Northview™

Canadian High Yield Residential Fund

Management's Discussion and Analysis

For the three months ended December 31, 2020 and the period from April 14, 2020 (date of formation) to December 31, 2020

ADVISORIES

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition, dated March 16, 2021, of Northview Canadian High Yield Residential Fund (the "Fund" or "Northview") should be read in conjunction with the cautionary statement regarding forward-looking information below, as well as audited consolidated financial statements of Northview and notes thereto for the period from April 14, 2020 (date of formation) to December 31, 2020 (the "financial statements"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is intended to provide readers with management's assessment of the performance of Northview, as well as its financial position and future prospects. All amounts in the following MD&A are in Canadian dollars unless otherwise stated. Additional information related to Northview, including periodic quarterly reports filed with the Canadian securities regulatory authorities, is available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking information within the meaning of applicable securities laws relating to the business and financial outlook of Northview. Statements that reflect Northview's current objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking information. In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking information in this MD&A includes, but is not limited to, statements related to the Recapitalization Event (as defined herein) and timing thereof, statements made under the heading "2021 Outlook" in this MD&A, the effects of the coronavirus ("COVID-19") pandemic on Northview's business, future maintenance expenditures, financing and the availability of financing, future economic conditions, the expected distributions of Northview, liquidity and capital resources, market trends, future operating efficiencies, tenant incentives, and occupancy levels. Such statements involve significant risks and uncertainties and are not meant to provide guarantees of future performance or results. These cautionary statements qualify all of the statements and information contained in this MD&A incorporating forward-looking information.

Forward-looking information is made as of March 16, 2021 and is based on information available to management as of that date. Management believes that the expectations reflected in forward-looking information are based upon information and reasonable assumptions available at the time they are made; however, management can give no assurance that the actual results will be consistent with this forward-looking information. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking information include, but are not limited to, general economic conditions; the COVID-19 pandemic; the availability of a new competitive supply of real estate which may become available through construction; Northview's ability to maintain occupancy and the timely lease or re-lease of multi-residential suites, execusuites, and commercial space at current market rates; tenant defaults; changes in interest rates; Northview's qualification as a real estate investment trust ("REIT"); changes in operating costs; governmental regulations and taxation; fluctuations in commodity prices; and the availability of financing. Additional risks and uncertainties not presently known to Northview, or those risks and uncertainties that Northview currently believes to be not material, may also adversely affect Northview. Northview cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance, and results may vary materially from those expected.

Except as specifically required by applicable Canadian law, Northview assumes no obligation to update or revise publicly any forward-looking information to reflect new events or circumstances that may arise after March 16, 2021.

NON-GAAP AND OTHER FINANCIAL MEASURES

NON-GAAP FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed by generally accepted accounting principles ("GAAP") and are, therefore, considered non-GAAP financial measures and may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA: Calculated as the sum of net and comprehensive income, financing costs from operations, distributions to Unitholders, depreciation and amortization, gain on business combination, transaction costs, and fair value gain or loss on investment properties. Adjusted EBITDA is used in the calculation of the debt service coverage ratio and interest coverage ratio, which management considers a useful measure to evaluate the objectives, policies, and processes for capital management. The most comparable GAAP measure to adjusted EBITDA is net and comprehensive income, for which a reconciliation is provided in the “Liquidity and Capital Resources - Capital Management” section of this MD&A.

Adjusted funds from operations (“AFFO”): Defined as a recurring economic earnings measure and is calculated in accordance with the Real Property Association of Canada (“REALpac”) definition, as set out in its February 2019 white paper “White Paper on Funds From Operations & Adjusted Funds From Operations for IFRS” (the “White Paper”), but may differ from other issuers’ methods of calculating AFFO and, accordingly, may not be comparable to AFFO reported by other issuers. AFFO is calculated as funds from operations (“FFO”) less maintenance capital expenditures. Maintenance capital expenditures are capital expenditures that sustain and maintain existing assets. Management considers AFFO a useful measure of operating performance excluding the impact of maintenance capital expenditures. The most comparable GAAP measure to AFFO is net and comprehensive income, for which a reconciliation is provided in the “Other Consolidated Results” section of this MD&A.

AFFO payout ratio: AFFO payout ratio, trailing twelve months is calculated as distributions declared to Unitholders divided by AFFO for the previous twelve months. Management considers AFFO payout ratio a useful measure to assess the amount of cash distributed to Unitholders compared to the operating performance of the business. Refer to the calculation of AFFO payout ratio in the “Liquidity and Capital Resources – Distributions to Unitholders” section of this MD&A.

Debt service coverage ratio: Calculated as adjusted EBITDA divided by the sum of total interest expense and principal mortgage repayments. Total interest expense consists of mortgage interest, amortization of deferred financing costs and fair value of debt, and interest expense on credit facility. Management considers it a useful measure to evaluate the objectives, policies, and processes for capital management. See the calculation of debt service coverage ratio in the “Liquidity and Capital Resources - Capital Management” section of this MD&A.

Debt to gross book value: Defined under the Declaration of Trust as a percentage measure calculated as debt dividend by gross book value. Debt consists of borrowings on the credit facility and mortgages payable less cash and cash equivalents. Gross book value consists of the carrying value of investment properties and gross property, plant and equipment, plus a portfolio premium. Management considers it a useful measure to evaluate leverage. See the calculation of debt to gross book value in the “Liquidity and Capital Resources - Capital Management” section of this MD&A.

Units outstanding: The number of Class A equivalent Units outstanding at period-end, adjusted for conversion ratios applicable to each Unit class assuming that all Class C Units and Class F Units were converted to Class A Units. Refer to the calculation of Units outstanding in the “Liquidity and Capital Resources – Net Assets Attributable to Unitholders” section of this MD&A.

Funds from operations (“FFO”): FFO measures operating performance and is calculated in accordance with the REALpac definition as set out in the White Paper, but may differ from other issuers’ methods of calculating FFO and, accordingly, may not be comparable to FFO reported by other issuers. FFO is calculated by adjusting net and comprehensive income for depreciation of property, plant and equipment excluding depreciation of that are not uniquely significant to the real estate industry items (for example, depreciation related to computer and auto assets), gain or loss on disposition, and fair value gain or loss on investment properties. Management considers FFO a useful measure of operating performance. The most comparable GAAP measure to FFO is net and comprehensive income, for which a reconciliation is provided in the “Other Consolidated Results - FFO” section of this MD&A.

FFO payout ratio: FFO payout ratio, trailing twelve months is calculated as distributions declared to Unitholders divided by FFO for the previous twelve months. Management considers FFO payout ratio a useful measure to assess the amount of cash distributed to Unitholders compared to the operating performance of the business. Refer to the calculation of FFO payout ratio in the “Liquidity and Capital Resources - Distributions to Unitholders” section of this MD&A.

Interest coverage ratio: Calculated as adjusted EBITDA divided by the sum of total interest expense. Management considers it a useful measure to evaluate the objectives, policies, and processes for capital management. See the calculation in the “Liquidity and Capital Resources - Capital Management” section of this MD&A.

Net operating income ("NOI"): NOI is calculated by deducting the direct operating costs of maintaining and operating investment properties from the revenue which they generate. NOI should not be construed as an alternative to net and comprehensive income determined in accordance with GAAP. Northview's method of calculating NOI may differ from other issuers' methods and, accordingly, may not be comparable to NOI reported by other issuers. Management considers NOI as an important measure of the income generated from income-producing properties and it is used by management in evaluating the performance of Northview's properties. Stabilized projected NOI is also a key input in determining the value of Northview's properties.

NOI margin: NOI margin is calculated by dividing NOI by the revenue generated from investment properties. Management considers NOI margin as an important measure of the income generated from income-producing properties.

OTHER FINANCIAL MEASURES

Certain other financial measures in this MD&A do not have standardized meanings and may not be comparable to similar measures presented by other issuers.

Average monthly rent ("AMR"): AMR is calculated as monthly gross rent net of lease incentive divided by the number of occupied suites as at the period-end date.

Average rent per square foot ("sq. ft."): Average rent per square foot is calculated as annualized total rent for the quarter divided by average total occupied square footage for the quarter for commercial operations.

Capitalization rate: A percentage calculated as NOI divided by the fair value or sales price of the asset. It is a measure of stabilized rate of return on the real estate investment.

Occupancy: A percentage measure used by management to evaluate the performance of its properties on a comparable basis. The occupancy presented in this MD&A is financial occupancy based on average monthly rent, excluding properties that have not reached stabilized occupancy. Management considers this an important operating metric to evaluate the extent to which revenue potential is being realized.

BUSINESS OVERVIEW

Northview Canadian High Yield Residential Fund is a "closed-end fund", as no further Units will be issued, formed in 2020 pursuant to a declaration of trust ("Declaration of Trust") under the laws of the Province of Ontario for the primary purpose of indirectly acquiring, owning, and operating a geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and execusuites in secondary markets within Canada. Northview's portfolio consists of approximately 11,000 residential suites, 1.1 million sq. ft. of commercial space, and 200 execusuites across six provinces and two territories. Northview's Class A Units currently trade on the Toronto Stock Exchange ("TSX") under the symbol NHF.UN.

The head and registered office of Northview is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3. The principal business office of Northview is located at 200, 6131 6 Street SE, Calgary, Alberta, T2H 1L9.

Northview's investment objectives are to:

- Own and operate a high-quality, geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and execusuites.
- Generate stable income to support monthly cash distributions.
- Effect a Recapitalization Event (as defined herein) three to five years after closing of the Acquisition (as defined herein) to provide Unitholders with liquidity.

2020 REVIEW

FORMATION

Northview was established on April 14, 2020 pursuant to the initial declaration of trust with the issuance of one Class C Unit for $12.50 in cash. There were no operations from the date of formation through to November 1, 2020.

PORTFOLIO ACQUISITION

On November 2, 2020, Northview obtained control of a portfolio of assets through a plan of arrangement with Northview Apartment Real Estate Investment Trust ("Northview Apartment REIT"), Starlight Group (as defined herein), and KingSett (as defined herein) (the "Arrangement Agreement"), consisting of approximately 10,900 multi-residential suites, 1.1 million sq. ft. of commercial real estate, and 340 execusuites located in secondary markets in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories, and Nunavut (the "Acquisition").

In connection with the Acquisition, Northview completed its initial public offering (the "Offering") of up to $430.0 million of Class A Units and Class F Units. Under the Offering and in connection with the Acquisition, Northview issued an aggregate of $430.0 million in Units on November 2, 2020, consisting of 5,309,025 Class A Units, 25,090,411 Class C Units, and 4,000,564 Class F Units (collectively, "Units"). The Class C Units were issued to existing Unitholders of Northview Apartment REIT pursuant to the Acquisition and, in concurrent placements to, among others, an affiliate of Starlight Group Property Holdings Inc. ("Starlight Group" or "Starlight"), and funds controlled by KingSett Capital and AIMCo Realty Investors LP. The Class A Units and Class F Units were offered to the public through a syndicate of financial institutions.

Costs associated with the Acquisition were funded from the net proceeds of the Offering, assumed drawdowns on the credit facility, and assumed mortgaged financing of the portfolio from Northview Apartment REIT.

Following the Acquisition, Northview commenced operations on November 2, 2020. As such, this MD&A reflects results of operations that occurred from November 2, 2020 to December 31, 2020.

NET AND COMPREHENSIVE INCOME AND FFO

Net and comprehensive income of $89.7 million was consistent with management's expectations and was primarily attributable to revenue of $31.1 million and a gain on business combination of $104.5 million, which were partially offset by operating expenses of $13.6 million and transaction costs of $18.9 million.

FFO was $9.2 million and FFO per Unit was $0.26 for the period ended December 31, 2020, consistent with management's expectations.

REVENUE, NOI, AND AMR

Revenue of $31.1 million for the period ended December 31, 2020 was consistent with management's expectations, resulting in consolidated NOI of $17.5 million and a 56.2% NOI margin. For the period ended December 31, 2020, AMR was $1,279 for the multi-residential portfolio.

DISTRIBUTIONS

Distributions of $7.5 million were declared for the period ended December 31, 2020, which resulted in an FFO payout ratio of 81.6%.

OCCUPANCY

Multi-residential portfolio occupancy of 88.7% for the period ended December 31, 2020 was consistent with management's expectations. Occupancy was over 90.0% across Northern Canada and Atlantic Canada, partially offset by occupancy of 79.7% in Western Canada as a result of continued weak economic conditions. The commercial portfolio occupancy was 91.8% for the period ended December 31, 2020.

LEVERAGE AND COVERAGE RATIOS

Debt to gross book value was 66.7% as at December 31, 2020. Interest coverage and debt service coverage ratios were 2.60 and 1.39, respectively, for the period from November 2, 2020 to December 31, 2020.

During the period ended December 31, 2020, Northview completed $3.1 million of mortgage financing, excluding short-term financing, for multi-residential properties with a weighted average interest rate of 1.21% and an average term to maturity of 4.8 years.

REPOSITIONING OF EXECUSUITES TO MULTI-RESIDENTIAL SUITES

During the period ended December 31, 2020, Northview completed the repositioning of a 145-room execusuite property consisting of five buildings located in St. John's, NL to a 145-suite multi-residential complex. The cost of repositioning was approximately $1.2 million given the property's previous use as multi-residential. The repositioning reflects the execution of management's active asset management strategy and resulted in a $4.6 million fair value increase to the property. As of March 16, 2021, the property was 34% leased.

COVID-19 OVERVIEW AND OPERATIONAL UPDATE

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Since then, the spread of COVID-19 has had a substantial impact on the Canadian and global economy. In response to the COVID-19 pandemic in Canada, many provincial and territorial governments have limited the ability of landlords to evict tenants for non-payment of rent and restricted the ability of landlords to increase rent. Social distancing actions to reduce the spread of the COVID-19 pandemic, including closing or limiting the capacity of restaurants and bars, limits on the number of people at public gatherings, and general stay-at-home guidelines, have contributed to significantly increased unemployment rates. Although some of these restrictions are starting to be reduced, the disruption to the Canadian economy may continue for some time.

The COVID-19 financial impact included a reduction of revenue from execusuite properties, an increase in COVID-19-related expenses, and higher estimated bad debt expense in the multi-residential business segment than expected under normal operating conditions. COVID-19 related expenses include incremental cleaning costs and the purchase of personal protective equipment to contain the spread of COVID-19 and to manage the safety of residents, execusuite guests, and employees. The financial impact from the COVID-19 pandemic is expected to continue in 2021.

The future operational and financial impact of the COVID-19 pandemic is difficult to determine, and it is not possible to predict the duration and severity of the economic disruption, government restrictions and stimulus, social distancing, and phased re-opening of economies. Although provinces and territories have started re-opening their economies with a reduction or elimination of previous restrictions, many businesses have not returned to pre-COVID-19 levels of activity. It is also unclear if restrictions will need to be reapplied in some jurisdictions if the rate of COVID-19 increases following the reduction or elimination of previous restrictions. Unemployment rates remain higher than pre-COVID-19 levels. In future periods, the COVID-19 pandemic could result in lower demand for Northview's properties and a higher credit risk for collection of rent. Increased government regulations may restrict Northview's ability to enforce provisions under its leases, including the collection of rent, eviction of tenants for payment related matters, and Northview's ability to apply market-based increases to rent.

Northview has implemented enhanced cleaning protocols and has various payment options for rent to promote social distancing and contactless transactions. In addition, Northview implemented a rent deferral program for residential tenants who have faced financial hardships due to the COVID-19 pandemic. Approximately 1.2% of residential tenants currently have a rent deferral arrangement and these tenants are fulfilling their obligations under the payment arrangement.

Notwithstanding the impacts of the COVID-19 pandemic, the long-term fundamentals for Canadian multi-residential markets remain compelling and Northview's portfolio is in several diversified geographies. The demand for rental accommodation remains strong due to home ownership affordability continuing to be a challenge in many markets. Due to the long-term tenure of commercial leases, supported primarily by government tenants and credit-rated corporations, there was minimal impact of COVID-19 on rent collections in Northview's commercial portfolio. Execusuites have experienced lower occupancy than expected under normal operating cycles as a result of restrictions on interterritorial travel due to the COVID-19 pandemic. Nunavut and the Northwest Territories have been identified as priority regions for the COVID-19 vaccination; therefore, the vaccination is expected to be more accessible as compared to other regions of Canada. Northview collected 99.1% of multi-residential and commercial rent in the fourth quarter of 2020. The collection rate to-date in the first quarter of 2021 has been consistent with the fourth quarter of 2020.

One of Northview's top priorities continues to be supporting the safety and well-being of tenants, execusuite guests, employees, and other stakeholders by managing and controlling the spread of COVID-19. While physical distancing restrictions have impacted certain non-essential maintenance activities, Northview has been able to maintain a level of essential service for its buildings, tenants, and execusuite guests.

2021 OUTLOOK

Northview's portfolio is located in geographically and economically diversified secondary markets. Management believes the markets in which the portfolio is situated allows for mitigation of negative shocks and cyclicality within specific markets, while providing the potential for stable returns and distributions.

In Western Canada, the market was impacted by lower activity in resource-based markets due to the volatility of commodity prices. Commodity markets have experienced some stabilization resulting from a tighter supply and demand balance.

In Northern Canada, Northview generates stable NOI and approximately 65% of rental revenue is derived from leases to or leases guaranteed by government or credit-rated corporations. The region continues to be impacted by widespread housing shortages, whereby new supply is constrained due to both the financial and practical constraints of construction. This results in relatively stable rental revenue due to sustained low vacancy and high rental rates.

In Atlantic Canada, the market is supported by a diverse economic base that includes manufacturing, aquaculture, forestry, mining, oil and gas, and agriculture.

In 2021, Northview expects to continue to identify and execute optimization initiatives that capitalize on opportunities for asset repositioning and suite renovations, as well as leveraging ongoing expenditure management and its strong relationship with Starlight, with which it has a Management Agreement (see the "Related Party Transactions" section of this MD&A). Northview's relationship with Starlight offers synergies in financing, asset management, information technology, and contract procurement.

2020 ANNUAL RESULTS

(thousands of dollars, except as indicated)	As at December 31, 2020
Total assets	**1,878,598**
Total liabilities, excluding net assets attributable to Unitholders	**1,362,821**
Total liabilities, net assets attributable to Unitholders	**1,877,618**
Total non-current liabilities, excluding net assets attributable to Unitholders	**1,164,992**
Mortgages payable	**847,845**
Debt to gross book value [(1)]	**66.7%**
Interest coverage ratio (times) [(1)]	**2.60**
Debt service coverage ratio (times) [(1)]	**1.39**
Weighted average mortgage interest rate	**2.87%**
Weighted average term to maturity (years)	**3.6**
Weighted average capitalization rate	**7.56%**
Multi-residential occupancy	**88.7%**
Multi-residential AMR ($)	**1,279**
Number of multi-residential suites	**11,121**
Number of execusuites	**200**
Commercial sq. ft.	**1,131,730**
Number of Units outstanding (‘000s) [(1)]	**35,917**

(thousands of dollars, except as indicated)	Period Ended December 31, 2020
Total revenue	**31,059**
Total NOI [(1)]	**17,462**
NOI margin [(1)]	**56.2%**
Cash flow used in operating activities	**(11,804)**
Distributions declared to Unitholders	**7,525**
Monthly distributions declared per Unit – weighted average ($/Unit)	**0.1093**
Class A Unit ($/Unit)	**0.1048**
Class C Unit ($/Unit)	**0.1106**
Class F Unit ($/Unit)	**0.1081**
FFO payout ratio, trailing twelve months [(1)] [(2)]	**81.6%**
AFFO payout ratio, trailing twelve months [(1)] [(2)]	**101.2%**
Net and comprehensive income	**89,664**
Net and comprehensive income per Unit ($/Unit) [(1)]	**2.50**
FFO [(1)]	**9,219**
FFO per Unit ($/Unit) [(1)]	**0.26**
AFFO [(1)]	**7,436**
AFFO per Unit ($/Unit) [(1)]	**0.21**

(1) Non-GAAP financial measure. See “Non-GAAP and Other Financial Measures” section of this MD&A.

(2) FFO and AFFO payout ratios, trailing twelve months are calculated for the period from November 2, 2020 to December 31, 2020.

2020 OPERATING RESULTS

This MD&A reflects the period from April 14, 2020 (date of formation) to December 31, 2020. As Northview commenced operations upon closing the Acquisition on November 2, 2020, the period presented reflects operations from the closing of the Acquisition to December 31, 2020. Operations include the multi-residential segment and commercial and execusuite segment. While revenue is not typically impacted by seasonality, operating expenses are typically higher in the winter months due to utility costs.

Management presents geographical segment reporting for Western Canada, Northern Canada, and Atlantic Canada. The Western Canada region includes the operations of properties located in Alberta, British Columbia, and Saskatchewan. The Northern Canada region includes the operations of properties located in the Northwest Territories and Nunavut. The Atlantic Canada region includes the operations of properties located in Newfoundland and Labrador, New Brunswick, and Québec.

CONSOLIDATED NET OPERATING INCOME

The following table details NOI by segment:

	Period Ended December 31, 2020		
(thousands of dollars)	**Multi-Residential**	**Commercial and Execusuite**	**Total**
Revenue	**24,793**	**6,266**	**31,059**
Operating expenses	**11,089**	**2,508**	**13,597**
NOI	**13,704**	**3,758**	**17,462**
NOI margin	**55.3%**	**60.0%**	**56.2%**

The following table details operating expenses:

(thousands of dollars)	**Period Ended December 31, 2020**
Utilities	**4,145**
Property taxes	**2,372**
Salaries and benefits	**1,170**
Maintenance	**3,626**
General	**2,284**
Operating expenses	**13,597**

The following table details NOI by segment and region:

	Period Ended December 31, 2020		
(thousands of dollars)	**Multi-Residential**	**Commercial and Execusuite**	**Total**
Western Canada	**4,461**	**122**	**4,583**
Northern Canada	**6,658**	**2,984**	**9,642**
Atlantic Canada	**2,585**	**652**	**3,237**
Total	**13,704**	**3,758**	**17,462**

Operating results for the period from November 2, 2020 to December 31, 2020 were consistent with management's expectations.

Revenue for the period ended December 31, 2020 was $31.1 million. Revenue includes rental and other property income. Rental revenue consists of rents earned from residential and commercial lease agreements, rents from execusuites, parking, and storage rental revenue. Other property income consists of ancillary revenue from laundry facilities, utility charges, and other fee income from tenants.

Total operating expenses for the period ended December 31, 2020 were $13.6 million and primarily related to utilities, maintenance, and property tax expense. Utility costs are typically higher in the winter months due to colder weather.

NOI of $17.5 million represented a 56.2% NOI margin for the period ended December 31, 2020.

SEGMENTED RESULTS

Northview operates as two business segments: the multi-residential segment and the commercial and execusuite segment. The multi-residential segment is composed of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months. The commercial and execusuite segment consists of office, industrial, and retail properties primarily in areas where Northview has residential operations and execusuite properties that offer apartment-style accommodations. Commercial lease terms are generally five years and execusuite rental periods range from several days to several months.

As at December 31, 2020, Northview's portfolio consisted of the following suites, execusuites, and commercial square footage:

	As at December 31, 2020		
(number of suites, except as indicated)	**Multi-Residential Suites**	**Execusuites**	**Commercial (sq. ft.)**
Western Canada	5,261	-	131,941
Northern Canada	2,486	200	243,129
Atlantic Canada	3,374	-	756,660
Total	**11,121**	**200**	**1,131,730**

MULTI-RESIDENTIAL OPERATIONS

The multi-residential segment is composed of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months, excluding leases with government in Northern Canada that typically range from three to five years. Properties are located primarily in secondary markets that feature high barriers to entry and limited new supply.

The results shown below relate to the period from the close of the Acquisition on November 2, 2020 to December 31, 2020.

	Period Ended December 31, 2020			
(thousands of dollars)	**Western Canada**	**Northern Canada**	**Atlantic Canada**	**Total**
Revenue	**8,947**	**10,489**	**5,357**	**24,793**
Operating expense	**4,486**	**3,831**	**2,772**	**11,089**
NOI	**4,461**	**6,658**	**2,585**	**13,704**
NOI margin (%)	**49.9%**	**63.5%**	**48.3%**	**55.3%**

	Period Ended December 31, 2020		
	Multi-Residential Suites	**AMR ($)**	**Occupancy (%)**
Western Canada			
Alberta	**3,559**	**1,077**	**80.1%**
British Columbia	**1,379**	**963**	**76.2%**
Saskatchewan	**323**	**1,297**	**85.8%**
Total Western Canada	**5,261**	**1,067**	**79.7%**
Northern Canada			
Northwest Territories	**1,310**	**1,765**	**90.1%**
Nunavut	**1,176**	**2,691**	**99.6%**
Total Northern Canada	**2,486**	**2,226**	**95.6%**
Atlantic Canada			
Newfoundland and Labrador	**1,875**	**863**	**90.3%**
New Brunswick	**1,338**	**823**	**98.3%**
Québec	**161**	**732**	**98.5%**
Total Atlantic Canada	**3,374**	**839**	**93.8%**
Total	**11,121**	**1,279**	**88.7%**

Operating results for the period ended December 31, 2020 were consistent with management's expectations.

WESTERN CANADA OPERATIONS

In Western Canada, revenue was $8.9 million and NOI was $4.5 million for the period ended December 31, 2020, resulting in an NOI margin of 49.9%.

Occupancy was 79.7% due to challenging economic conditions in resource-based markets located in northern Alberta and British Columbia. Northview's occupancy in these markets fluctuates based on the volume and duration of short-term rentals to contractors, which are impacted by the number of infrastructure projects in progress. Northview manages occupancy through market rents and incentives to maximize revenue, and by developing relationships with contractors to proactively secure short-term rentals. In Southern Alberta, vacancy was higher than expected under normal operating conditions as a result of remote learning arrangements at post-secondary institutions, resulting in lower demand for student housing in Lethbridge.

NORTHERN CANADA OPERATIONS

For the period ended December 31, 2020, revenue was $10.5 million and NOI was $6.7 million. An NOI margin of 63.5% was driven by occupancy of 95.6% and AMR of $2,226.

Northern Canada experienced higher occupancy and higher rental rates than Western Canada and Atlantic Canada due to widespread housing shortages and high barriers for new entrants into the market. Nunavut had the highest AMR and occupancy of Northview's provinces and territories due to chronic housing shortages, stable government-centric economy, and long-term lease arrangements with government departments and agencies. In the Northwest Territories, occupancy of 90.1% was mainly due to an increased supply of affordable housing and less activity in the mining sector, as well as the repositioning of multi-residential properties in Yellowknife that consist of 125 suites, for which occupancy is expected to increase in the first quarter of 2021. As of March 16, 2021, the repositioned properties are approximately 86% leased.

ATLANTIC CANADA OPERATIONS

Atlantic Canada contributed $5.4 million of revenue and $2.6 million of NOI for the period ended December 31, 2020, resulting in an NOI margin of 48.3%. Atlantic Canada maintained average occupancy of 93.8% for the period ended December 31, 2020.

During the period ended December 31, 2020, Northview completed the repositioning of a 145-room execusuite property consisting of five buildings located in St. John's, NL to a 145-suite multi-residential complex. The repositioning reflects the execution of management's active asset management strategy and resulted in a $4.6 million fair value increase to the property. As of March 16, 2021, the property was 34% leased.

COMMERCIAL AND EXECUSUITE OPERATIONS

Northview's commercial properties are located primarily in regions where Northview also has multi-residential operations. The commercial portfolio consists of office, warehouse, and mixed-use buildings, which are largely leased to federal or territorial governments and other quality commercial tenants under long-term leases. In addition, Northview operates three execusuite properties in Yellowknife, NT and Iqaluit, NU, and a 50% joint venture in Inuvik, NT. The execusuite properties offer apartment-style accommodation and are rented for both short-term and long-term stays.

The results shown below relate to the period from the close of the Acquisition on November 2, 2020 to December 31, 2020 for the commercial and execusuite segment.

(thousands of dollars)	**Period Ended December 31, 2020**
Revenue	**6,266**
Operating expenses	**2,508**
NOI	**3,758**
NOI margin (%)	**60.0%**

The following table details the average rent per sq. ft. and occupancy by region for the commercial portfolio:

	Period Ended December 31, 2020	
	Average Rent ($/sq. ft.)	**Occupancy (%)**
Western Canada	**14.33**	**70.6%**
Northern Canada	**26.23**	**94.8%**
Atlantic Canada	**18.90**	**93.8%**
Average	**23.78**	**91.8%**

NOI for the period ended December 31, 2020 of $3.8 million was consistent with management's expectations and represented an NOI margin of 60.0%. Overall, the commercial average rent per sq. ft. of $23.78 was driven by Northern Canada, where occupancy averaged 94.8%. Occupancy in Atlantic Canada averaged 93.8%, and Northview leased 70.6% of properties in Western Canada, which experienced lower activity in resource markets due to the volatility of commodity prices.

Execusuites experienced lower activity for the period ended December 31, 2020, driven by lower occupancy as a result of restrictions on interterritorial travel due to the COVID-19 pandemic. Subsequent to December 31, 2020, execusuite activity has increased, primarily in Iqaluit, NU, as interterritorial travel restrictions have been relaxed to allow for medical and business-related travel.

Northview has 161,000 sq. ft. of commercial space with leases maturing in 2021, of which approximately 60,000 sq. ft. has been renewed and approximately 8,000 sq. ft. was on a monthly lease. Northview expects the remaining lease maturities with government tenants to renew on similar terms. Northview actively manages occupancy levels through a proactive lease renewal program and utilizing tenant inducements, when appropriate.

OTHER CONSOLIDATED RESULTS

OTHER EXPENSE (INCOME)

(thousands of dollars)	Period Ended December 31, 2020
Financing costs from operations	**5,627**
Distributions to Unitholders	**7,525**
Administration	**2,668**
Depreciation and amortization	**566**
Equity income from joint ventures	**(134)**
Fair value gain on investment properties	**(2,798)**
Gain on business combination	**(104,528)**
Transaction costs	**18,872**
Total	**(72,202)**

Results for the period ended December 31, 2020 were consistent with management's expectations.

Financing costs from operations consists of mortgage interest, amortization of deferred financing costs and fair value of debt assumed on the Acquisition, interest expense on credit facility, and other interest expense and income. Financing costs from operations for the period ended December 31, 2020 consisted primarily of interest expense on mortgages of $3.9 million and interest expense on the credit facility of $3.4 million. These amounts were partially offset by $1.5 million relating to the amortization of the difference between the notional amount of the mortgages payable assumed in the Acquisition and their acquisition-date fair value.

Distributions to Unitholders of $7.5 million is recognized in net and comprehensive income as Units are classified as financial liabilities and presented as net assets attributable to Unitholders. This presentation does not alter the underlying interest of the Unitholders in the net assets and net and comprehensive income attributable to Unitholders. See the "Liquidity and Capital Resources - Distributions" section of this MD&A for further discussion of distributions.

Administration expense of $2.7 million for the period ended December 31, 2020 included $1.1 million of asset management fees paid to Starlight. Refer to the "Related Party Transactions" section of this MD&A.

Northview reports fair value change of investment properties on a net basis after deducting capital expenditures. The fair value gain on investment properties of $2.8 million recognized for the period ended December 31, 2020 related primarily to the repositioning of a 145-room execusuite property consisting of five buildings located in St. John's, NL to a 145-suite multi-residential complex.

The Acquisition resulted in the recognition of a gain on business combination of $104.5 million for the period ended December 31, 2020. The gain on business combination primarily resulted from the recognition of additional value when the acquisition closed compared to the estimated value when the Arrangement Agreement was entered into and the acquisition price was determined. In addition, acquisition-related costs of $18.9 million were expensed, which related primarily to professional and legal fees incurred to effect the Acquisition.

FFO

Northview measures its operating performance by using net and comprehensive income, as well as industry-accepted non-GAAP performance measures such as FFO. Northview calculates FFO in accordance with REALpac definition. FFO is not defined by IFRS and does not have a standard meaning under IFRS; therefore, it may not be comparable to similar measures presented by other entities. Refer to the "Non-GAAP Financial Measures" section of this MD&A.

The following table reconciles FFO from net and comprehensive income, the most directly comparable GAAP measure as presented in the financial statements:

(thousands of dollars, except where indicated)	Period Ended December 31, 2020
Net and comprehensive income	**89,664**
Adjustments:	
Distributions to Unitholders	**7,525**
Depreciation of property, plant and equipment	**566**
Fair value gain on investment properties	**(2,798)**
Gain on business combination	**(104,528)**
Transaction costs	**18,872**
Other (1)	**(82)**
FFO	**9,219**
FFO per Unit ($/Unit)	**0.26**
FFO payout ratio, trailing twelve months (2)	**81.6%**
Number of Units outstanding (‘000s)	**35,917**

(1) “Other” is comprised of non-controlling interest, amortization of other long-term assets, amortization of tenant inducements, and fair value adjustments for non-controlling interest and equity investments.

(2) FFO payout ratio, trailing twelve months is calculated for the period from November 2, 2020 to December 31, 2020.

For the period ended December 31, 2020, FFO of $9.2 million was consistent with management’s expectations, and reflected a seasonality component due to higher utility costs in the winter months.

AFFO

Northview measures its operating performance by using net and comprehensive income, as well as industry-accepted non-GAAP performance measures such as AFFO. Northview calculates AFFO in accordance with the REALpac definition. AFFO is not defined by IFRS and does not have a standard meaning under IFRS; therefore, it may not be comparable to similar measures presented by other entities. Refer to the “Non-GAAP Financial Measures” section of this MD&A.

The calculation of AFFO requires the categorization of value-enhancing capital expenditures (“value-enhancing capex”) and maintenance capital expenditures (“maintenance capex”). Management believes the categorization of capital expenditures between value-enhancing and maintenance is subject to significant judgment. Northview has elected to use an estimated reserve amount per suite for the multi-residential portfolio, and an estimated reserve amount per sq. ft. for the commercial and execusuite business portfolio. Detailed information on actual capital expenditures by category is provided in the “Capital Expenditures” section of this MD&A.

The most directly comparable GAAP measure to AFFO is net and comprehensive income as presented in the financial statements. The following table reconciles AFFO from FFO, a reconciliation of FFO from net and comprehensive income is provided in the “Other Consolidated Results - FFO” section of this MD&A:

(thousands of dollars, except where indicated)	Period Ended December 31, 2020
FFO	**9,219**
Maintenance capex reserve – multi-residential (1)	**(1,750)**
Maintenance capex reserve – commercial (1)	**(33)**
AFFO	**7,436**
AFFO per Unit ($/Unit)	**0.21**
AFFO payout ratio, trailing twelve months (2)	**101.2%**
Number of Units outstanding (‘000s)	**35,917**

(1) See “Maintenance Capex Reserve – Multi-residential and Commercial” section of this MD&A.

(2) AFFO payout ratio, trailing twelve months is calculated for the period from November 2, 2020 to December 31, 2020.

For the period ended December 31, 2020, AFFO of $7.4 million and an AFFO payout ratio of 101.2% were consistent with management's expectations. The AFFO payout ratio exceeded 100% as financial results for the period from November 2, 2020 to December 31, 2020 had a seasonality component due to higher utility costs in the winter months. Management expects the annual AFFO payout ratio to trend to less than 100%.

MAINTENANCE CAPEX RESERVE – MULTI-RESIDENTIAL AND COMMERCIAL

Capital expenditures include value-enhancing capex and maintenance capex. Value-enhancing capex are expected to increase the NOI or value of the properties and are discretionary in nature. Value-enhancing capex include building and suite improvements that enhance revenue or improve financial operating efficiency. Building includes building exterior and common area upgrades. Suite improvements include renovations that exceed basic replacement and minor repairs on turnover.

The annualized 2020 maintenance capex reserve amount is calculated based on management's forecast of maintenance capex in 2021 on a per suite or per sq. ft. basis.

For the multi-residential portfolio, maintenance capex focus on maintaining the existing conditions of the properties. Maintenance capex include routine suite renovations, and the replacement of boilers and mechanical systems. Management has determined the annualized maintenance capex reserve to be $989 per multi-residential suite for 2020. For the period ended December 31, 2020, maintenance capex for multi-residential of $1.8 million is calculated as $159 per multi-residential suite (management's estimated annual reserve of $989 per multi-residential suite multiplied by 59 out of 365 days of operations in the period) multiplied by an average of 11,039 multi-residential suites.

For the commercial portfolio, value-enhancing capex are typically recoverable capital expenditures and maintenance capex are typically non-recoverable capital expenditures. Management has determined the annualized maintenance capex reserve to be $0.20 per sq. ft. for the commercial portfolio. Maintenance capex for the period ended December 31, 2020 of less than $0.1 million is calculated as $0.03 per sq. ft. (management's estimated annualized reserve of $0.20 per sq. ft. multiplied by 59 out of 365 days) multiplied by an average of 1,040,000 commercial sq. ft.

CAPITAL EXPENDITURES

(thousands of dollars, except where indicated)	Period Ended December 31, 2020
Building and common areas	**117**
Suite renovations	**2,339**
Appliances	**76**
Boilers and mechanical	**107**
Other	**226**
Total capital expenditures – multi-residential	**2,865**
Average number of multi-residential suites	**11,039**
Capital expenditures per multi-residential suite	**260**
Total capital expenditures – multi-residential	**2,865**
Total capital expenditures – commercial	**72**
Total capital expenditures	**2,937**

Capital expenditures of $2.9 million were incurred in the period ended December 31, 2020, the vast majority of which related to the multi-residential segment. Within the multi-residential segment, capital expenditures of $2.9 million represented an average of $260 per multi-residential suite for the period ended December 31, 2020, which represents approximately $1,608 per multi-residential suite on an annualized basis. This was consistent with management's expectations as development in the period related primarily to suite renovations.

TAX STATUS

Northview is a mutual fund trust for Canadian income tax purposes. In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the trustees of Northview (the "Trustees" or "Board"). Pursuant to the Declaration of Trust, the Trustees may, at their sole discretion, determine distributions or designate all taxable income earned, including the taxable part of net realized capital gains, be distributed to Unitholders. Northview will deduct such distributions and designations for income tax purposes.

The Canadian Income Tax Act ("Tax Act") contains rules (the "SIFT Rules") that impose tax on certain mutual fund trusts and their trust Unitholders at rates that approximate corporate and dividend income tax rates. The SIFT Rules do not apply to any mutual fund trust that qualifies as a REIT (a "Tax REIT") as defined in the Tax Act (the "Tax REIT Exemption"). A mutual fund trust must hold less than 10% of non-qualifying assets and earn less than 10% of non-qualifying revenue to keep its status as a Tax REIT. As of and during the period ended December 31, 2020, Northview met all the requirements to be qualified as a Tax REIT.

The Tax REIT Exemption does not apply to incorporated subsidiaries of Northview, which are therefore subject to Canadian income taxes. Northview does not currently hold any income-producing property or operations in taxable incorporated subsidiaries. As such, there is currently no provision for current or deferred income tax expense required in the current reporting period.

SUMMARY OF QUARTERLY RESULTS

The table below summarizes Northview's results for the most recent period. Northview's financial results for the last three fiscal quarters following Northview's date of formation on April 14, 2020. Northview commenced operations upon closing the Acquisition on November 2, 2020.

(thousands of dollars, except as indicated)	Q4 2020	Q3 2020	Q2 2020
Total revenue	**31,059**	-	-
Net and comprehensive income	**89,664**	-	-
Net and comprehensive income per Unit ($/Unit)	**2.50**	-	-
NOI	**17,642**	-	-
FFO	**9,219**	-	-
FFO per Unit ($/Unit)	**0.26**	-	-
FFO payout ratio, trailing twelve months	**81.6%**	-	-

LIQUIDITY AND CAPITAL RESOURCES

Northview's objective for managing liquidity and capital resources is to ensure adequate liquidity for operating, capital, and investment activities, as well as distributions to Unitholders. Northview is able to fund its obligations with cash flow from operating activities, borrowings on the credit facility, and mortgage debt secured by investment properties.

As at December 31, 2020, Northview had a working capital deficiency of $162.5 million. In the normal course of business, a portion of Northview's borrowings under mortgages with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. As at December 31, 2020, $169.9 million of the working capital deficiency was related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages.

Liquidity risk is the risk that Northview is not able to meet its financial obligations as they become due or can only do so at excessive cost. Northview manages liquidity risk by balancing the maturity profile of mortgages and borrowings on the credit facility. Mortgage maturities normally enable replacement financing with funds available for other purposes. Northview utilizes Canada Mortgage and Housing Corporation ("CMHC") insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-residential property. Northview bears lower refinancing risk and incurs lower borrowing costs on properties financed using CMHC insured mortgage lender financing, including the cost of the insurance, when compared to conventional financing. Adverse economic conditions may result in a decrease in NOI, and therefore the borrowing base, which would reduce the amount of liquidity available to Northview. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, investment activities, and distributions to Unitholders.

The current FFO payout ratio is 81.6% for the period ended December 31, 2020. The Declaration of Trust provides for a maximum debt to gross book value ratio of 70%, with which Northview was in compliance as at December 31, 2020.

In connection with the Acquisition, Northview completed the Offering of up to $430.0 million of Class A Units and Class F Units. Under the Offering and in connection with the Acquisition, Northview issued an aggregate of $430.0 million in Units on November 2, 2020. Costs associated with the Acquisition were funded from net proceeds of the Offering as outlined in its final long form prospectus dated September 29, 2020.

MORTGAGES

During the period ended December 31, 2020, Northview completed $3.1 million of mortgage financing, excluding short-term financing, for multi-residential properties with a weighted average interest rate of 1.21% and an average term to maturity of 4.8 years.

Northview utilizes CMHC insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-residential property. Northview incurs lower borrowing costs on properties financed using CMHC insured mortgage lender financing, including the cost of the insurance, when compared to conventional financing.

The following table outlines Northview's mortgage maturity schedule and weighted average interest rate as at December 31, 2020, for the next five years, and thereafter:

(thousands of dollars, except as indicated)	**Principal Amount**	**Principal on Maturity**	**Total**	**% of Total**	**Weighted Average Interest Rate**
2021	27,767	133,612	161,379	19.7%	2.68%
2022	23,808	75,935	99,743	12.2%	2.87%
2023	20,759	100,142	120,901	14.8%	3.28%
2024	16,125	127,964	144,089	17.7%	2.83%
2025	9,443	150,315	159,758	19.5%	3.07%
Thereafter	9,380	122,395	131,775	16.1%	2.53%
Total	107,282	710,363	817,645	100.0%	2.87%

CREDIT FACILITY

As at December 31, 2020, Northview had in place a credit facility with a total credit limit of $539.1 million maturing on October 30, 2022. The credit facility includes multiple tranches that each bears interest at the prime rate plus 2.65% or the Bankers' Acceptance (BA) rate plus 3.65%. As at December 31, 2020, the credit facility had the following terms:

	Credit Limit	**Amounts Drawn**
Tranche A-1 Facility	381,596	**381,596**
Tranche A-2 Facility	105,481	**105,481**
Tranche B Facility	32,000	**-**
Tranche B-2 Revolving Facility	20,000	**-**
Total	539,077	**487,077**

The Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities that were each available by a single Prime Loan Advance on October 30, 2020, at which point the facilities were fully drawn. The Tranche B Facility is a non-revolving capital expenditure loan facility on which draws may occur no more than once per fiscal quarter in an amount of up to 75% of allowable capital expenditure costs incurred. The Tranche B-2 Revolving Facility is a facility available for general corporate, trust, or operating purposes.

FINANCIAL COVENANTS

As at December 31, 2020, the credit facility was subject to the following financial covenants:

	Limit
Consolidated debt to aggregate assets	**Not greater than 77.5%**
Annualized debt service coverage ratio	**Not less than 1.55**
Consolidated tangible net worth	**Not less than $250 million**
Physical occupancy rate	**Not less than 87%**

The financial covenants include financial measures defined within the credit facility agreement that are not defined under IFRS and cannot be directly derived from the financial statements. Refer to the “Non-GAAP and Other Financial Measures” section of this MD&A. These financial measures are defined under the credit agreement as follows:

- Consolidated debt: Includes all debts of the borrower determined in accordance with IFRS, excluding obligations owing under hedge agreements.
- Aggregate assets: Includes the appraised value of multi-residential rental and commercial real property.
- Annualized debt service coverage ratio: Calculated as the ratio of consolidated EBITDA to debt service on an annualized basis. Consolidated EBITDA includes consolidated net income before interest expense, income tax expense, amortization of income-generating properties, depreciation and amortization, and certain other non-cash items. Debt service is calculated as the sum of consolidated interest expense and all regularly scheduled principal payments other than balloon, bullet, or similar payments that repay the debt in full.
- Consolidated tangible net worth: Includes stated capital or equivalent amounts in respect of issued and outstanding Units less amounts attributable to outstanding Units that are redeemable prior to the maturity date of the facility, amounts attributable to certain intangible assets, and amounts attributable to the interests of any unitholder in any subsidiary.
- Physical occupancy rate: Calculated as the percentage of the number of suites occupied by one or more tenants paying current rent divided by the total number of suites.

As at and for the period ended December 31, 2020, these financial covenants are calculated on an annualized basis and Northview was in compliance with all financial covenants. Refer to “Capital Management” in the financial statements for further discussion of Northview’s objectives, policies, and processes for managing capital.

CAPITAL MANAGEMENT

Management monitors Northview’s capital structure on an ongoing basis to determine the appropriate level of mortgages and borrowings on the credit facility. Consistent with industry practice, Northview monitors capital on the basis of debt to gross book value, the interest coverage ratio, and the debt service coverage ratio. Please refer to the “Non-GAAP Financial Measures” section of this MD&A and “Capital Management” in the financial statements for further discussion of these metrics.

The Declaration of Trust provides for a maximum debt to gross book value ratio of 70%. Debt to gross book value was 66.7% as at December 31, 2020, which was in compliance with the Declaration of Trust. The definition of gross book value in the Declaration of Trust permits the amount to include a portfolio premium of $89.0 million that was determined based on an appraisal of the portfolio obtained for the plan of arrangement.

Northview’s interest coverage and debt service coverage ratios were 2.60 and 1.39, respectively, for the period November 2, 2020 to December 31, 2020. Northview monitors its interest and debt service coverage ratios to assess its ability to service payments on its debt. The debt service coverage ratio includes the impact of principal repayments excluding one-time lump sum payments at maturity.

The debt service coverage ratio of 1.39 is calculated for the period from November 2, 2020 to December 31, 2020 and reflects the seasonality of the business. Therefore, this ratio is not an annualized figure, and is not comparable to the annualized debt service coverage ratio minimum of 1.55 required under the credit facility agreement.

The following tables reconciles the calculation of debt to gross book value:

		Period Ended December 31, 2020
Credit facility		487,077
Mortgages payable		817,645
Less: Cash and cash equivalents		(25,337)
Total debt	A	1,279,385
Investment properties		1,789,143
Property, plant and equipment		38,183
Accumulated depreciation		566
Portfolio premium		89,000
Gross book value	B	1,916,892
Debt to gross book value	**A/B**	**66.7%**

The following table calculates Northview's interest coverage and debt service coverage ratios:

		Period Ended December 31, 2020
Net and comprehensive income		89,664
Depreciation and amortization		566
Mortgage interest		3,907
Amortization of deferred financing costs and fair value of debt		(1,498)
Interest expense on the credit facility		3,404
Distributions to Unitholders		7,525
Fair value gain on investment properties		(2,798)
Gain on business combination		(104,528)
Transaction costs		18,872
Adjusted EBITDA	A	15,114
Mortgage interest and deferred financing costs		3,907
Amortization of deferred financing costs and fair value of debt		(1,498)
Interest expense on the credit facility		3,404
Interest expense	B	5,813
Principal payments on mortgages [(1)]		5,060
Debt service	C	10,873
Interest coverage ratio	**A/B**	**2.60**
Debt service coverage ratio	**A/C**	**1.39**

(1) Principal payments on outstanding mortgages excluding one-time lump sum payments at maturity.

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Northview's Units are classified financial liabilities rather than equity instruments, and accordingly are presented as net assets attributable to Unitholders.

As at December 31, 2020, Northview's issued and outstanding Units were as follows:

(number of Units in thousands)	As at December 31, 2020
Class A	**5,827**
Class C	**24,776**
Class F	**3,820**
Total Units issued	**34,423**
Total Units potentially issuable upon conversion (1)	**1,494**
Total Units outstanding	**35,917**

(1) Units potentially issuable upon conversion reflects maximum dilution assuming that all Class C Units and Class F Units were converted to Class A Units. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

Class A Units are listed on the TSX under the symbol "NHF.UN". Class C Units and Class F Units are not listed by Northview on any stock exchange, but Units of each class are convertible into Class A Units and the Class C Units are also convertible into Class F Units, subject in each case to compliance with the terms and conditions of Northview's Declaration of Trust. Additionally, Class A Units are convertible into Class F Units in accordance with the Declaration of Trust, subject to at all times continuing to satisfy the minimum listing requirements of the TSX. In the event that a conversion of Class A Units into Class F Units would cause Northview not to satisfy the minimum listing requirements of the TSX, such Class A Units will not be converted and further conversions of Class A Units into Class F Units will not be permitted until such time as the conversion would not cause Northview to fail to satisfy the minimum listing requirements of the TSX.

The Unit conversion ratios in accordance with, and subject to compliance with, the terms and conditions of Northview's Declaration of Trust, are as follows:

- Class A Units to Class F Units: 1.00 to 0.969309463
- Class C Units to Class A Units: 1.00 to 1.055408971
- Class C Units to Class F Units: 1.00 to 1.023017903
- Class F Units to Class A Units: 1.00 to 1.031662269

As at February 28, 2021, Northview's issued Units were as follows:

(number of Units in thousands)	As at February 28, 2021
Class A	**6,842**
Class C	**24,716**
Class F	**2,898**
Total Units issued	**34,456**

RECAPITALIZATION EVENT

In order to provide Unitholders with liquidity, Northview intends to complete a recapitalization event by way of a direct or indirect public offering or listing of new, additional, or successor securities of Northview or a traditional real estate investment trust or other entity that owns or will own all or substantially all of Northview's properties, or by way of reorganization, restructuring (corporate, capital, or otherwise), combination or merger involving Northview or the Unitholders, or similar transaction as approved by the Trustees, (a "Recapitalization Event"). Northview is targeting a Recapitalization Event by November 2, 2023, which may be extended by up to two years at the sole discretion of the Trustees and may seek further extension by special resolution of the Unitholders in accordance with the Declaration of Trust, or to take such other actions as the Trustees considered appropriate with respect to the continued operation of Northview.

CONTRACTUAL OBLIGATIONS

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 3 years	4 – 5 years	Over 5 years
Mortgages payable (principal and interest)	**847,845**	880,035	182,864	253,550	320,508	123,113
Credit facility	**487,077**	487,077	-	487,077	-	-
Trade and other payables	**24,136**	24,136	24,136	-	-	-
Total	**1,359,058**	**1,391,248**	**207,000**	**740,627**	**320,508**	**123,113**

DISTRIBUTIONS TO UNITHOLDERS

Pursuant to the Declaration of Trust, Unitholders are entitled to receive distributions made on each distribution date as approved by the Trustees. During the period ended December 31, 2020, Northview declared monthly cash distributions representing a weighted average of $0.1093 per Unit and a total of $7.5 million in distributions.

Distributions declared to Unitholders for the period from April 14, 2020 (date of formation) to December 31, 2020 were as follows:

	Monthly Distributions Per Unit	Total
Class A	0.1048	**1,181**
Class C	0.1106	**5,491**
Class F	0.1081	**853**
	0.1093	**7,525**

The following table calculates Northview's payout ratios:

(thousands of dollars)		Period Ended December 31, 2020
Distributions declared	**A**	**7,525**
Cash flow used in operating activities	**B**	**(11,804)**
Distribution payout ratio (%)	**A/B**	**N/A**
Distributions declared	**C**	**7,525**
FFO	**D**	**9,219**
FFO payout ratio (%)	**C/D**	**81.6%**
Distributions declared	**E**	**7,525**
AFFO	**F**	**7,436**
AFFO payout ratio (%)	**E/F**	**101.2%**

For the period ended December 31, 2020, basic distributions declared to Unitholders were $7.5 million. Cash flow used in operating activities primarily related to transaction costs expensed in the period of $18.9 million. Distributions declared represented 81.6% of FFO, consistent with management's expectations. FFO and AFFO for the period ended December 31, 2020 reflected a seasonality component resulting from higher utility costs due to colder weather.

In any given financial period, basic distributions declared may be greater than cash flow from (used in) operating activities, primarily due to the short-term fluctuations in non-cash working capital and temporary fluctuations in cash flow. Any basic distributions declared in excess of cash flow from (used in) operating activities may be funded by mortgage debt secured by investment properties and asset sales. If Northview were unable to raise additional funds or renew existing maturing debt on acceptable terms, then capital expenditures and development activities may be reduced, or asset sales increased. If basic distributions declared are in excess of cash flow from (used in) operating activities, they represent a return of capital rather than a return on capital since they represent cash payments in excess of cash generated from Northview's operating activities during the period. Management expects cash flow from operating activities to exceed basic distributions declared in future periods.

RISK FACTORS

Northview faces a variety of significant and diverse risks, many of which are inherent in the business conducted by Northview and its subsidiaries. Described below are certain risks that could materially affect Northview and the value of the Units. Other risks and uncertainties that Northview does not presently consider to be material, or of which Northview is not presently aware, may become important factors that affect Northview's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, prospects, financial condition, results of operations, cash flow, and the ability of Northview to make cash distributions to Unitholders or value of the Units.

RISKS RELATED TO THE FUND

An investment in Units is an investment in real estate in secondary markets through Northview's indirect interest in its subsidiaries and the properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks, including the factors listed below and other events and risk factors which are beyond the control of Northview.

GENERAL REAL ESTATE OWNERSHIP RISK

All real property investments are subject to a degree of risk and uncertainty including general economic conditions, local real estate markets, and various other factors. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of such properties. The properties generate revenue through rental payments made by the tenants thereof. The ability to rent vacant suites in the properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. If a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties becomes vacant and cannot be re-leased on economically favourable terms, the properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, and distributable cash will be adversely affected.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs, and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit Northview's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Northview were to be required to quickly liquidate its real property investments, the proceeds might be significantly less than the aggregate carrying value of the properties or less than what could be expected to be realized under normal circumstances. Northview may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the properties held by Northview or its subsidiaries may have early termination provisions which, if exercised, would reduce the average lease term.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the properties or revenues to be derived therefrom. There can be no assurance that, upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues, and it may take a significant amount of time for market rents to be recognized by Northview due to internal and external limitations on its ability to charge these new market-based rents in the short-term.

PUBLIC HEALTH CRISIS AND DISEASE OUTBREAKS

Public health crises, including the ongoing health crisis related to the COVID-19 pandemic, or relating to any other virus, flu, epidemic, pandemic, or any other similar disease or illness (each a "Health Crisis") could materially adversely impact Northview's and its tenants' businesses, and thereby the ability of tenants to meet their payment obligations, by disrupting supply chains and transactional activities and negatively impacting local, national, or global economies. A Health Crisis could further result in: a general or acute decline in economic activity in the regions in which Northview holds assets;

increased unemployment, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures; supply shortages; increased government regulation; and the quarantine or contamination of one or more of Northview's properties. Contagion in a property or market in which Northview operates could negatively impact its occupancy, reputation, or attractiveness. All of these occurrences may have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to holders of Units. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict Northview's ability to enforce material provisions under its leases, including in respect of the collection of rent or other payment obligations or the ability of Northview to raise rent or the ability of Northview to evict tenants for non-payment of rent, among other potential adverse impacts, that could have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to holders of Units.

In addition, the overall severity and duration of COVID-19-related adverse impacts on Northview's business, financial condition, cash flows, and/or results of operations for 2021 and beyond, cannot be fully estimated at this time, but may be material. Such impacts (for 2021 and thereafter) may include:

(i) an inability for tenants to meet their payment obligations;
(ii) reduction in staff and operational levels;
(iii) increased costs resulting from Northview's efforts to mitigate the impact of COVID-19;
(iv) deterioration of worldwide credit and financial markets that could limit Northview's ability to obtain external financing to fund operations and capital expenditures, result in losses on Northview's investments due to failures of financial institutions and other parties, and result in a higher rate of losses on Northview's accounts receivable due to credit defaults; and
(v) impairments and/or write-downs of assets. In addition, the impact of COVID-19 on the economy may have an adverse effect on the trading price for the Units, including reduced trading prices and/or increased volatility resulting in swings in trading price unrelated to Northview's underlying business. The size of the impact will depend on future developments.

The Canadian government has increased the flexibility of Employment Insurance benefits, allowing those who applied for such benefits after September 27, 2020 to access the program for a total of 50 weeks. However, it is not clear how long elevated unemployment rates may last, or the extent of all the government programs that might be put in place in the future and how these programs may change over time, or what their full impact might be. As a result, the impact on Northview's cash flow from operating activities remains uncertain. In addition, Northview's investment properties are measured at fair value based on assumptions influenced by market conditions. Given the uncertainty of the longer-term impact of the COVID-19 pandemic and how it will impact valuation assumptions, measurement uncertainty exists with respect to Northview's investment properties.

Even after the COVID-19 pandemic has subsided, Northview may continue to experience material adverse impacts to its business as a result of its global economic impact, including any related recession, as well as lingering impacts on Northview's suppliers, third-party service providers and/or tenants. Northview and the Starlight Investments CDN AM Group LP (the "Manager") will actively assess, and respond where possible, to the effects of the COVID-19 pandemic on their employees, tenants, suppliers, and service providers, and evaluate governmental actions being taken to curtail its spread. Northview and the Manager will continue to monitor the situation closely, and intend to follow health and safety guidelines as they evolve.

CO-INVESTMENT/JOINT VENTURES

Northview may invest in, or be a participant in, directly or indirectly, joint ventures and partnerships with third parties in respect of the properties. A joint venture or partnership involves certain additional risks, including:

(i) the possibility that such co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with Northview's or take actions contrary to the Board's or the Manager's instructions, requests, policies, or objectives with respect to the properties;
(ii) the co-venturer/partner may have control over all of the day to day and fundamental decisions relating to a property;
(iii) the risk that such co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency, or other laws, which could result in additional financial demands to maintain and operate such properties or repay the co-venturers'/partners' share of property debt guaranteed by

Northview or its subsidiaries or for which Northview or its subsidiaries will be liable and/or result in Northview suffering or incurring delays, expenses, and other problems associated with obtaining court approval of joint venture or partnership decisions;

(iv) the risk that such co-venturers/partners may, through their activities on behalf of or in the name of the ventures or partnerships, expose or subject Northview or its subsidiaries to liability; and

(v) the need to obtain co-venturers'/partners' consents with respect to certain major decisions or inability to have any decision-making authority, including the decision to distribute cash generated from such properties or to refinance or sell a property.

In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to certain requirements, such as rights of first refusal, rights of first offer, or drag-along rights, and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may inhibit Northview's ability to sell an interest in a property or a joint venture/partnership within the time frame or otherwise on a desired basis.

Additionally, drag-along rights may be triggered at a time when Northview may not wish to sell its interest in a property, but Northview may be forced to do so at a time when it would not otherwise be in its best interest.

SUBSTITUTIONS FOR RESIDENTIAL RENTAL SUITES

Demand for rental suites in the properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. Following the global economic crisis beginning in 2008 and in light of measures taken in response to the COVID-19 pandemic, interest rates offered by financial institutions for financing home ownership have been at historically low levels. If the interest rates offered by financial institutions for home ownership financing remain low or fail to rise, demand for rental suites may be adversely affected. A reduction in the demand for rental suites may have a material adverse effect on Northview's ability to lease suites in the properties and on the rents charged.

GOVERNMENT REGULATIONS

Certain provinces and territories in Canada have enacted residential tenancy legislation which imposes, among other things, rent control guidelines that limit Northview's ability to raise rental rates at the properties. Limits on Northview's ability to raise rental rates at the properties may adversely affect Northview's ability to increase income from the properties.

In addition to limiting Northview's ability to raise rental rates, residential tenancy legislation in such provinces may provide certain rights to tenants, while imposing obligations upon landlords. Residential tenancy legislation may also prescribe procedures which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective judicial or administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Further, residential tenancy legislation may provide tenants with the right to bring certain claims to the respective judicial or administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing, and maintenance standards. As a result, Northview may, in the future, incur capital expenditures which may not be fully recoverable from tenants.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of Northview to maintain the historical level of earnings of the properties.

CHANGES IN APPLICABLE LAWS

Northview's operations must comply with numerous federal, provincial, territorial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Non-compliance with laws could expose Northview to liability. Lower revenue growth or significant unanticipated expenditures may result from Northview's need to comply with changes in Applicable Laws, including:

(i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, or
(ii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of Northview's properties, including changes to building codes and fire and life-safety codes.

FINANCING RISKS

Northview has outstanding mortgages of approximately $817.6 million and approximately $487.1 million drawn on its credit facilities. A portion of the cash flow generated by Northview's properties is required for principal and interest payments on such debt and there can be no assurance that Northview will continue to generate sufficient cash flow from operations to meet required payments. The future development of Northview's business may require additional financing. There are no assurances that such financing will be available, or if available, available upon terms acceptable to Northview.

Northview is subject to the risks associated with debt financing, including the risk that the existing mortgages secured by the certain properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. In order to minimize this risk, Northview will attempt to appropriately structure the timing of the renewal of significant tenant leases on the properties in relation to the time at which mortgages on such properties becomes due for refinancing. The borrowing capacity of the operating facilities is based on the asset values and debt serviceability of the assets pledged. As such, weakness in financial performance of certain properties may have an adverse effect on debt serviceability and overall asset value thereby reducing the borrowing capacity.

POTENTIAL UNDISCLOSED LIABILITIES ASSOCIATED WITH ACQUISITIONS

Northview has acquired and will acquire properties that may be subject to existing liabilities, some of which may be unknown at the time of the acquisition or which Northview may fail to uncover in its due diligence. Unknown liabilities might include liabilities for claims by tenants, vendors, or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), tax liabilities, accrued but unpaid liabilities incurred in the ordinary course of business, and cleanup and remediation of undisclosed environmental conditions. While in some instances Northview may indirectly have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, Northview may not have recourse to the vendor of the properties for any of these liabilities.

ENVIRONMENTAL MATTERS

Northview is subject to various other requirements (including federal, provincial, territorial, and municipal laws, as applicable) relating to environmental matters. Such requirements provide that Northview could be, or become, liable for environmental or other harm, damage or costs, including with respect to the release of hazardous, toxic, or other regulated substances into the environment and/or affecting persons, and the removal or other remediation of hazardous, toxic, or other regulated substances that may be present at or under its properties, including lead-based paint, asbestos, polychlorinated biphenyls, petroleum-based fuels, mercury, volatile organic compounds, underground storage tanks, pesticides, and other miscellaneous materials. Such requirements often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such materials. Additional liability may be incurred by Northview with respect to the release of such substances from Northview's properties to properties owned by third parties, including properties adjacent to Northview's properties or with respect to the exposure of persons to regulated substances.

The failure to remove or otherwise address such substances may materially adversely affect Northview's ability to sell such property, maximize the value of such property, or borrow using such property as collateral security, and could potentially result in claims or other proceedings against Northview. It is Northview's operating policy to obtain or be entitled to rely on an environmental site assessment prior to acquiring a Property (other than the properties included in the Acquisition). Northview did not obtain environmental site assessments for the properties included in the Acquisition. Where an environmental site assessment warrants further investigation, it is Northview's operating policy to conduct further environmental assessments. Although such environmental assessments provide Northview with some level of assurance about the condition of the properties, Northview may become subject to liability for undetected contamination or other environmental conditions of its properties against which it cannot have insurance, or against which Northview may elect not to have insurance where insurance premium costs are considered to be disproportionate to the assessed risk, which could have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to holders of Units. Environmental laws and other requirements can change and Northview may become subject to more stringent environmental laws and other requirements in the future. Compliance with more stringent environmental requirements, the identification of currently unknown environmental issues, or an increase in the costs required to address a currently known condition may have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to holders of Units. As Northview did not obtain updated environmental site assessments of the properties included in the Acquisition, there may be undisclosed liabilities associated with such properties.

UNINSURED LOSSES

Northview or its subsidiaries will arrange for comprehensive insurance, including fire, liability, and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by Northview or its subsidiaries and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases, certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable.

Should such a disaster occur with respect to any of the properties, Northview could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such properties.

RISK RELATED TO INSURANCE RENEWALS

Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for catastrophic risks. When Northview's or its subsidiaries' current insurance policies expire, Northview or its subsidiaries may encounter difficulty in obtaining or renewing property or casualty insurance on its properties at the same levels of coverage and under similar terms. Even if Northview is able to renew its policies at levels and with limitations consistent with its current policies, Northview cannot be sure that it will be able to obtain such insurance at premiums that are reasonable. In order to partially mitigate the substantial increase in insurance costs in recent years, Northview may determine to gradually increase deductible and self-insured retention amounts. If Northview or its subsidiaries are unable to obtain adequate insurance on their properties for certain risks, it could cause Northview or its subsidiaries to be in default under specific covenants on certain of their respective indebtedness or other contractual commitments that they have which require Northview or its subsidiaries to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur, or if Northview or its subsidiaries were unable to obtain adequate insurance, and their properties experienced damages that would otherwise have been covered by insurance, it could have a material adverse effect on Northview's business, cash flows, financial condition and results of operations.

COMPETITION FOR REAL PROPERTY INVESTMENTS OR TENANTS

The Manager will compete for suitable real property investments with individuals, corporations, real estate investment trusts, and similar vehicles and institutions which are presently seeking or which may seek in the future real property investments or tenants similar to those sought by Northview. Such competition could have an impact on Northview's ability to lease suites in the properties and on the rents charged. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments. There is a risk that continuing increased competition for real property acquisitions may increase purchase prices to levels that are not accretive.

HOLDING ENTITY STRUCTURE

As a holding entity, Northview's ability to meet its obligations, including payment of interest, other operating expenses, and distributions, and to complete current or desirable future enhancement opportunities or acquisitions generally depends on the receipt by Northview of dividends, distributions, and/or interest payments from its subsidiaries as the principal source of cash flow to pay such expenses and to pay distributions on the Units. As a result, Northview's cash flows and ability to pay distributions, including on the Units, are dependent upon the earnings of its subsidiaries and the distribution of those earnings and other funds by its subsidiaries to it. The payment of interest, dividends, and/or distributions by certain of Northview's subsidiaries may be subject to restrictions set out in relevant tax or corporate laws and regulations, constating documents, or other governing provisions, which may require that certain subsidiaries remain solvent following payment of any such interest, dividends, and/or distributions. Substantially all of Northview's business is currently conducted through its subsidiaries, and Northview expects this to continue.

STRUCTURAL SUBORDINATION OF UNITS

In the event of bankruptcy, liquidation, or reorganization of Northview Canadian HY Properties LP, Northview Canadian HY Holdings LP, or any of their subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of Northview Canadian HY Properties LP, NV Holdings LP, and their subsidiaries before any assets are made available for distribution to Northview or holders of Units. Therefore, the Units are effectively subordinated to the debt and other obligations of Northview Canadian HY Properties LP, Northview Canadian HY Holdings LP, and their subsidiaries. Northview Canadian HY Properties LP, Northview Canadian HY Holdings LP, and their subsidiaries generate all of Northview's cash available for distribution and hold substantially all of Northview's assets.

REVENUE SHORTFALLS

Revenues from the properties may not increase sufficiently to meet increases in operating expenses or debt service payments under any mortgages or to fund changes in the variable rates of interest charged in respect of such loans.

FLUCTUATIONS IN CAPITALIZATION RATES

As interest rates fluctuate in the lending market, generally capitalization rates will as well, which affects the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

RELIANCE ON THE MANAGER, TRUSTEES, AND EXPERTISE OF OPERATIONAL TEAM OF NORTHVIEW

Unitholders will, in large part, be relying on the expertise of the Manager; its principal, Daniel Drimmer; certain of its executives; as well as the Trustees and Northview's operational team. In particular, Unitholders will have to rely on the discretion and ability of the Manager in determining the composition of the portfolio of properties, and in negotiating the pricing and other terms of the agreements leading to the Recapitalization Event or any alternative liquidity event, as applicable. The loss of the services of key personnel could have an adverse effect on Northview, which Northview intends to mitigate through succession planning. The ability of the Manager to successfully implement Northview's investment strategy will depend in large part on the continued employment of the executive team. If the Manager loses the services of the executive team, the business, financial condition, and results of operations of Northview may be materially adversely affected.

A RECAPITALIZATION EVENT MAY NOT OCCUR

The Manager intends to complete a Recapitalization Event in approximately 2023. However, there can be no assurances that Northview will be able to complete such a Recapitalization Event on terms satisfactory to the Trustees, if at all, or that Unitholders will approve such a Recapitalization Event. In addition, notwithstanding Northview's intention to complete a Recapitalization Event as described herein, intervening circumstances may result in Northview being the subject of an alternative liquidity event.

DISTRIBUTIONS MAY BE REDUCED OR SUSPENDED

Although Northview intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended. The ability of Northview to pay Unitholders a targeted annual pre-tax distribution yield of 10.5% on gross proceeds of the Offering across all Unit classes in the aggregate and the actual amount distributed or paid to Unitholders will vary as between the classes of Units based on the proportionate entitlements of each class of Unit and will depend on the ability of Northview to create value and manage the ongoing operations of the properties. The minimum return is payable prior to payment of any amounts pursuant to the carried interest, but is not guaranteed and may not be paid on a current basis in each year or at all. As a result, the cash distributions payable to Unitholders may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of distributions to Unitholders.

PAYMENT OF THE MINIMUM RETURN AND CARRIED INTEREST

The amounts calculated as being distributable to Unitholders pursuant to the carried interest are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust. It is possible that the persons entitled to the carried interest will receive amounts even if one or more classes of Units have not received the minimum return.

FIXED COSTS AND INCREASED EXPENSES

The failure to maintain stable or increasing average rental rates combined with acceptable occupancy levels would likely have a material adverse effect on Northview's business, cash flows, financial condition, results of operations, and ability to make distributions to holders of Units. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If Northview is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale. Northview is also subject to utility and property tax risk relating to increased costs that Northview may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of properties and their adherent tax rates. In some instances, enhancements to properties may result in significant increases in property assessments following a re-valuation.

Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that Northview cannot charge back to the tenant may have a material adverse effect on Northview's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. The timing and amount of capital expenditures by Northview will affect the amount of cash available for distributions to holders of Units. Distributions may be reduced, or even eliminated, at times when Northview deems it necessary to make significant capital or other expenditures.

TRUST UNITHOLDER LIABILITY

Recourse for any liability of Northview is intended to be limited to the assets of Northview. The Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier (an "annuitant") will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of Northview or of the Trustees.

The Trustees intend to cause Northview's operations to be conducted in such a way as to minimize any such risk, including by obtaining appropriate insurance and, where feasible, attempting to have material written contract or commitment of Northview contain an express disavowal of liability against the Unitholders.

In conducting its affairs, Northview owns and will be acquiring real property investments, subject to existing contractual obligations, including obligations under mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations under mortgages on the properties and other acquired properties, and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, Northview may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by Northview, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of Northview where the liability is not disavowed as described above.

RELIANCE ON ASSUMPTIONS

Northview's investment objectives and strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in the secondary markets and the future status of the Canadian real estate markets generally. Such analysis may be incorrect and such expectations may not be realized, in which case Unitholders can expect the annualized pre-tax distribution yield per Unit to be less than 10.5% on gross proceeds of the Offering across all Unit classes.

POTENTIAL CONFLICT OF INTEREST

Northview may be subject to various conflicts of interest because certain affiliates, and their respective directors, officers, and associates, as well as the Trustees, the executive officers, and the Manager, are engaged in a wide range of real estate and other business activities. The Trustees may, from time to time, in their individual capacities, deal with parties with whom Northview may be dealing. The interest of these persons could conflict with those of Northview. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. Conflicts may also exist as certain Trustees will be nominated by the retained interest holders. There can be no assurance that the provisions of the Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of Northview.

SAME MANAGEMENT GROUP FOR VARIOUS ENTITIES

While the Manager is providing certain specified services to Northview, the services of the Manager as manager of Northview are not exclusive to Northview. The Manager or any of its affiliates and associates may, at any time, engage in the promotion, management, or administration of other investment portfolios and realty trusts in similar asset classes to those in which Northview invests. Accordingly, the Manager may face conflicts of interest in performing its services to Northview. While the Manager owes fiduciary, legal and financial duties to Northview and its Unitholders, these duties may from time to time conflict with the duties owed to the Manager’s other real estate joint ventures and funds.

DEGREE OF LEVERAGE

Northview’s degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect Northview’s ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general fund purposes, making Northview more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, total indebtedness of Northview can be no more than 70% of Gross Book Value, which may mean the appraised value of the properties inclusive of any portfolio premium for the purposes of this determination.

LITIGATION AT THE PROPERTY LEVEL

The acquisition, ownership, and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to a property acquired by Northview or its subsidiaries in relation to activities that took place prior to Northview’s acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of Northview’s efforts to maximize sale proceeds. Similarly, successful buyers may later sue Northview under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

GENERAL LITIGATION RISK

In the normal course of Northview’s operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions in relation to personal injuries, property damage, property taxes, land rights, the environment, and contract disputes. The outcome with respect to outstanding, pending, or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to Northview and as a result, could have a material adverse effect of Northview’s assets, liabilities, business, financial condition, and results of operations. Even if Northview prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from Northview’s business operations, which could have a material adverse effect on Northview’s business, cash flows, financial condition, results of operations, and ability to make distributions to Unitholders.

ASSET CLASS DIVERSIFICATION

Northview will make a relatively limited number of real estate investments and Northview's investments will not be widely diversified by asset class. A majority of Northview's investments will be in multi-residential real estate properties. A lack of asset class diversification increases risk because residential real estate, including multi-residential real estate, is subject to its own set of risks, such as adverse housing pattern changes and uses, increased real estate taxes, vacancies, rent controls, rising operating costs, and changes in mortgage rates.

GEOGRAPHIC DIVERSIFICATION OF NORTHVIEW'S PORTFOLIO

Northview's portfolio is a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate, and execusuites located in the secondary markets. As such, Northview is susceptible to local economic conditions, other regulations, the supply of and demand for multi-residential suites, commercial real estate and execusuites, and natural disasters in these areas. If there is a downturn in the local economies, an oversupply of or decrease in demand for multi-residential suites, commercial real estate and execusuites in these markets or natural disasters in these geographical areas, Northview's business could be materially adversely affected to a greater extent than if it owned a more geographically diversified real estate portfolio. An important part of Northview's business plan is based on the belief that property values for multi-residential suites, commercial real estate, and execusuites in the markets in which it operates will continue to improve over the next several years. However, the markets in which Northview operates could experience economic downturns in the future. There can be no assurance as to the extent property values in these markets will improve, if at all. If these markets experience economic downturn in the future, the value of Northview's properties could decline, and its ability to execute its business plan may be adversely affected, which could adversely affect Northview's financial condition and operating results.

EXPOSURE TO THE NATURAL RESOURCE SECTOR

Multi-residential operations in natural resource-based markets, primarily in Western Canada, which represented 32.6% of NOI for the multi-residential segment for the period ended December 31, 2020, continue to face lower occupancy and lower AMR. Improvements in these markets is expected to occur when natural resource prices improve to levels where economic activity increases and results in higher demand for multi-residential rentals. Continued pressure or weakness in the natural resource sector may have a material adverse impact on Northview's financial performance.

UNITHOLDERS LEGAL RIGHTS

The Units represent a fractional interest in Northview. Corporate law does not govern Northview and the rights of Unitholders. Unitholders will not have all of the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative actions". The rights of Unitholders are specifically set forth in the Declaration of Trust. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that act or any other legislation.

RISKS RELATED TO REDEMPTIONS

USE OF AVAILABLE CASH

The payment in cash by Northview of the redemption price of Units will reduce the amount of cash available to Northview for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.

PAYMENT OF REDEMPTION PRICE IN KIND

The redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of Northview, and/or unsecured subordinated notes of Northview, as determined by the Trustees in its discretion, to the redeeming Unitholder. Such property is not expected to be liquid and may not be a qualified investment for trusts governed by Plans, means, collectively, RRSPs, RRIFs, RESPs, DPSPs, RDSPs, and TFSAs. Adverse tax consequences generally may apply to a Unitholder, or Plan, and/or the annuitant, holder, subscriber, or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. Accordingly, investors that propose to invest in Units through

Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

RISKS RELATED TO CANADIAN INCOME TAXES

CHANGES IN TAX LAWS

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the Canada Revenue Agency ("CRA") will not be changed in a manner that adversely affects Northview or Unitholders, including with respect to Northview's qualification as a "mutual fund trust" and the SIFT Rules' inapplicability to a trust for a particular taxation year if the trust qualifies as a "real estate investment trust" (as defined in the Tax Act) for the year (the "REIT Exception"). Any such change could increase the amount of tax payable by Northview or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of distributions.

MUTUAL FUND TRUST STATUS

Northview intends to comply with the requirements under the Tax Act such that it will qualify at all times as a "mutual fund trust" for purposes of the Tax Act, however no assurances can be given in this regard. Should Northview cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects.

Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents, except in limited circumstances. There is no way of rectifying such a loss of mutual fund trust status such that if, at any time, Northview were to lose mutual fund trust status in this manner, Northview would permanently cease to be a mutual fund trust. Northview may also cease to qualify as a "mutual fund trust" for purposes of the Tax Act if a sufficient number of Unitholders of Northview were to redeem their Units.

RESTRICTIONS ON NON-RESIDENTIAL OWNERSHIP

In order to comply with the limitations on ownership by non-residents, the Declaration of Trust includes restrictions on the ownership of Units intended to limit the number of Units held by non-residents, such that non-residents of Canada for purposes of the Tax Act, partnerships that are not "Canadian partnerships" (as defined in the Tax Act) or any combination of the foregoing may not own Units representing more than 49% of the fair market value of all Units. The restrictions on the issuance of Units by Northview to non-residents may negatively affect Northview's ability to raise financing for future acquisitions or operations. In addition, the non-resident ownership restrictions could negatively impact the liquidity of the Units and the market price at which Units can be sold.

SIFT RULES

Although, as of the date hereof, management expects that Northview will be able to meet the requirements of the REIT Exception throughout 2021 and subsequent taxation years, and that each Partnership will qualify as an "excluded subsidiary entity" (as defined in the Tax Act) at all relevant times, there can be no assurance that Northview and the Partnerships will be able to qualify for the REIT Exception and as "excluded subsidiary entities", respectively, in order for Northview, the Partnerships, and Unitholders not to be subject to the tax imposed by the SIFT Rules in 2021 or future years.

In the event that the SIFT Rules were to apply to Northview or a Partnership, the impact to a Unitholder would depend, among other factors, on the particular circumstances of the holder, on the amount of the "non-portfolio earnings" (as defined in the Tax Act) of Northview or Partnership, as applicable, and, in the case of Northview, on the amount of income distributed which would not be deductible by Northview in computing its income in a particular year and what portions of Northview's distributions constitute "non-portfolio earnings" (as defined in the Tax Act), other income and returns of capital.

If the SIFT Rules were to apply to Northview or a Partnership, the SIFT Rules may have an adverse impact on Northview and the Unitholders, on the value of the Units, and on the ability of Northview to undertake financings and acquisitions;

and the distributable cash of Northview may be materially reduced. The effect of the SIFT Rules on the market for the Units is uncertain.

QUALIFYING DISPOSITION

Northview intends to take the position that its indirect acquisition of a 100% interest in the initial portfolio as part of the Acquisition will constitute a "qualifying disposition" within the meaning of the Tax Act. However, no advance tax ruling from the CRA will be obtained in this regard and there is limited guidance regarding the relevant rules in the Tax Act. In addition, there is a risk that Northview may be subject to successor liability under the Tax Act in respect of certain tax liabilities of Northview Apartment REIT. Should the acquisition of the initial portfolio from the Acquisition not constitute a qualifying disposition, or should any such successor liability arise, there may be materially adverse effects on Northview or the value of the Units.

TAXABLE INCOME EXCEEDING DISTRIBUTIONS

Whether or not a Fund pays cash distributions in a particular year, it is expected that Northview will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that Northview is not subject to non-refundable tax under Part I of the Tax Act for the year. Accordingly, Unitholders may be subject to tax under the Tax Act on their share of Northview's income regardless of whether cash distributions are paid.

NON-RESIDENT HOLDERS

The Tax Act may impose additional withholding or other taxes on distributions made by Northview to Unitholders who are non-residents. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time.

LOSS RESTRICTION EVENT

Pursuant to rules in the Tax Act, if Northview experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary so that Northview is not liable for non-refundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, Northview will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of Northview, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

ADDITIONAL RISKS RELATED TO THE UNITS

VOLATILE MARKET PRICE FOR THE UNITS

The market price for Class A Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Northview's control, including the following: (i) actual or anticipated fluctuations in Northview's quarterly results of operations; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to Northview; (iii) addition or sudden departure of the Trustees, the Chief Executive Officer or Chief Financial Officer as provided by the Manager and other key personnel; (iv) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Northview or its competitors; (v) news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in Northview's industry or target markets; and (vi) changes in liquidity, volatility, credit availability and market and financial condition as a result of catastrophic events, natural disasters, severe weather, outbreak of an infectious disease, a pandemic or a similar health threat such as the evolving COVID-19 virus pandemic, or fear of any of the foregoing.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of securities of public entities and that have, in several cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Units may decline even if Northview's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of Northview's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Units by those institutions, which could materially adversely affect the trading price of the Units. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, Northview's operations could be materially adversely impacted and the trading price of the Units may be materially adversely affected.

MARKET FOR SECURITIES AND PRICES

Northview is an unincorporated investment trust and its Class A Units are listed on the TSX. There can be no assurance that an active trading market in the Class A Units will be sustained. A publicly traded real estate investment trust does not necessarily trade at the values determined solely by reference to the underlying value of its real estate assets. Instead, the Class A Units may trade at a premium or a discount to such values. A number of factors may influence the market price of the Class A Units, including general market conditions, fluctuations in the markets for securities, short-term supply and demand factors for real estate investment trusts, and numerous other factors.

APPRAISALS

Northview may, from time to time, engage appraisers to provide independent estimates of the fair market value range in respect of the properties. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. Furthermore, a publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Class A Units may trade at a premium or a discount to values implied by any appraisal(s) of the properties.

LIMITED CONTROL

Unitholders have limited control over changes in Northview's policies and operations, which increases the uncertainty and risks of an investment in Northview. The Board determines major policies, including policies regarding financing, growth, debt capitalization, and distributions. The Board may amend or revise these and other policies without a vote of Unitholders. Under Northview's organizational documents, Unitholders have a right to vote only on limited matters. The Trustees' broad discretion in setting policies and Unitholders' inability to exert control over those policies increases the uncertainty and risks of an investment in Northview. In addition, the Declaration of Trust and the Investor Rights Agreement (as defined herein) grant certain nomination rights to Starlight Group and KingSett, respectively.

NATURE OF THE INVESTMENT

The Units represent a fractional interest in Northview and do not represent a direct investment in Northview's assets and should not be viewed by investors as direct securities of Northview's assets. A holder of a Unit of Northview does not hold a share of a body corporate. As holders of Units, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of such act or any other legislation. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of Northview equivalent to the Business Corporations Act (Ontario) or the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, Northview may not be a recognized entity under certain existing insolvency legislation such as the Bankruptcy and Insolvency Act (Canada) and the Companies Creditors' Arrangement Act (Canada), and thus the treatment of Unitholders upon an insolvency is uncertain. Furthermore, Northview is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

FINANCIAL REPORTING AND OTHER PUBLIC COMPANY REQUIREMENTS

Northview is subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which any class of Units are listed, including National Instrument 52-109 — Certification of Disclosure in Issuers' Annual and Interim Filings. These reporting and other obligations place significant demands on Northview's management, administrative, operational and accounting resources. In order to meet such requirements, Northview has established systems, implemented financial and management controls, reporting systems and procedures and retained accounting and finance personnel. If Northview is unable to accomplish any such necessary objectives in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause Northview to fail to meet its reporting obligations or result in material misstatements in its financial statements. If Northview cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in Northview's reported financial information, which could result in a lower trading price of Class A Units.

Management does not expect that Northview's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

RELATED PARTY TRANSACTIONS

Related party transactions are conducted in the normal course of operations and are made on terms equivalent to arm's length transactions.

ENTITIES WITH SIGNIFICANT INFLUENCE

Entities with significant influence over Northview include Starlight Group and KingSett Capital Inc. and its affiliates ("KingSett"). Starlight Group and KingSett is each controlled by a Trustee and has significant influence over Northview. Additionally, an affiliate of Starlight Group, Starlight Investments CDN AM Group LP, provides management services to Northview. Transactions and commitments with these entities consist of:

- On November 2, 2020, Northview entered into a Management Agreement with Starlight Group, whereby Starlight Group provides management services to Northview, including the services of the Chief Executive Officer and Chief Financial Officer, in exchange for a management fee equal to 0.35% of gross asset value per annum, calculated and payable on a monthly basis included as "Expenses" in the table below.

- On November 2, 2020, Northview entered into a Property Management Agreement with an entity owned by Starlight Group and KingSett, whereby Northview provides property management services for certain properties located in Montréal and owned by the aforementioned entity, in exchange for an annual management fee equal to 3.50% of revenue less bad debt earned included as "Other income" in the table below.

- Under the Offering and in connection with the Acquisition, Class C Units were issued to Starlight Group and KingSett. An affiliate of Starlight Group acquired ownership and control over an aggregate of 9,623,806 Class C Units and KingSett acquired an aggregate of 6,415,870 Class C Units.

- Northview holds commitments to provide for carried interest to Starlight Group if certain minimum return thresholds are met, as described in the final long form prospectus dated September 29, 2020.

- Northview has entered into an investor rights agreement with, among others, KingSett, pursuant to which KingSett has the right to nominate one individual to the Board of Trustees so long as KingSett maintains a 5% or more interest in Northview's issued Units (the "Investor Rights Agreement").

KEY MANAGEMENT PERSONNEL

The compensation of key management personnel consists of short-term employee benefits and is included within "Operating expenses" and "Administration" within the consolidated statement of net and comprehensive income depending on the function of the individual. As discussed above, the services of the Chief Executive Officer and Chief Financial Officer are provided by Starlight Group and are therefore excluded form key management personnel. Compensation is reviewed annually by the independent Governance and Nominating Committee against a selected industry peer group to align the interests of key management personnel and Unitholders.

JOINT VENTURES

Inuvik Capital Suites Zheh Gwizuh Limited Partnership ("ICS") and Inuvik Commercial Properties Zheh Gwizu' Limited Partnership ("ICP") are each a joint venture in which Northview has a 50% interest. For the period ended December 31, 2020, Northview provided management services to each of ICS and ICP.

FINANCIAL INFORMATION

The following table outlines transactions with related parties during the period ended December 31, 2020:

	Entities with Significant Influence	Key Management Personnel	Joint Ventures	Total
Revenue	-	-	52	**52**
Other income	121	-	-	**121**
Expenses	1,082	254	10	**1,346**

The following table outlines outstanding balances as at December 31, 2020. No provision for doubtful debts has been recognized related to the outstanding balances as credit risk is considered low given the nature of the parties.

	Entities with Significant Influence	Joint Ventures	Total
Accounts receivable	1,917	26	**1,943**
Accounts payable	556	93	**649**

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of the financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgments are evaluated each reporting period and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, differ from the actual results. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgments in applying accounting policies. Actual results may differ from these estimates.

ESTIMATES

(i) Fair value of investment properties

Northview carries its investment properties at fair value. Significant estimates used in determining the fair value of Northview's investment properties include capitalization rates and stabilized projected NOI (which is influenced by inflation rates and vacancy rates). A change to any one of these inputs could significantly alter the fair value of an investment property. The COVID-19 pandemic has created an uncertain economic outlook, which has resulted in a temporarily higher degree of uncertainty for investment property values.

Components of stabilized projected NOI that could be impacted by the increased economic uncertainty described above include market rents, occupancy rates, and operating expenses such as utilities and bad debt expenses. As at December 31, 2020, management believed that there had not been a material impact to any of these inputs and that the longer-term implications could not be reasonably estimated. The longer-term impact that the increased economic uncertainty may have on capitalization rates and projected stabilized NOI will depend on the duration of physical distancing requirements, the extent and effectiveness of government stimulus and regulations that impact Northview's operations and tenants, unemployment rates, and market demand for multi-residential and commercial properties.

While investment properties are recorded at fair value on a quarterly basis, not every property is independently appraised every year. Significant judgment is applied in arriving at these fair values, particularly as the properties are in smaller communities with limited trading activity. Changes in the value of the investment properties affect income.

(ii) Depreciation and amortization

Depreciation and amortization are calculated to recognize the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of useful lives are based on data and information from various sources including industry practice and company-specific history. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions.

The componentization of Northview's PP&E, namely buildings, is based on management's judgment of what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization.

(iii) Impairment

Assessment of impairment is based on management's judgment of whether there are internal and external factors that would indicate that an asset or cash generating unit ("CGU") is impaired. The determination of CGUs is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets as well as how management monitors and makes decisions about Northview's operations.

JUDGMENTS

(i) Purchase of investment properties

Northview reviews its purchases of investment property to determine whether the purchase is a business combination as IFRS requires differing treatment of property acquisitions depending on whether the purchase meets the definition of a business combination. Judgment is involved in determining whether a purchase forms part of a business combination or an asset acquisition. Should the purchase form part of a business combination, closing costs, such as appraisal and legal fees, are expensed immediately and earnings are affected. If the purchase is an asset acquisition, these costs form part of the purchase price and earnings are not immediately affected.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2020, Northview did not have any off-balance sheet arrangements in place that would materially impact its financial position or results of operations.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As at December 31, 2020, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused it to be designed under their supervision, disclosure controls and procedures (“DC&P”), as defined in National Instrument 52-109 - *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“NI 52-109”), to provide reasonable assurance that (i) material information relating to Northview is made known to the CEO and the CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by Northview in its annual filings, interim filings, or other reports filed or submitted by Northview under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation.

As at December 31, 2020, management conducted an evaluation of the design and operating effectiveness of Northview’s DC&P under the supervision of the CEO and the CFO. Based on the evaluation, the CEO and the CFO concluded that Northview’s DC&P were effective as at December 31, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As at December 31, 2020, the CEO and the CFO have designed, or caused it to be designed under their supervision, internal control over financial reporting (“ICFR”), as defined in NI 52-109, to provide reasonable assurance regarding the reliability of Northview’s financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design Northview’s ICFR is the framework set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

As at December 31, 2020, management conducted an evaluation of the design and operating effectiveness of Northview’s ICFR under the supervision of the CEO and the CFO. Based on the evaluation, the CEO and the CFO concluded that Northview’s ICFR was effective as at December 31, 2020. It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met, and it should not be expected that the control system will prevent and detect all errors and fraud.

During the fourth quarter of 2020, there were no changes in Northview’s ICFR that have materially affected, or are reasonably likely to materially affect, Northview's ICFR.