



September 2025

Centurion Apartment Real Estate Investment Trust: Managed Redemption Program

The Board of Trustees of Centurion Apartment Real Estate Investment Trust (the “REIT” or the “Trust”), Canada’s largest private apartment real estate investment trust, has made the decision to **temporarily limit redemptions effective immediately** and redeem units through a managed redemption process.

This is the first time in the REIT’s operating history that redemptions have been limited. The REIT will continue to pay the monthly cash and DRIP distributions to all Unitholders and will attempt to provide redemption liquidity consistent with more normalized redemption levels, albeit in a manner equitable to all our Investors.

The past 18 months have presented challenges across the alternative investment industry, with elevated redemption requests and tighter capital flows affecting many market participants. Several alternative investment companies have suspended redemptions, resulting in the REIT becoming a source of liquidity for some Unitholders at a rate 3-4 times higher than the normal course.

Despite these conditions, the REIT has remained resilient, maintaining a net positive capital raising position and positive operating performance, a testament to the strength of our portfolio, operating teams and long-term strategy. As this is an atypical event for us, prudence dictates a measured approach until the REIT has clarity into the near-term environment.

The decision to limit redemptions was made to protect the interests of all Unitholders and the REIT’s liquidity. We believe that a disciplined approach to managing liquidity and large redemptions is necessary to ensure the long-term stability of the REIT.

In accordance with the Declaration of Trust and the other material offering documents, the REIT will satisfy the monthly redemption requests as outlined below:

- 1) As required by the Declaration of Trust, a cash payment of \$50,000.00 CAD will be paid to honour the first \$50,000.00 CAD of redemptions on a First In First Out basis.
- 2) Issuance of a Centurion Operating Trust Note (“COT Note”), pursuant to the REIT’s Declaration of Trust and COT Note Indenture, payable to the Unitholders that are redeeming for the balance of the redemption requests. The important details of the COT Note are as follows:
 - a. Principal Amount: The balance of the redemption request for each Unitholder after the payment in 1) above.
 - b. Interest Rate: 2.57 %
 - c. Term/Maturity: 5 Years
 - d. Security: Unsecured
 - e. Interest Payment: Interest will be paid monthly on the same date as the REIT distributions

- 3) \$20,000,000.00 CAD per month will be used to redeem COT Notes on a pro-rata basis per Investor redemption request. All COT Notes issued, whether for the current month or the following months will be pro-rated equally. The board will be reviewing this program monthly.

Tax Impact: Redemption is a taxable event. Capital gains will apply, and the interest income on the note will be taxable. The COT Notes are not eligible for Registered Deferred Savings Plans such as RRSPs, TFSA's, etc. Please consult your tax advisor.

Each Unitholder will be provided with the choice to either rescind their redemption or receive a COT Note. As the REIT expects this managed redemption process to be short term in duration, rescinding the redemption may be a suitable Investor choice.

Effective immediately, Centurion Asset Management Inc., the asset manager of the REIT, will reduce its asset management fee to 90 basis points until such time as the REIT ceases the managed redemption program and resumes normal redemptions.

The REIT is actively pursuing strategic opportunities to work through this higher redemption period, including sourcing additional liquidity with our banking partners, offering a 2% non-dilutive discount on new subscriptions, reviewing the potential sale of non-core assets, and the asset manager pledging not to redeem any units held by them until the redemption queue is cleared.

The REIT will make commercially reasonable efforts to satisfy the notes and bring the limited redemption program to a close in a timely manner. The REIT will review the program on a monthly basis and reassess the situation as required.

The REIT's performance remains positive, as evidenced by our [Q2 2025](#) results and metrics:

- Net Operating Income ("NOI") rose 4.6% year-over-year to \$126.4 million - largely driven by a 5.1% increase in property operating revenues.
- Same Store Operating Revenues grew by 4.96%.
- Same Store NOI grew 5.9%, supported by rent growth as well as operational efficiencies.
- Same Store Average Rents in Apartment and Student Housing grew 4.24% and 11.52%, respectively.
- Rents on turnovers have been very positive, especially in the student housing portfolio, which increased by 25.91%.

Our market outlook for the multi-family sector continues to remain positive. Canada's rental apartment market remains strong despite broader economic uncertainty. Long-term fundamentals—population growth and housing demand—support the sector's reliability. As rent growth moderates and supply increases, professionally managed communities, especially those operated by experienced platforms like Centurion, are positioned to perform well in.

Rents in Canada continue to rise, with in-place growth averaging 4.8% nationally. New lease growth has slowed, but demand remains strong, especially in mid-sized and major cities where homeownership is out of reach. More Canadians are renting longer and seeking amenity-rich, professionally managed communities. Centurion's focus on service, property upkeep, and Resident experience helps attract and retain tenants.

Centurion remains committed to transparency, stability, and regular communication with our Investors and Advisors. These temporary measures are designed to protect the interests of all Unitholders while ensuring the Trust continues to execute successfully on its strategy.