,934</b>	<b>\$3,866</b>

## NOTE 5

### MORTGAGES PAYABLE

Mortgages payable consist of the following:

As at	June 30, 2025	December 31, 2024
Principal balance of mortgages	\$1,721,131	\$1,742,986
Deferred financing costs	(20,667)	(20,162)
Mark-to-market adjustment	(1,302)	(1,744)
	<b>\$1,699,162</b>	<b>\$1,721,080</b>
Current	<b>\$255,589</b>	\$218,917
Non-current	<b>1,443,573</b>	1,502,163
	<b>\$1,699,162</b>	<b>\$1,721,080</b>
Range of interest rates	2.03–6.37%	2.03–6.73%
Weighted average interest rate	3.90%	3.88%
Weighted average term to maturity (years)	5.1	5.2
Fair value of mortgages	<b>\$1,691,049</b>	\$1,689,869

As at June 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%.

The aggregate principal repayments and balances maturing of the mortgages payable as at June 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)	\$14,928	\$153,575	\$168,503	3.49%
2026	26,270	169,048	195,318	3.26%
2027	24,472	174,187	198,659	4.23%
2028	21,547	109,607	131,154	3.90%
2029	20,704	222,253	242,957	3.98%
Thereafter	69,472	715,068	784,540	4.02%
	<b>\$177,393</b>	<b>\$1,543,738</b>	<b>\$1,721,131</b>	<b>3.90%</b>

## NOTE 6

### CONVERTIBLE DEBENTURES

Convertible debentures consist of the following:

As at	June 30, 2025	December 31, 2024
6.00% convertible unsecured subordinated debentures	<b>\$53,571</b>	\$53,129
Fair value of conversion option	<b>1,550</b>	1,361
Unamortized financing costs	<b>(1,430)</b>	(1,660)
	<b>\$53,691</b>	<b>\$52,830</b>

For the three and six months ended June 30, 2025, interest on the convertible debentures amounting to \$840 (2024 - \$840) and \$1,680 (2024 - \$1,680), respectively, is included in interest expense (Note 13). As at June 30, 2025, \$840 (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 June 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 June 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 \$314,494 (December 31, 2024 - \$295,376) and a corresponding fair value loss for the three months ended June 30, 2025 of \$15,501 (2024 - gain of \$8,095) and a fair value loss for the six months ended June 30, 2025 of \$19,118 (2024 - \$12,228).

For the three and six months ended June 30, 2025, distributions on Class B LP Units amounting to \$3,272 (2024 - \$3,186) and \$6,544 (2024 - \$6,372), respectively, are included in interest expense (Note 13).

As at June 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. During the first quarter of 2025, the maximum allowable amount to be borrowed or advanced under the Morguard Facility was temporarily increased from \$100,000 to \$150,000.

As at June 30, 2025, the net amount receivable under the Morguard Facility was \$92,500 (December 31, 2024 - \$90,000).

During the three months ended June 30, 2025, the REIT recorded net interest income of \$1,347 (2024 - interest expense of \$71) and during the six months ended June 30, 2025, the REIT recorded net interest income of \$2,661 (2024 - \$9) on the Morguard Facility.



## NOTE 9

### LEASE LIABILITIES

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

As at	June 30, 2025	December 31, 2024
Balance, beginning of period	\$17,612	\$16,059
Interest on lease liabilities (Note 13)	539	987
Payments	(559)	(1,025)
Additions	—	170
Foreign exchange gain (loss)	(912)	1,421
<b>Balance, end of period</b>	<b>\$16,680</b>	<b>\$17,612</b>

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

As at	June 30, 2025	December 31, 2024
Within 12 months	\$1,085	\$1,144
2 to 5 years	13,689	14,722
Over 5 years	17,017	18,235
Total minimum lease payments	31,791	34,101
Less: Future interest costs	(15,111)	(16,489)
<b>Present value of minimum lease payments</b>	<b>\$16,680</b>	<b>\$17,612</b>

## NOTE 10

### ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

As at	June 30, 2025	December 31, 2024
Accounts payable and accrued liabilities	\$57,145	\$64,056
Accrued liabilities (IFRIC 21, Levies)	16,703	—
Tenant deposits	9,523	9,558
	<b>\$83,371</b>	<b>\$73,614</b>

## 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 six months ended June 30, 2025, 1,214,609 Units were repurchased for cash consideration of \$20,951 at a weighted average price of \$17.25 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 June 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
<b>Units issued under the DRIP</b>	<b>22,181</b>	<b>382</b>
<b>Units repurchased through the REIT's NCIB plan</b>	<b>(1,214,609)</b>	<b>(20,951)</b>
<b>Balance, June 30, 2025</b>	<b>35,091,753</b>	<b>\$402,176</b>

Total distributions declared during the six months ended June 30, 2025, amounted to \$13,611, or \$0.37998 per Unit (2024 - \$13,939, or \$0.37002 per Unit), including distributions payable of \$2,229 that were declared on June 16, 2025, and paid on July 15, 2025. On July 15, 2025, the REIT declared a distribution of \$0.06333 per Unit payable on August 15, 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 six months ended June 30, 2025, the REIT issued 22,181 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Rental income	\$45,282	\$43,407	\$89,196	\$85,247
Property management and ancillary income	30,118	29,045	62,391	58,317
Property tax and insurance	13,137	13,304	27,224	26,948
	<b>\$88,537</b>	<b>\$85,756</b>	<b>\$178,811</b>	<b>\$170,512</b>

## NOTE 13

### INTEREST EXPENSE

The components of interest expense are as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interest on mortgages	\$16,987	\$14,907	\$33,876	\$29,120
Interest on convertible debentures (Note 6)	840	840	1,680	1,680
Interest on lease liabilities (Note 9)	264	242	539	479
Amortization of mark-to-market adjustment on mortgages	169	179	362	357
Amortization of deferred financing costs	875	727	1,705	1,475
Amortization of deferred financing costs on convertible debentures (Note 6)	115	108	230	215
Accretion on convertible debentures (Note 6)	221	221	442	442
Fair value loss (gain) on conversion option on convertible debentures (Note 6)	299	(975)	189	(1,127)
Prepayment fee on mortgage extinguishment	—	257	—	257
	19,770	16,506	39,023	32,898
Distributions on Class B LP Units (Note 7)	3,272	3,186	6,544	6,372
	\$23,042	\$19,692	\$45,567	\$39,270

## NOTE 14

### TRUST EXPENSES

The components of trust expenses are as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Asset management fees and distributions	\$5,438	\$4,901	\$10,594	\$9,715
Professional fees	327	333	643	686
Public company expenses	206	203	413	401
Other	65	226	204	355
	\$6,036	\$5,663	\$11,854	\$11,157

## 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 six months ended June 30, 2025 amounted to \$3,173 (2024 - \$3,059) and \$6,393 (2024 - \$6,087), respectively, and are included in property operating costs and equity income from investments. As at June 30, 2025, \$903 (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 six months ended June 30, 2025 amounted to \$5,550 (2024 - \$5,004) and \$10,820 (2024 - \$9,918), respectively, and are included in trust expenses and equity income from investments. As at June 30, 2025, \$3,648 (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 six months ended June 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 six months ended June 30, 2025 amounted to \$nil (2024 - \$313) and \$119 (2024 - \$313), respectively, and have been capitalized to deferred financing costs.

### Other Services

As at June 30, 2025, and 2024, the REIT had its portfolio appraised by Morguard's appraisal division. Fees relating to appraisal services for the three and six months ended June 30, 2025 amounted to \$52 (2024 - \$52) and \$104 (2024 - \$104), 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 June 30, 2025, the REIT's U.S. subsidiaries have total net operating losses of approximately US\$40,972 (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\$8,446 (December 31, 2024 - US\$8,747).

As at June 30, 2025, the REIT's U.S. subsidiaries have a total of US\$70,692 (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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Fair value gain on real estate properties, net	(\$29,647)	(\$27,218)	(\$51,250)	(\$55,054)
Fair value loss (gain) on Class B LP Units	15,501	(8,095)	19,118	12,228
Fair value loss (gain) on conversion option on convertible debentures	299	(975)	189	(1,127)
Equity income from investments	(2,936)	(2,072)	(4,934)	(3,866)
Amortization of deferred financing - mortgages	875	727	1,705	1,475
Amortization of deferred financing - convertible debentures	115	108	230	215
Amortization of mark-to-market adjustment on mortgages	169	179	362	357
Accretion on convertible debentures	221	221	442	442
Amortization of tenant incentives	182	176	349	305
Deferred income taxes	8,107	7,033	9,739	10,861
	(\$7,114)	(\$29,916)	(\$24,050)	(\$34,164)

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

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Amounts receivable	(\$557)	(\$439)	\$4,189	(\$8)
Prepaid expenses	4,315	4,746	2,912	3,916
Accounts payable and accrued liabilities	4,198	6,412	(5,007)	4,939
	\$7,956	\$10,719	\$2,094	\$8,847

#### (c) Supplemental Cash Flow Information

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interest paid	\$17,293	\$15,267	\$35,513	\$31,108

#### (d) Reconciliation of Liabilities Arising from Financing Activities

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

As at June 30, 2025	Mortgages Payable	Convertible Debentures	Lease Liabilities	Total
Balance, beginning of period	\$1,721,080	\$52,830	\$17,612	\$1,791,522
Repayments	(16,039)	—	(20)	(16,059)
New financing, net of financing costs	76,938	—	—	76,938
Lump-sum repayments	(30,832)	—	—	(30,832)
Non-cash changes	2,067	861	—	2,928
Foreign exchange	(54,052)	—	(912)	(54,964)
<b>Balance, end of period</b>	<b>\$1,699,162</b>	<b>\$53,691</b>	<b>\$16,680</b>	<b>\$1,769,533</b>



## 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 June 30, 2025, and December 31, 2024, is summarized below:

As at	June 30, 2025	December 31, 2024
Mortgages payable, principal balance	\$1,721,131	\$1,742,986
Convertible debentures, face value	56,000	56,000
Lease liabilities	16,680	17,612
Class B LP Units	314,494	295,376
Unitholders' equity	1,969,771	2,001,337
	<b>\$4,078,076</b>	<b>\$4,113,311</b>

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	June 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 June 30, 2025 market rates for debt of similar terms (Level 2). Based on these assumptions, as at June 30, 2025 the fair value of mortgages payable before deferred financing costs and mark-to-market adjustment is estimated at \$1,691,049 (December 31, 2024 - \$1,689,869), compared to the carrying value of \$1,721,131 (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 convertible debentures is based on their market trading price (Level 1). As at June 30, 2025, the fair value of convertible debentures before deferred financing costs has been estimated at \$57,114 (December 31, 2024 - \$58,464), compared to the carrying value of \$53,571 (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:

	June 30, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets:</b>						
Real estate properties	\$—	\$—	\$4,288,383	\$—	\$—	\$4,333,075
<b>Financial liabilities:</b>						
Class B LP Units	314,494	—	—	295,376	—	—
Conversion option of convertible debentures	—	1,550	—	—	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 June 30, 2025			Three months ended June 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Revenue from income producing properties	\$28,619	\$59,918	\$88,537	\$27,860	\$57,896	\$85,756
Property operating expenses	(11,374)	(20,266)	(31,640)	(11,024)	(20,083)	(31,107)
<b>Net operating income</b>	<b>\$17,245</b>	<b>\$39,652</b>	<b>\$56,897</b>	<b>\$16,836</b>	<b>\$37,813</b>	<b>\$54,649</b>

	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Revenue from real estate properties	\$57,142	\$121,669	\$178,811	\$55,464	\$115,048	\$170,512
Property operating expenses	(23,825)	(77,266)	(101,091)	(22,990)	(72,286)	(95,276)
<b>Net operating income</b>	<b>\$33,317</b>	<b>\$44,403</b>	<b>\$77,720</b>	<b>\$32,474</b>	<b>\$42,762</b>	<b>\$75,236</b>

	June 30, 2025			December 31, 2024		
As at	Canada	U.S.	Total	Canada	U.S.	Total
Real estate properties	\$1,783,640	2,504,743	\$4,288,383	\$1,713,940	\$2,619,135	\$4,333,075
Mortgages payable	712,802	986,360	1,699,162	675,069	1,046,011	1,721,080

	Three months ended June 30, 2025			Three months ended June 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Additions to real estate properties	\$6,687	\$8,249	\$14,936	\$6,709	\$5,379	\$12,088
Fair value gain (loss) on real estate properties	\$23,315	(\$2,112)	\$21,203	\$16,563	\$2,411	\$18,974

	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Additions to real estate properties	\$9,533	\$13,024	\$22,557	\$9,336	\$8,113	\$17,449
Fair value gain on real estate properties	\$60,086	\$9,047	\$69,133	\$47,489	\$23,651	\$71,140

## NOTE 21

### SUBSEQUENT EVENT

The REIT entered into a binding agreement for the refinancing of a multi-suite residential property located in Chicago, Illinois, in the amount of \$163,716 (US\$120,000) at an interest rate of 5.35% and for a term of 3 years. The maturing mortgage amounts to \$153,575 (US\$112,567) and has an interest rate of 3.49%. The REIT expects to close the refinancing during the third quarter of 2025.