



Investor Update

January 5, 2026

Following the Special Meeting on November 6, 2025, and the adoption of changes to the Declaration of Trust (“DOT”), the Offering Memorandum (“OM”) has been updated to reflect those changes, along with other supporting documents, including the Investment Policy and Redemption Policy. All updated materials are available on the REIT’s website.

Managed Redemption Program Background and Progress

When the Managed Redemption Program (“MRP”) was introduced, our intention was to clear the redemption queue within a reasonable timeframe by using a combination of capital-raising strategies based on the available information at the time. These strategies included ongoing regular equity raising, the sale of select non-core assets, modest expansion of operating facilities, an unsecured debentures program, and advancing discussions with institutional capital partners. These initiatives were already aligned with the REIT’s existing long-term strategy.

Several of these initiatives had been started earlier in the year but were temporarily paused while we worked with the Board to navigate the evolving market environment and prepare governance enhancements for Unitholder approval. These changes included extending the redemption notice period from 30 to 90 days and transitioning to a pro-rata allocation framework, rather than a time-stamped queue.

Following the launch of the MRP, we observed that many investment dealers restricted new purchase requests while continuing to submit redemption requests. This reduced the level of equity subscriptions available through traditional channels.

Balancing Liquidity, Stability, and Long-Term Value

The Canadian alternatives market remains challenged, with redemption activity generally exceeding subscriptions across the sector. In this environment, the REIT has been particularly affected by limitations on new purchases, which have materially constrained near-term equity inflows. As a result, we have been focused on carefully balancing the interests of:

- Unitholders seeking to redeem
- Unitholders remaining invested
- Potential new investors

Maintaining this balance is essential. Funding redemptions through increased leverage alone (which many redeeming investors support) would shift risk onto remaining and future investors and could undermine the REIT's long-term stability and strength. While debt and debenture financing remain important components of the capital strategy, they must be paired with new equity so that the overall leverage and risk remain stable. In the absence of sufficient equity inflows, relying solely on debt would not be prudent or fair to remaining investors and would potentially deter new investors.

At the same time, many long-term Unitholders have emphasized the importance of continuing to invest in accretive opportunities to generate attractive returns to which Unitholders have become accustomed over the long-term, and which are a significant part of this growth. A singular focus on redemptions may risk accelerating outflows and limit the REIT's ability to attract new capital. **Accordingly, we remain committed to a balanced approach that supports liquidity while preserving portfolio quality and long-term performance.**

The Path Forward

We believe the most effective path forward is to move forward with prudently-executed redemptions, while simultaneously protecting portfolio quality and long-term returns for all Unitholders, thereby maintaining the REIT's attractiveness to existing, new and larger institutional capital partners. This, we believe, can be accomplished with a mix of the following key initiatives:

- Build and maintain liquidity in the interest of all Unitholders to protect the stability of the portfolio and distributions
- Continue with previously contemplated non-core asset sales
- Continue to explore the expansion of credit facilities (while avoiding any material increase in portfolio leverage metrics)
- Explore an unsecured debentures program
- Advance discussions with strategic institutional investment partners
- Continue investing in accretive initiatives to protect long-term returns for all investors
- Provide redemptions responsibly and only when capital is available within these constraints

Protecting portfolio quality and returns is central to maintaining investor confidence, attracting new capital, and ultimately supporting an orderly and sustainable redemption process.

Minimum Liquidity Target

Maintaining sufficient liquidity (such as cash-on-hand, available credit facilities, short-term liquid securities and unlevered properties) is fundamental to the REIT's ability to navigate market uncertainty and operate effectively. Liquidity supports distributions, capital expenditures, investment commitments, mortgage maturities, and overall financial resilience, while reinforcing the confidence among investors, lenders, and potential new investors.

We believe a minimum liquidity target of \$200 million is appropriate, subject to adjustment as market conditions evolve. Current liquidity is approximately \$160 million, including equity returned through closed sales of non-core assets listed below. Our calculations are intentionally conservative and include only confirmed liquidity, such as available cash, lines of credit, and returned equity. Pending asset sales, potential equity subscriptions, and uncommitted financing arrangements are excluded until finalized.

Once liquidity exceeds the minimum target, the REIT intends to allocate a portion of the new capital toward redemptions and a portion toward investments, without materially increasing leverage. This approach is intended to protect returns for all Unitholders while supporting redemption activity and maintaining the REIT's attractiveness to new investors.

Update on Non-Core Asset Sales

To date, the REIT has [sold four properties](#), three of which were wholly owned assets in Regina totalling 187 units, and a 50% interest in a 303-unit joint venture in Calgary. The aggregate sales of these transactions were completed within 1% of appraisal values, underscoring the strength and credibility of the REIT's Fair Value process.

The next tranche of non-core assets expected to be brought to market represents approximately \$370 million in value, with an estimated \$170 million of equity targeted for closing in Q2-2026. A further tranche, expected to be marketed in Q2-2026, is expected to generate approximately \$88 million of net equity. Collectively, these initiatives could generate upwards of \$250 million of equity, assuming transactions close at fair values.

The REIT will not pursue distressed or fire-sale dispositions and remains focused on maintaining a high-quality, growing portfolio that supports both existing and future investors.

Redemption Guidance

At this time, the REIT is not providing guidance on the level of capital that may be available for redemptions on February 16th or subsequent dates. An update will be provided by January 15th, once greater clarity is available.

While Unitholders can still submit redemption requests and re-enter the pro-rata queue in subsequent months, we recognize that doing so without clear visibility into available liquidity may lead to frustration. Accordingly, we intend to announce redemption availability in advance, once liquidity available for redemptions is confirmed, allowing Unitholders sufficient time to submit requests for the pro-rata allocation.

In other words, until we clear the queue, the plan is to announce forward redemptions. There will be no advantage for sitting in an unfulfilled queue, but unitholders are able to do so if that is their preference. Investment Dealers continue to be able to create liquidity between purchasing and redeeming clients.

We remain committed to clearing the redemption queue as quickly as possible, while maintaining the health, quality and risk and return profile of the overall portfolio.

Buy Back of COT 2 Notes

When the MRP was introduced in the fall, some unitholders elected to receive COT 2 Notes, which were a bridge to maintain tax status and facilitate the transition to the pro-rata redemption framework. After working with the Board, and taking into account the current situation, including the recent reduction in NAV that was not known at the time of the issuance of the notes, we will be offering current COT 2 Note holders the following options:

- Continue to be paid out pro rata with other redeeming Unitholders, but at the discounted NAV equivalent that applies to those Unitholders rather than the par value of the COT 2 Notes
- Hold the note to maturity and receive par value
- Decline the buyback offer and await a potential future offer prior to maturity
- Exchange Notes back into REIT Units at a ratio reflecting any NAV decline so there is no unintended economic advantage to moving between COT Notes and REIT Units or vice versa (an advantage that was not contemplated when the Notes were originally offered that now exists, and that acts to the disadvantage of all other Unitholders).

While we recognize that Noteholders may see these changes as different than what they had hoped for, it is essential that all stakeholders be treated fairly and equitably during this period, especially in light of the unforeseen NAV drop in December, and the Board believes that this approach balances all interests in the best possible fashion.

Conclusion

We appreciate that the redemption challenges in recent months have lead to uncertainty among many investors and advisors. We have always worked diligently to achieve the sometimes-divergent interests of the small minority of Unitholders who wish to redeem with the overwhelming majority of Unitholders who wish to remain, and who expect the REIT to continue to operate, as always, with prudent long-term growth and sustainable distributions as key components of our strategy.

We thank you for your patience as we navigate these challenges and will continue to keep you apprised of developments as they arise.