*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus (the "**Prospectus**") constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered or sold in the U.S.*

PROSPECTUS

Initial Public Offering — September 29, 2020

Northview™
Canadian High Yield Residential Fund

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND
(the "Fund")

Maximum: $430,000,000 of Class A Units and/or Class F Units

This Prospectus qualifies the distribution (the "**Offering**") of up to $430,000,000 of class A trust units (the "**Class A Units**") and/or class F trust units (the "**Class F Units**", and collectively with the Class A Units, the "**Offered Units**") of Northview Canadian High Yield Residential Fund (the "**Fund**"), a newly created "closed-end fund" established pursuant to a declaration of trust under the laws of the Province of Ontario at a price of $12.50 per Offered Unit (the "**Offering Price**").

The Fund has been formed to acquire, own and operate, through an Ontario limited partnership, a geographically diversified portfolio (the "**Initial Portfolio**") comprising income-producing multi-residential suites, commercial real estate and execusuites located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut, or such other provinces and territories as the Fund may determine from time to time (the "**Secondary Markets**"). The Initial Portfolio is currently owned and operated by Northview Apartment Real Estate Investment Trust ("**NV1**"). See "Description of the Activities of the Fund – The Initial Portfolio" and "Retained Interest – The Proposed Transaction".

The Fund's investment objectives are to: (a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates (as defined herein) and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and execusuites, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets; (b) make stable monthly cash distributions; and (c) effect a Recapitalization Event by the Target Recapitalization Date (as such terms are defined herein).

Price: $12.50 per Class A Unit
$12.50 per Class F Unit

	Price to the Public(1)(2)	Agents' Fee	Net Proceeds to the Fund(3)
Per Class A Unit	$12.50	$0.65625	$11.84375
Per Class F Unit	$12.50	$0.28125	$12.21875
Maximum Offering(4)(5)	$430,000,000	$5,301,310.97	$424,698,689.03

Notes:

(1) The terms of the Offering, including the Offering Price, were determined by the Agents (as defined herein) and the Manager (as defined herein), on behalf of the Fund, in order to provide for the expected resulting equity value of the Fund in connection with the Offering and the Proposed Transaction (as defined herein).

(2) The minimum subscription amount is $1,250 in respect of each of the Class A Units and Class F Units.

(3) Before deduction of the expenses of the Offering (estimated at $1,720,000) which together with the Agents' Fee, will be paid out of the Gross Subscription Proceeds (as defined herein).

747 Coverdale Road, Moncton, New Brunswick

Diversified

Secondary Markets in
8 Provinces and Territories
Across Canada

Stable

66% Leases in Territories
Secured by Government
and/or Credit-Rated
Corporations

High Yield

Expected 10.5% Annual Cash
Distribution on Gross
Proceeds

~$1.7 Billion
Asset Value

11,000+ Residential
Suites and Execusuites

1.1+ Million Square Feet
Commercial Real Estate

(4) The Offering size is inclusive of the Pre-Prospectus Contributions (as defined herein). The aggregate amount of the Pre-Prospectus Contributions will be approximately $176,979,387.50, representing the aggregate value deemed to be contributed by existing NV1 Unitholders who elected to receive Class C Units pursuant to the Plan of Arrangement (as defined herein) that are not redeemed pursuant to the Plan of Arrangement plus the sum of the Starlight Base Contribution, the KingSett and AIMCo Base Contribution and the Lead Order (as such terms are defined herein) pursuant to which Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units (as defined herein) by way of a concurrent private placement. See "Retained Interest".

(5) Assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders. See "Retained Interest".

On February 19, 2020, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, D.D. Acquisitions Partnership, an affiliate of Starlight Group Property Holdings Inc. ("**Starlight Group**" and, together with its affiliates "**Starlight**") and KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP ("**KingSett Group**" and together with Starlight, the "**Retained Interest Holders**") entered into an arrangement agreement (the "**Arrangement Agreement**") with NV1 and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) to acquire NV1, subject to the satisfaction of certain conditions, including receipt of the requisite approval of unitholders of NV1 ("**NV1 Unitholders**"), approval of the Alberta Court of Queen's Bench, regulatory approvals, and consents and approvals from Canada Mortgage and Housing Corporation ("**CMHC**") and certain of NV1's lenders (the "**Proposed Transaction**"). The requisite approval of NV1 Unitholders was obtained on May 25, 2020 and final court approval of the Alberta Court of Queen's Bench was obtained on May 29, 2020. Under the terms of the Proposed Transaction, each NV1 Unitholder will receive cash in the amount of $36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in class C trust units of the Fund ("**Class C Units**" and, collectively with the Offered Units, the "**Units**") on a fully or partially tax-deferred basis. The Proposed Transaction will close over the course of two days in accordance with the steps set forth in the plan of arrangement for the Proposed Transaction (the "**Plan of Arrangement**"), and the Offering is anticipated to close on or about the second day. Mr. Drimmer (the principal of Starlight Group) has committed to invest a minimum of $30,000,000 in the Fund by electing to receive Class C Units in return for a portion of the trust units of NV1 held or controlled by Mr. Drimmer (the "**Starlight Base Contribution**") and KingSett Group and AIMCo Realty Investors LP ("**AIMCo Realty**" and together with KingSett Group, the "**KingSett and AIMCo Investors**") have committed to invest a minimum of $75,000,000 in the Fund (the "**KingSett and AIMCo Base Contribution**"). In addition, Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units by way of a concurrent private placement (the "**Lead Order**"). The Fund may issue additional Units, by way of additional private placements concurrent with the closing of the Offering at the Offering Price, the proceeds of which will be included in calculating the Maximum Offering (as defined herein) size. See "Retained Interest" and "Plan of Distribution".

As part of the Proposed Transaction, the Fund will indirectly acquire, on the day prior to the completion of the Offering, and for no consideration, a 100% interest in the Initial Portfolio. This acquisition is intended to constitute a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act (as defined herein)). See "Description of the Activities of the Fund – The Initial Portfolio". Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the cash amount payable to NV1 Unitholders under the Proposed Transaction (the "**Cash Amount**"). See "Use of Proceeds".

The Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for those Class C Units issued under the Proposed Transaction) across all Unit classes in the aggregate, although this figure will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Unit. See "Risk Factors" and "Description of the Securities Distributed – Units – Distributions". The *pro rata* monthly distribution on the Units will commence following the end of the Fund's first full operating month after the closing date of the Offering, which will be following the satisfaction or waiver of all conditions to the Proposed Transaction, and which is currently expected to be on November 2, 2020 (the "**Closing Date**"). Assuming the Closing Date occurs on November 2, 2020, the first prorated distribution is expected to be paid in January 2021 following the Fund's first full month of operations, which would be expected to commence in December 2020. The distribution amount per Unit will be determined in accordance with the Declaration of Trust (as defined herein). See "Description of the Securities Distributed – Units – Distributions". The Fund intends to declare monthly cash distributions no later than seven Business Days (as defined herein) prior to the end of each month, payable within 15 days following the end of the month (or the next Business Day if not a Business Day) in which the distribution is declared to Unitholders (as defined herein) as at month-end.

An investment in the securities offered by this Prospectus is subject to certain risk factors as set out under the heading "Risk Factors" or otherwise described in this Prospectus.

Although the Fund intends to distribute its available cash to Unitholders in accordance with its distribution policies, unlike fixed-income securities, there is no obligation of the Fund to distribute fixed dollar amounts to Unitholders and, as such, the amount of cash distributions is not guaranteed and may be reduced, including to zero, resulting in a reduction in yield based on the Offering Price of the Offered Units. The ability of the Fund to make cash distributions on the Offered Units and the actual amount distributed will depend on the ongoing operations of the Properties (as defined herein), and will be subject to various factors including those referenced in the "Risk Factors" section of this Prospectus or otherwise described in this Prospectus. The aggregate Minimum Return (as defined herein) (on a per Unit basis and calculated including the amount of the Investors Capital Return Base (as defined herein)) for distribution proportionately to the Unitholders, after payment of all Fund expenses, (i) is based on a 8.0% per annum return on the net subscription proceeds (or implied net proceeds for Class C Units issued under the Proposed Transaction) received by the Fund from the issuance of each Unit, and (ii) is payable prior to payment of any amounts pursuant to the Carried Interest (as defined herein), but (iii) is not guaranteed and may not be paid on a current basis in each year or at all.

The return on an investment in the Offered 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 the anticipated return on investment is based upon many performance assumptions. It is important for each purchaser of Offered Units ("Purchaser") 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. See "Risk Factors" and the risks otherwise described in this Prospectus for a more complete discussion of these risks and their potential consequences.

There is currently no market through which the Offered Units may be sold, and such a market may not develop, and Purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing and liquidity of the securities in the secondary market, the transparency and availability of trading prices, and the extent of issuer regulation. See "Risk Factors". The Toronto Stock Exchange (the "Exchange") has conditionally approved the listing of the Class A Units distributed under the Offering on the Exchange under the symbol "NHF". Listing is subject to the Fund fulfilling all of the requirements of the Exchange on or before December 15, 2020, including distribution of the Class A Units to a minimum number of public unitholders. See "Plan of Distribution".

The Units will be redeemable at the option of Unitholders, quarterly, by written notice to the Fund. However, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment. The redemption price per Unit multiplied by the number of Units tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Units were tendered for redemption, provided that, unless the Fund otherwise determines, the total amount payable by the Fund by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed $100,000. See "Risk Factors – Limited Liquidity of Offered Units". If Units tendered for redemption are not redeemed for cash as a result of the foregoing limitations, the Fund shall satisfy the redemption of such Units tendered for redemption by way of an *in specie* distribution of property of the Fund and/or unsecured subordinated notes of the Fund, at its option, as determined by the Board in its sole discretion. Property distributed by the Fund on a redemption is not expected to be liquid and may not be a qualified investment for trusts governed by Plans (as defined herein). In those circumstances, adverse tax consequences generally may apply to a Unitholder, or a 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. See "Description of the Securities Distributed – the Fund – Redemption", "Risk Factors – Limited Liquidity of Offered Units" and "Risk Factors – Risks Related to Redemptions".

CIBC World Markets Inc. (the "**Lead Agent**"), RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Raymond James Ltd., Canaccord Genuity Corp., Richardson GMP Limited, Desjardins Securities Inc., Industrial Alliance Securities Inc. and Laurentian Bank Securities Inc. (collectively with the Lead Agent, the "**Agents**") conditionally offer the Offered Units on a best efforts basis, subject to prior sale, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (as defined herein), and subject to the approval of certain Canadian legal matters on behalf of the Fund and the Manager by Blake, Cassels & Graydon LLP and on behalf of the Agents by McCarthy Tétrault LLP. See "Plan of Distribution".

Registration and transfers of Units will be effected only through the non-certificated inventory ("**NCI**") system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). Beneficial owners of Units will not, except in certain limited circumstances, be entitled to receive certificates evidencing their ownership of Units that are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities. See "Plan of Distribution" and "Description of the Securities Distributed – Units".

Pursuant to the Proposed Transaction, the Fund, as indirect beneficial owner of the Initial Portfolio, will indirectly assume the aggregate amount of the existing debt over the Initial Portfolio, which as of June 30, 2020 amounted to

approximately $786,636,000, of which approximately $3,434,000 is with the Canadian chartered bank affiliate of the Lead Agent. In addition, the Canadian chartered bank affiliate of the Lead Agent (and a syndicate of financial institutions and other lenders arranged in consultation with the Fund) have agreed to provide three credit facilities to the Fund secured by the Initial Portfolio in an aggregate principal amount of up to $747,000,000 and subordinated to the existing financing assumed by the Fund in connection with the Proposed Transaction. In addition, the Lead Agent has been retained by the Retained Interest Holders to act as financial advisor and soliciting dealer for the Retained Interest Holders for purposes of the Proposed Transaction. Consequently, the Fund may be considered a "connected issuer" of the Lead Agent, as such term is defined in National Instrument 33-105 – ***Underwriting Conflicts*****. See "Capitalization – Long-Term Debt" and "Plan of Distribution – Relationship Between the Fund and the Lead Agent".**

There will be no closing of the Offering unless all closing conditions of the Proposed Transaction (other than payment of the Cash Amount) have been satisfied or waived. The distribution under the Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for the final prospectus for the Offering (the "Final Prospectus"). If one or more amendments to the Final Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for the Final Prospectus. If the closing of the Proposed Transaction is not achieved during the 90 day period or the up to 180 day period, as applicable, subscription funds received by the Agents will be returned to subscribers without any deductions, unless the subscribers have otherwise instructed the Agents. Closing of the Offering is anticipated to occur in the fourth quarter of 2020.

Starlight Investments CDN AM Group LP (the "**Manager**") is the asset manager and a Subsidiary (as defined herein) of Starlight Group, giving the Fund access to the Manager's experienced management team and broad network of relationships in the Canadian multi-residential real estate sector. The Manager is indirectly owned and controlled by Daniel Drimmer, Chairman and Trustee of the Fund. The Manager will receive various fees and payments from the Fund and certain of its Subsidiaries (as defined herein) in respect of asset management and other services provided to the Fund and certain of its Subsidiaries pursuant to the Management Agreement (as defined herein). In addition, the Chief Executive Officer and the Chief Financial Officer of the Fund will be affiliated with the Manager and compensated by the Manager. The ability of the Manager to successfully implement the Fund's investment strategy will depend in large part on the continued employment of Mr. Drimmer, the Fund's Chief Executive Officer and/or the Fund's Chief Financial Officer. If the Manager loses the services of any of Mr. Drimmer, the Fund's Chief Executive Officer and/or the Fund's Chief Financial Officer, the business, financial condition and results of operations of the Fund may be materially adversely affected. The Fund may also become involved in transactions that conflict with the interests of the foregoing. Mr. Drimmer is not in any way limited by the Fund or affected in his ability to carry on other business ventures for his own account and for the account of others other than pursuant to any duties he owes to the Fund, in his capacity as Chairman and Trustee of the Fund. Mr. Drimmer will not have any obligation to account to the Fund or the Unitholders for profits made in such other activities. See "Principal Securityholders", "The Manager and the Management Agreement – The Manager", "The Manager and the Management Agreement – Potential Conflicts of Interest (Trustees and Executive Officers)", "Risk Factors – Risks Related to the Fund – Reliance on the Manager", "Promoter" and "Interests of Management and Others in Material Transactions".

The Fund will adopt a written code of business conduct and ethics that applies to all Trustees, officers, and the Manager and its employees. See "Corporate Governance and Board Committees – Corporate Governance".

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INTERPRETATION

In this Prospectus, all references to "$" are to Canadian dollars unless otherwise noted. Certain terms used in this Prospectus are defined under "Glossary of Terms".

In this Prospectus, references to the Fund include its Subsidiaries, where the context requires, and in each case, refer to such entities as constituted on the Closing Date and after giving effect to the Proposed Transaction. In addition, any reference to the indirect acquisition of the Initial Portfolio by the Fund means the acquisition of the Initial Portfolio by the Fund through its acquisition of NV Holdings LP, which through its interest in NV LP, will be the indirect owner of the Initial Portfolio.

Unless otherwise noted herein, the disclosure in this Prospectus assumes the completion of, and gives effect to, the transactions contemplated in the Arrangement Agreement in a manner contemplated by Starlight Group, where such transactions include, among things, the Proposed Transaction, the transfer by NV1 of the Initial Portfolio to the Fund and the transfer by NV1 of certain of its intellectual property rights including the grant of certain trademarks to Starlight Group and subsequent licensing by Starlight Group to the Fund of the use of intellectual property rights for the purpose of conducting the Fund's activities as provided for in the Declaration of Trust.

Unless otherwise noted herein, the disclosure in this Prospectus assumes that the Fund will indirectly acquire the Properties without participation by any co-investors (other than Starlight West LP's interest in the NV Holdings LP Class B Units). Co-investors, if any, may invest by acquiring securities of NV Holdings LP or otherwise as the Trustees (as defined herein) determine to be in the best interests of the Fund. Such co-investors may be entitled to the rights associated with securities of NV Holdings LP, or otherwise, as described in this Prospectus. See "Risk Factors – Risks Related to the Fund – Co-Investment/Joint Ventures".

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements with respect to the Fund, including its business operations and strategy, and financial performance and condition, which may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to the Fund's future outlook and anticipated events, including future results, performance, achievements, prospects or opportunities for the Fund or the real estate industry and the Offering and may include statements regarding the financial position, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of, or involving, the Fund. Particularly, statements regarding the Fund's expected annual distribution yield, total return on liquidation, target investments, recapitalization strategy and timing thereof, analytical business strategy, the expected date of completion of the Offering, future market demographics and projected occupancy rates of the Initial Portfolio, are forward-looking information. Such forward-looking information in some cases, can be identified by terminology such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", "potentially" or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information in this Prospectus includes, but is not limited in any manner to statements with respect to:

(a) opportunities in multi-residential suites, commercial real estate and execusuites in the Secondary Markets that can achieve stable operating income or increases in operating income as a result of an active asset management strategy;

(b) market conditions in the Secondary Markets;

(c) expectations regarding recent economic developments in Canada and the future of the Canadian real estate markets generally;

(d) opportunities to increase the NOI (as defined herein) of the Initial Portfolio;

(e) the availability of financing for the Properties;

(f) the Fund's intention to make distributions monthly;

(g) the number of Class C Units issued to NV1 Unitholders under the Proposed Transaction;

(h) the number of Class C Units for which Retained Interest Holders will subscribe;

(i) expectations and plans with respect to scheduled rent increases, deferred payment plans, rental abatements and occupancy levels for the Initial Portfolio in the third quarter of 2020 and beyond;

(j) any impact of COVID-19 on the Initial Portfolio and the business and operations of the Fund;

(k) the Fund's objective to enhance the operating income and property values through an active asset management strategy and to effect a Recapitalization Event by the Target Recapitalization Date;

(l) the Fund's target annual pre-tax distribution yield and investor internal rate of return, in each case across all Unit classes;

(m) the Target Recapitalization Date;

(n) the possibility of completing any private placements concurrent with the closing of the Offering;

(o) the anticipated closing date of the Offering;

(p) the expected public filings of the Fund;

(q) acquisitions or dispositions, development activities, financing and the availability of financing, future economic conditions, liquidity and capital resources, marketing growth and development, future operating efficiencies, tenant incentives and occupancy levels; and

(r) the timing and satisfaction of the closing conditions of the Proposed Transaction.

Material factors and assumptions used by management of the Fund to develop the forward-looking information include, but are not limited to, the Fund's current expectations about: vacancy and rental growth rates in the multi-residential suites, commercial real estate and execusuites markets in the Secondary Markets; demographic trends in Canada; the impact of COVID-19 on the Initial Portfolio and the Secondary Markets; the occupancy level of the Initial Portfolio; the continued receipt of rental payments in line with historical collections; the applicability of any government regulation concerning tenants or rents as a result of COVID-19; the timing of the satisfaction or waiver of any conditions to, and the closing of, the Proposed Transaction; the value and timing of any Recapitalization Event; the availability of mortgage financing and future interest rates; the capital structure of the Fund; the growth in NOI generated from the asset management strategy; the population of multi-residential real estate market participants; assumptions about the markets in which the Fund intends to operate; expenditures and fees in connection with the maintenance, operation and administration of the Properties; the ability of the Manager to manage and operate the Properties; the global and North American economic environment; and governmental regulations or tax laws. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although the Manager believes that the expectations reflected in such forward-looking statements are reasonable and represent the Fund's internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Fund's control, may affect the operations, performance and results of the Fund, and could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include, among other things, the availability of mortgage financing for the Properties, and general economic and market factors, including interest rates, prospective purchasers of real estate, the attractiveness of the Fund's Properties and the ability of the Fund to effect a Recapitalization Event by the Target Recapitalization Date, business competition, and changes in government regulations or income tax laws, as well as the other risks further described at "Risk Factors".

Investors are cautioned against placing undue reliance on forward-looking statements.

Except as required by law, the Fund undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

MARKET DATA

This Prospectus contains statistical data, market research and industry forecasts that were obtained from government and industry publications and reports or are based on estimates derived from such publications and reports and the Manager's knowledge of, and experience in, the markets in which the Fund operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Actual outcomes may vary materially from those forecast in such publications or reports, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Manager believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. None of the Fund, the Manager or the Agents has independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

NON-IFRS MEASURES

Certain measures in this Prospectus do not have any standardized meaning as prescribed by IFRS and are therefore, considered non-IFRS measures. These measures are provided to enhance the reader's overall understanding of the Fund's current financial condition. They are included to provide investors and the Fund's management with an alternative method for assessing the Fund's operating results in a manner that is focused on the performance of the Fund's ongoing operations and to provide a more consistent basis for comparison between periods. These measures include widely accepted measures of performance for Canadian real estate investment trusts; however, these measures are not defined by International Financing Reporting Standards ("**IFRS**"). In addition, the definitions of these measures are subject to interpretation by the preparers and may not be applied consistently. These non-IFRS and additional IFRS measures include funds from operations ("**FFO**"), FFO payout ratio ("**FFO Payout Ratio**"), average monthly rent ("**AMR**"), average rent per square foot ("**Average Rent per Square Foot**"), capitalization rate ("**Capitalization Rate**"), debt ("**Debt**"), gross book value ("**Gross Book Value**"), net operating income ("**NOI**"), NOI margin ("**NOI margin**"), occupancy ("**occupancy**"), same door revenue ("**same door revenue**"), same door expenses ("**same door expenses**"), same door NOI ("**same door NOI**"), non-same door revenue ("**non-same door revenue**"), non-same door expenses ("**non-same door expenses**") and non-same door NOI ("**non-same door NOI**") which have the meanings set out below. Unless the context otherwise requires, any reference in this Prospectus of any agreement instrument, indenture or other document shall mean such agreement, instrument, indenture or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.

The Fund's FFO definition provides a general indication of its capacity to earn and distribute cash returns to Unitholders as required by the Declaration of Trust. FFO as computed by the Fund may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to FFO as reported by such organizations. FFO has been developed as a supplemental measure of operating performance for the real estate industry. The Real Property Association of Canada, after discussions with Canadian real estate publicly accountable entities, developed and published a white paper on FFO for IFRS. The report contains standard adjustments that are made to net comprehensive earnings with the desire to adjust it to be a better measure of cash generated or distribution capacity.

Non-IFRS and Additional IFRS Measures

The following non-IFRS measures are used to monitor the Fund's financial performance. All non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures are included to provide investors and management with an alternative method for assessing the Fund's operating results in a manner that is focused on the performance of the Fund's ongoing operations.

FFO: FFO measures operating performance and is calculated in accordance with Real Property Association of Canada's definition. FFO - basic is calculated by adjusting net and comprehensive income (loss) for depreciation of property, plant and equipment excluding depreciation of items (i.e. computer and auto) that are not uniquely significant to the real estate industry, gain or loss on disposition, fair value gain or loss, Unit distributions recorded as interest, and other applicable items. The most comparable IFRS measure to FFO is net and comprehensive income (loss).

FFO Payout Ratio: FFO Payout Ratio – basic is calculated as distributions declared to Unitholders – basic divided by FFO – basic. FFO Payout Ratio – diluted is calculated as distributions declared to Unitholders – diluted divided by FFO – diluted.

Other Financial Measures

AMR: calculated as monthly gross residential rent net of lease incentive divided by the number of occupied suites as at the period end date.

Average Rent per Square Foot: calculated as annualized total commercial 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.

Debt: the sum of credit facilities and mortgages payable, including liabilities related to assets held for sale, less cash.

Gross Book Value: at any time, the book value of the assets of the Fund as shown on its then most recent consolidated balance sheet plus the amount of accumulated depreciation and amortization included therein or in the notes thereto, less the amount of future income tax liability arising out of indirect acquisitions, or, if approved by a majority of the Trustees, the appraised value of the real property held by the Fund (inclusive of any portfolio premium) can be substituted for the book value of the investment properties owned by the Fund.

NOI: calculated by deducting the direct operating costs of maintaining and operating investment properties from the revenue which they generate.

NOI margin: calculated by dividing NOI by the revenue generated from investment properties.

Occupancy: a percentage measure used by management to evaluate the performance of its properties on a comparable basis. The occupancy presented in this Prospectus is financial occupancy for each period based on AMR, excluding recently completed developments, which have not reached stabilized occupancy.

Same door revenue / Same door expenses / Same door NOI: measured as stabilized properties owned by the Initial Portfolio for both the current reporting period and on or before the first day of the previous annual reporting period. For the year ended December 31, 2019, stabilized properties owned and in operation by the Initial Portfolio for both the current reporting period and on or before January 1, 2018, are included in the same door calculation. For the year ended December 31, 2018, stabilized properties owned and in operation by the Initial Portfolio for both the current reporting period and on or before January 1, 2017, are included in the same door calculation. For the three and six months ended June 30, 2020 and June 30, 2019, stabilized properties owned and in operation by the Initial Portfolio for both the current reporting period and on or before January 1, 2019, are included in the same door calculation.

Non-same door revenue / Non-same door expenses / Non-same door NOI: measured as non-stabilized properties from acquisitions, dispositions and developments that occurred after the first day of the previous annual reporting period. For the year ended December 31, 2019, non-stabilized properties owned and in operation by the Initial Portfolio after January 1, 2018, are included in the non-same door calculation. For the year ended December 31, 2018, non-stabilized properties owned and in operation by the Initial Portfolio after January 1, 2017, are included in the non-same door calculation. For the three and six months ended June 30, 2020 and June 30, 2019, non-stabilized properties owned and in operation by the Initial Portfolio after January 1, 2019, are included in the non-same door calculation.

MARKETING MATERIALS

The following marketing materials (as such term is defined in NI 41-101) have been filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with the Offering and are incorporated by reference into this Prospectus (the "**Marketing Materials**"):

(a) the template version of the roadshow presentation filed June 19, 2020, as revised on September 16, 2020; and

(b) the indicative version of the term sheet dated June 22, 2020, as revised on September 16, 2020.

Information in the initial template version of the Marketing Materials has been modified in view of the updated assumptions relating to the Offering disclosed in note (5) on page (ii) of this Prospectus.

Pursuant to subsection 13.7(7) of NI 41-101, the Fund has prepared revised template versions of the Marketing Materials, which have been blacklined to reflect the modified statements. The foregoing summary of modifications is not exhaustive and is qualified by the modifications contained in the revised template versions of the Marketing Materials and the blacklined versions of such documents which have been filed with the securities commission or similar authority in each of the provinces and territories of Canada and can be viewed under the Fund's profile on SEDAR at www.sedar.com.

The template versions of the Marketing Materials are not part of this Prospectus to the extent that the contents of the template versions of the Marketing Materials are modified or superseded by a statement contained in this Prospectus or in a revised template version of such Marketing Materials.

In addition, any template version of any other marketing materials filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the securities under this Prospectus is deemed to be incorporated by reference into this Prospectus.

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the Tax Act, in the opinion of Blake, Cassels & Graydon LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the Offered Units would, if issued on the date hereof, be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans ("**DPSPs**"), registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**") and tax-free savings accounts ("**TFSAs**", and, together with RRSPs, RRIFs, DPSPs, RESPs and RDSPs, "**Plans**"), *provided that* the Fund qualifies at all times as a "mutual fund trust" (as defined in the Tax Act).

Notwithstanding the foregoing, if the Offered Units are a "prohibited investment" for a TFSA, RRSP, RESP, RDSP or RRIF, the holder of such TFSA or RDSP, the annuitant of such RRSP or RRIF or the subscriber of such RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act if Offered Units are held in a trust governed by such Plan. The Offered Units will not be a prohibited investment for a TFSA, RRSP, RESP, RDSP or RRIF provided the holder, subscriber or annuitant thereof, as the case may be, (i) deals at arm's length with the Fund for purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Fund. In addition, the Offered Units will not be a "prohibited investment" for a TFSA, RRSP, RESP, RDSP or RRIF if such units are "excluded property" as defined in the Tax Act for trusts governed by such TFSA, RRSP, RESP, RDSP or RRIF.

Prospective purchasers who intend to hold Offered Units in trust governed by a Plan are advised to consult their personal tax advisors.

Property or notes received in connection with an *in specie* redemption of Units by the Fund may not be a qualified investment for trusts governed by Plans, which may give rise to adverse tax consequences for a trust governed by a Plan that receives such property or notes, or to the annuitant, beneficiary, subscriber or holder of such Plan. Accordingly, each annuitant, beneficiary, holder or subscriber under or of a Plan should consult with his or her own tax advisors before deciding to exercise the redemption rights attached to the Offered Units held by a trust governed by such Plan.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Certain terms and abbreviations used in this summary are defined in the Glossary of Terms provided herein.

Issuer: Northview Canadian High Yield Residential Fund (the "**Fund**") is a newly created "closed-end fund", managed by the Manager. The Fund was formed under and is governed by the laws of the Province of Ontario and was established on April 14, 2020 pursuant to the initial declaration of trust of the Fund. The Fund was established for the primary purpose of indirectly acquiring, owning and operating a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut, or such other provinces and territories as the Fund may determine from time to time. See "Corporate Structure".

Trustees and Officers: The Fund has a Board consisting of five Trustees, being Daniel Drimmer, Rob Kumer, Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder, the majority of whom are independent, with Mr. Drimmer as Chairman of the Fund and Mr. Wilder as Lead Trustee.

The Interim Chief Executive Officer of the Fund is Daniel Drimmer and the Interim Chief Financial Officer is Martin Liddell, both of whom are employed and compensated by the Manager. Both Messrs. Drimmer and Liddell are expected to serve in their roles as Interim Chief Executive Officer and Interim Chief Financial Officer, respectively, subject to the Manager's appointment of a suitable and experienced Chief Executive Officer and Chief Financial Officer, which it intends to appoint following the closing of the Offering. The Chief Executive Officer and Chief Financial Officer will be employed and compensated by the Manager. Each such Trustee and the Interim Chief Executive Officer and the Interim Chief Financial Officer of the Fund have prior experience in the Canadian multi-residential sector. See "Trustees and Executive Officers" and "The Manager and the Management Agreement".

The Manager: The Fund will be managed by the Manager, a limited partnership formed under the laws of the Province of Ontario and a Subsidiary of Starlight Group, which will be engaged by the Fund for specified functions in connection with the ownership and operation of the Properties. Led by a team of industry veterans with a record of creating long-term investor value, Starlight is an experienced multi-residential real estate owner and asset manager. Starlight's principal, Mr. Drimmer, has over 25 years of experience identifying undervalued properties in the multi-residential real estate sector, acquiring such properties and realizing value through individual asset or portfolio sales.

Starlight currently owns and/or manages $14.0 billion in assets in Canada and the U.S., including 400 properties, approximately 43,000 multi-residential suites (of which approximately 30,000 multi-residential suites are located in Canada spread across five provinces with a current approximate value of $8.5 billion and of which approximately 13,000 multi-residential suites are located in the U.S. with a current approximate value of $3.5 billion), and approximately 7,000,000 square feet of commercial space in Canada through various entities (spread across five provinces with a current approximate value of $2.0 billion), including its partnership with several global institutional investors and family offices. Starlight co-invests a significant amount of equity in every new fund to ensure meaningful alignment of interests with investors. Starlight has extensive experience overseeing and working with publicly listed entities and currently provides services to two publicly listed entities: True North Commercial REIT (TSX: TNT.UN) and Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO.UN). Starlight believes it has been among North America's most active real estate investors since its inception in 1995 and employs more than 225 professionals, including more than 125 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight has completed transactions having an aggregate value of over $25.0 billion, with a transaction volume of approximately 85,000 multi-residential suites with over $6.0 billion of invested capital, generating a gross internal rate of return of over 25% since inception.

Assuming the closing of the Proposed Transaction occurs as contemplated, Starlight expects to manage approximately \$19.0 billion in assets in Canada and the U.S., including more than 500 properties, approximately 55,000 multi-residential suites in Canada across six provinces and two territories with a current approximate value of \$13.5 billion and approximately 8,000,000 square feet of commercial real estate in Canada through various entities (spread across eight provinces and two territories with a current approximate value of \$3 billion), including its partnership with several institutional investors and family offices. Post-closing of the Proposed Transaction, Starlight expects to employ more than 300 professionals, including more than 175 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Including the Proposed Transaction, Starlight will have completed transactions having an aggregate value of over \$30.0 billion, with a transaction volume of approximately 100,000 multi-residential suites with over \$7.0 billion of invested capital.

During the past ten years, Starlight's principal, Daniel Drimmer, has acquired, operated and sold in excess of 85,000 multi-family suites. Also during this time period, Starlight has established a reputation for identifying acquisitions, repositioning assets and driving value through a hands-on asset management approach as well as executing financing strategies. Starlight's speed of execution for acquisitions is due to its disciplined yet entrepreneurial decision making approach and flat organizational structure. The Manager is wholly-owned by Starlight Group and controlled by its principal, Daniel Drimmer (see the biography of Mr. Drimmer under "Trustees and Executive Officers – Name, Address, Occupation and Security Holdings – Personal Profiles").

Investment Strategy: The Fund was established for the primary purpose of indirectly acquiring, owning and operating a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets. The Manager believes that the multi-residential real estate sector in the Secondary Markets continues to exhibit compelling investment characteristics, supported by strong property fundamentals and demographic trends that position it well in all economic environments, and provides the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes.

Investment Objectives: The Fund's investment objectives are to:

(a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and execusuites, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets;

(b) make stable monthly cash distributions; and

(c) effect a Recapitalization Event by the Target Recapitalization Date. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur".

The Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any Class C Units issued under the Proposed Transaction) across all Unit classes in the aggregate, although this amount will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Unit. See "Risk Factors" and "Description of the Securities Distributed – Units – Distributions".

Strategy of the Fund: The Fund is being formed to provide investors with an attractive investment opportunity to participate in a geographically diverse portfolio of income-producing multi-residential suites, commercial real estate and execusuites located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit-rated corporations. The Manager believes that multi-residential suites, commercial real estate and execusuites markets in the selected markets within the Secondary Markets represent an attractive investment opportunity and offer the potential for attractive risk adjusted returns. Specifically, the Fund has selected the Secondary Markets, which have exhibited high growth characteristics while providing stable and relatively high yields. The Manager believes there are significant barriers to the expansion of multi-residential supply in the Fund's target markets given the challenge associated with achieving economies of scale, general unavailability of developable land, and the high cost of development. Additionally, rising unaffordability and the growing demand for living in the more affordable Secondary Markets, coupled with a supply-constrained multi-residential market, creates an appealing investment opportunity for investors.

The Manager has, and the Fund's Chief Executive Officer and Chief Financial Officer are expected to have significant experience in the Canadian multi-residential real estate market sector with a focus on secondary Canadian markets, including real estate acquisitions, dispositions, finance and administration, property management, construction and renovation, and marketing and sales. These skills are expected to permit the Fund to capitalize on real estate opportunities which may be unavailable to other real estate investors who lack experience in these real estate markets and more specifically, with the Fund's asset classes.

The Manager expects to undertake regular reviews of the Fund's property investments and, based on experience and local market knowledge, will assess the ongoing opportunities for the Properties, including capital improvement projects and enhanced asset management opportunities.

The Fund's investment strategy will capitalize on the following characteristics of the Initial Portfolio in order to meet its objectives:

(a) ***Robust Asset Class with Compelling Characteristics***: The Canadian real estate sector experienced, until recently, an unprecedented decade of demand and returns since the global financial crisis in 2008. Historically strong property fundamentals, driven by compelling economic and population growth as well as employment gains, led to record high commercial real estate acquisition volumes and record low Capitalization Rates. Against the backdrop of these results, the multi-residential sector has been the top performing commercial property class in North America.

    The Manager believes that the multi-residential sector's historical ability to generate consistent cash flows and provide defensive positioning against economic cycle downturns, makes it an attractive option for investors, including in the current economic environment. Historical performance drivers including a growing population stemming from Canada's normal immigration policies, rising home ownership costs and an imbalance between rental supply and demand are becoming entrenched in many markets across the country. The Manager expects these performance drivers to continue, and therefore increase the appeal of multi-residential assets, both currently and as the current economic environment improves in the future, well-positioning the Initial Portfolio to outperform during the expected period of recovery.

(b) ***Attractive Capitalization Rates***: Highly attractive Capitalization Rates (approximately 7.88% in 2019) in the Secondary Markets are exhibited by the Initial Portfolio compared to historically lower Capitalization Rates in primary Canadian markets.

(c) ***Portfolio Diversification***: The Initial Portfolio is a geographically diverse portfolio of income-producing multi-residential suites, commercial real estate and execusuites across six Canadian provinces and two territories. The Manager believes the diversity of the markets in which the Initial Portfolio is situated allows for the mitigation of negative shocks and cyclicality within both specific industries (including oil and gas and resource-based industries) and markets and on a macro level, while providing the potential for stable returns and distributions with flexibility for growth opportunities.

(d) ***Low Vacancy Rates and Strong Rental Rates***: Overall, the Canadian multi-residential sector and, specifically, the markets in which the Initial Portfolio is situated, have historically experienced significant shortages of housing that have resulted in low vacancy rates in the Initial Portfolio. According to CBRE Group Inc.'s February 24, 2020 report, the Canadian national average multi-residential vacancy rate at the end of 2019 was approximately 2.3%, which is below the ten-year average of approximately 2.6%, and was projected to decline further in 2020. With multi-residential properties at near full occupancy in markets from coast to coast, rent growth has also accelerated. Over the past two years, as a result of a robust economy and continued economic growth, the rental rate for two bedroom suites grew on average over 4.6%. During the course of the COVID-19 pandemic, NV1 has not been issuing rental increases, or enforcing increases that were due to come into effect.

(e) ***Strong Rental Covenants***: Nunavut and the Northwest Territories represented approximately 52% of the Fund's aggregate NOI for fiscal 2019. Approximately 66% of the rental revenue from Nunavut and the Northwest Territories is derived from leases to, or leases guaranteed by, governments or credit-rated corporations. The Manager believes that the benefits of these arrangements are fourfold: (i) governments represent a minimal credit risk; (ii) the leases are administratively and operationally simpler; (iii) as the Fund's relationship will not be with individual sub-tenants, damages and repairs that may occur will often be covered by the government or corporate entity leasing the suite; and (iv) turnover which is typical of residential portfolios is significantly reduced.

Additionally, mixed residential/commercial complexes in the Secondary Markets were pioneered by the predecessor to the Fund. These complexes are mainly residential with ground floors leased to credit-rated corporations and government agencies. The rents for the ground floor commercial space are much higher per square foot than residential rents and add significant yield.

(f) ***Barriers to Entry***: The Manager believes that the opportunity for new competition or over-building in the Secondary Markets is limited due to the focus by most developers on major metropolitan markets in Canada and the barriers to entry into the Fund's secondary multi-residential markets, particularly the Northern Canadian markets, experienced by other developers. These barriers to entry include limited land availability suitable for development and unique building techniques, shorter duration of the building season, and significant construction costs. Accordingly, new supply is constrained due to both financial and practical constraints of construction. The Manager also believes that the Initial Portfolio is being purchased at below replacement cost.

(g) ***Availability of CMHC Financing***: CMHC-insured financing has historically been available at attractive rates for the Initial Portfolio's residential and mixed-use buildings. Approximately 90% of the mortgages on the multi-residential properties forming part of the Initial Portfolio are presently CMHC-insured. Moreover, CMHC mitigates against renewal risk of existing CMHC-insured financing given the fact that the insurance remains valid for the entire amortization period of the loan (typically ranging from 25 to 40 years). Together with interest rates at substantially below conventional mortgage rates, CMHC-insured financing is expected to mitigate the Fund's exposure to interest rate risk in a rising interest rate environment. Currently, CMHC-insured interest rates are at or near record lows.

(h) ***Strategic Relationships***: Through its strategic relationship with Starlight Group, the Fund will have the opportunity to make additional acquisitions of high quality residential and commercial properties. The Fund will attempt to enhance the yield on the Units, including by making accretive real estate investments.

Implementation Strategies: The Fund plans to achieve growth by implementing the internal and external strategies described below:

(a) ***Internal Property Management and External Asset Management***: The Fund will manage its Properties utilizing its strong internal property and market knowledge and will benefit from Starlight Group's asset management platform which will, among other things, provide the services of a Chief Executive Officer and a Chief Financial Officer at no additional cost to the Fund. This will provide the Fund with access to one of Canada's strongest multi-residential platforms and the opportunity to achieve cost efficiencies and revenue synergies. The Fund will also maintain resident and senior property management personnel to ensure that key tenant relations are addressed by professional and capable local personnel. In addition, accounting and financial operations will be centrally located and administered by personnel familiar with the Initial Portfolio. This will allow for continuity of management and local knowledge of the Fund's markets. Based on its prior track record, decades of combined experience, including navigating the global financial crisis in 2008, and the deep knowledge of the Canadian multi-residential sector possessed by its personnel, the Manager believes that it is well positioned to manage the Fund through the current pandemic.

(b) ***Refinancing of Properties in a Favourable Interest Rate Environment***: The Fund intends to secure new financing and/or refinancing proceeds for properties in the Initial Portfolio in the current interest rate environment in which CMHC financing rates are at or near record lows.

(c) ***Residential "Out-Sourcing" Through Execusuites Platform***: The Manager and internal property management team's expertise in providing housing to corporations and government agencies that wish to "outsource" their housing needs is expected to continue and will allow the Fund to provide rental housing solutions tailored to meet their specific needs in remote areas where there are few conventional housing market providers. The Manager believes that there is a housing out-sourcing market particularly related to the resource exploration and development industry which the Fund will be qualified to access, thereby providing the opportunity to generate additional low-risk high-yield returns.

(d) ***Long-Term Tenant Relationship Management***: The Manager intends to continue to nurture positive tenant relations in order to maintain the Initial Portfolio's low turnover and low level of vacancy which will enhance growth.

(e) ***Preventive Maintenance and Repair***: The Fund will continue to maintain the high standard of maintenance and repair established by NV1 in order to ensure a high level of tenant satisfaction and reduce risk of turnover. During the COVID-19 pandemic, only emergency work orders in multi-residential suites will be addressed. However, the Fund intends to maintain property cleaning schedules, with increased frequency and focus on cleaning high traffic areas.

(f) ***Internal Growth through Development***: The Initial Portfolio includes one property which is currently in redevelopment as well as over 26.6 acres of land held for potential development, of which approximately: (i) 15.6 acres are located in Northern Alberta and Northern British Columbia; (ii) 10.9 acres are located in Newfoundland and Labrador; and (iii) 1.1 acres are located in Nunavut.

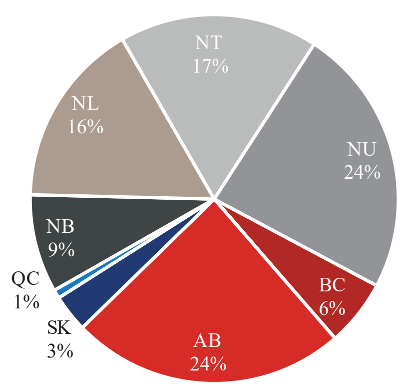
Other than the Chief Executive Officer and Chief Financial Officer of the Fund, whose services will be provided to the Fund by the Manager, the Fund will provide the platform necessary to capitalize on this opportunity, offering a team with operational and strategic experience and expertise and the benefit of its established network of industry contacts.

Overview of the Initial Portfolio

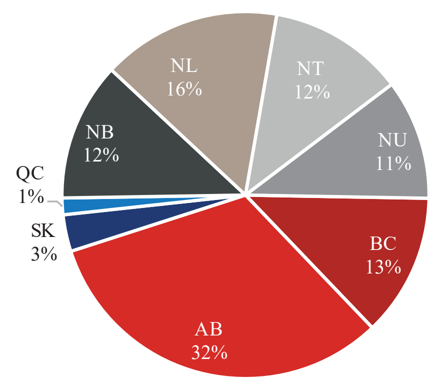
Total Portfolio By Province

Province	Multi-Residential Suites	Execusuites	Commercial Square Footage
British Columbia	1,397	-	85,390
Alberta	3,527	-	45,703
Saskatchewan	355	-	-
Québec	161	-	-
New Brunswick	1,338	-	17,680
Newfoundland and Labrador	1,730	145	225,449
Northwest Territories	1,309	160	532,798
Nunavut	1,161	42	220,676
Total	**10,978**	**347**	**1,127,696**

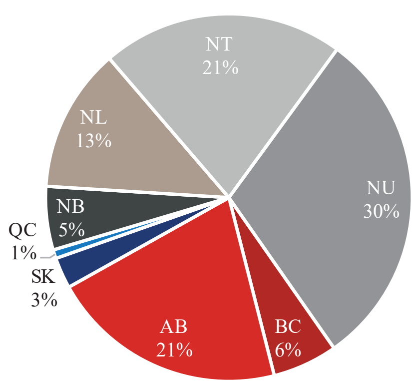
Value by Province/Territory



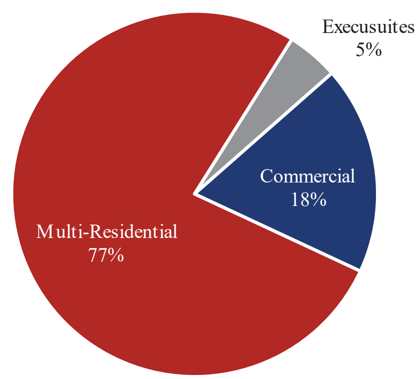
Residential Suites by Province/Territory



NOI by Province/Territory



NOI by Asset Type



The Initial Portfolio is a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites, with approximately 77% of NOI derived from an aggregate of approximately 10,900 multi-residential suites, approximately 18% of NOI derived from an aggregate of approximately 1,100,000 square feet of commercial real estate which includes office and commercial space, and approximately 5% of NOI derived from an aggregate of approximately 340 execusuites, all as of December 31, 2019.

The multi-residential suites forming part of the Initial Portfolio consist mainly of low-rise, wood-frame buildings in either an apartment or townhouse configuration. Approximately 90% of the mortgages on the multi-residential suites forming part of the Initial Portfolio are CMHC-insured.

The commercial real estate forming part of the Initial Portfolio is located within the Secondary Markets where certain of the multi-residential suites forming part of the Initial Portfolio are located, and consist of office, warehouse, and mixed-use buildings, which are largely leased to federal, provincial or territorial governments and other credit-rated commercial tenants under long-term leases.

The execusuites forming part of the Initial Portfolio comprise four Properties located in St. John's, Yellowknife, Iqaluit and a joint venture in Inuvik. The execusuites offer apartment-style accommodation and are rented for both short and long-term periods. The execusuites forming part of the Initial Portfolio historically performed well due to being situated in locations in favourable markets with historically robust economies, limited supply, government travel, limited new construction and developments, and strong transient business. Following a return to normal operations, the Manager expects that the execusuites will continue to benefit from these characteristics.

The Initial Portfolio collected 98.1% of multi-residential and commercial rent in the second quarter of 2020. As of September 9, 2020, the Initial Portfolio has collected 98.6% of total June rent, 98.2% of total July rent, 97.9% of total August rent and 88.7% of total September rent. However, the effects of the ongoing COVID-19 pandemic could result in an increasing inability for tenants to meet their payment obligations, among other adverse effects. See "Risk Factors – Risks Related to the Fund – Public Health Crises and Disease Outbreaks".

During the course of the COVID-19 pandemic, NV1 has not been issuing rental increases, or enforcing increases that were due to come into effect, and is not currently acting on evictions for non-payment of rent. There are no current plans by the Fund to enter into deferred payment plans or provide any rental abatements with respect to the Initial Portfolio as a result of COVID-19. Any changes to the rental program require the consent of the Retained Interest Holders under the Arrangement Agreement.

Occupancy for the multi-residential Properties that comprise the Initial Portfolio was 90.2% as at June 30, 2020 compared to 91.0% as at December 31, 2019 and 90.6% as at June 30, 2019.

For more information, see "Description of the Activities of the Fund – The Initial Portfolio" and for a complete list of the Properties comprising the Initial Portfolio, see "Schedule A". In addition, for summary descriptions of 20 of the Properties comprising the Initial Portfolio selected as representative of the Initial Portfolio, see "Description of the Activities of the Fund – The Initial Portfolio – Select Assets".

Acquisition of the Initial Portfolio

On February 19, 2020, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP and the Retained Interest Holders entered into an Arrangement Agreement with NV1 and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) to acquire NV1, subject to the satisfaction of certain conditions, including receipt of the requisite approval of NV1 Unitholders, approval of the Alberta Court of Queen's Bench, regulatory approvals, and consents and approvals from CMHC and certain of NV1's lenders. The requisite approval of NV1 Unitholders was obtained on May 25, 2020 and final court approval of the Alberta Court of Queen's Bench was obtained on May 29, 2020. Under the terms of the Proposed Transaction, each NV1 Unitholder will receive cash in the amount of $36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in Class C Units on a fully or partially tax-deferred basis. The Proposed Transaction will close over the course of two days in accordance with the steps set forth in the Plan of Arrangement, and the Offering is anticipated to close on or about the second day. Mr. Drimmer (the principal of Starlight Group) has committed to invest a minimum of $30,000,000 in the Fund by electing to receive Class C Units in return for a portion of the trust units of NV1 held or controlled by Mr. Drimmer (the "**Starlight Base Contribution**") and the KingSett and AIMCo Investors have committed to invest a minimum of $75,000,000 in the Fund (the "**KingSett and AIMCo Base Contribution**"). In addition, Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units by way of a concurrent private placement. The Fund may issue additional Units, by way of private placement concurrent with the closing of the Offering at the Offering Price. See "Plan of Distribution".

As part of the Proposed Transaction, the Fund shall indirectly acquire, on the day prior to the completion of the Offering, and for no consideration, a 100% interest in the Initial Portfolio. This acquisition is intended to constitute a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act (as defined herein)). See "Description of the Activities of the Fund – The Initial

Portfolio". Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the Cash Amount. See "Use of Proceeds".

Independent Appraisal of the Initial Portfolio

The Manager retained CBRE Limited (the "**Appraiser**") to provide an independent estimate of the fair market value of the Properties comprising the Initial Portfolio, as a portfolio (the "**Appraisal**"). The Appraiser was not given any limiting instructions. In the Appraisal, the Appraiser estimated the aggregate market value of the Properties comprising the Initial Portfolio on a portfolio basis, as at May 1, 2020, to be between $1.862 billion and $1.907 billion, including a portfolio premium of between 2.5% and 5.0% (or an aggregate portfolio premium value between $46 million and $91 million, based on the market value of each of the Properties comprising the Initial Portfolio excluding any portfolio premium). See "Description of the Activities of the Fund – The Initial Portfolio – Independent Appraisal of the Initial Portfolio".

In connection with the Proposed Transaction, the Retained Interest Holders attributed an aggregate value of approximately $1.674 billion for the Properties comprising the Initial Portfolio. The appraised value of the Initial Portfolio of between $1.862 billion and $1.907 billion represents an initial increase from the attributed value of between $188 million and $233 million, and an appraisal capitalization rate of 6.9%.

Select Financial and Operating Information

The following select financial information of the Initial Portfolio has been derived from, and should be read in conjunction with, the audited financial statements of the Properties which comprise the Initial Portfolio for the year ended December 31, 2019 and accompanying notes and the unaudited interim financial statements of the Properties which comprise the Initial Portfolio for the three and six months ended June 30, 2020, in each case prepared in accordance with IFRS and contained elsewhere in this Prospectus. Amounts are presented in thousands of Canadian dollars.

The select consolidated financial information should be read in conjunction with "Management's Discussion and Analysis" and the audited consolidated financial statements, unaudited interim financial statements, and accompanying notes contained elsewhere in this Prospectus. The select consolidated financial information set out below may not be indicative of the Fund's future performance.

Initial Portfolio (thousands of Canadian dollars)	**Year ended December 31, 2019**	**Six months ended June 30, 2020**
Income Statement Data		
Revenues:		
Revenue from property operations	**$194,001**	**$95,659**
Expenses:		
Operating expenses	**79,261**	**40,857**
NOI	**$114,740**	**$54,802**
NOI margin	**59.1%**	**57.3%**

Retained Interest

Ownership Interest

Assuming that the size of the Maximum Offering (the "**Issue Size**") exceeds the sum of (a) the Starlight Base Contribution pursuant to which Mr. Drimmer (the principal of Starlight Group) will make an election, as an NV1 Unitholder, to receive a minimum of $30,000,000 of Class C Units for a portion of the trust units of NV1 held or controlled by Mr. Drimmer, pursuant to the Proposed Transaction, and (b) the aggregate value deemed to be contributed by existing NV1 Unitholders in respect of Class C Units received pursuant to step 2.4(q) of the Plan of Arrangement and not redeemed pursuant to the Plan of Arrangement (excluding the Starlight Base Contribution), which will be $36,949,012.50, then the excess will be raised as follows:

(a) the KingSett and AIMCo Base Contribution pursuant to which the KingSett and AIMCo Investors will subscribe for an aggregate number of Class C Units equal to $75,000,000;

(b) issuance by the Fund pursuant to elections ("**top-up elections**") by existing NV1 Unitholders, excluding Starlight, to subscribe for further Class C Units under the Plan of Arrangement, subject to pro ration if such subscriptions exceed the remaining contributions required;

(c) the Lead Order (collectively, the contributions in this and the foregoing paragraphs and the lead-in, the "**Pre-Prospectus Contributions**");

(d) the public offering of Offered Units (and any concurrent private placement of Units other than the Lead Order) as described in this Prospectus;

(e) as applicable, further subscriptions for Class C Units, as follows (and in such order):

(i) by Starlight (through D.D. Acquisitions Partnership or another affiliate) for up to an amount, if any, that when added to the Starlight Base Contribution equals at least 20% of the Required Proceeds;

(ii) by the KingSett and AIMCo Investors for up to an amount, if any, that when added to the KingSett and AIMCo Base Contribution equals at least 20% of the Required Proceeds;

(iii) by Starlight (through D.D. Acquisitions Partnership or another affiliate) in an amount, if any, that when added to all amounts contributed thus far by Starlight equals the sum of all amounts contributed by the KingSett and AIMCo Investors in the aggregate; and

(iv) by Starlight (through D.D. Acquisitions Partnership or another affiliate) and the KingSett and AIMCo Investors, in an aggregate amount, if any, required to satisfy the remaining balance of the Issue Size, split equally between Starlight, on one hand, and the KingSett and AIMCo Investors, on the other hand.

"**Required Proceeds**" means the Issue Size *minus* the aggregate value of Class C Units issued pursuant to elections by existing NV1 Unitholders (other than Starlight) to receive and retain Class C Units pursuant to the Proposed Transaction (including top-up elections). For the avoidance of doubt, the amount of the Required Proceeds does not include the Starlight Base Contribution or the KingSett and AIMCo Base Contribution, and such contributions will be in satisfaction of a corresponding amount of the Required Proceeds.

Investor Rights Agreement / Nomination Rights

Pursuant to the Investor Rights Agreement, and as set forth in the Declaration of Trust, KingSett Group will be granted the right to nominate one Trustee (such nominee will be subject to election together with the remaining Trustees at annual meetings of Unitholders). As set out in the Declaration of Trust, for so long as the Manager remains the manager of the Fund, Starlight will have the right to nominate one Trustee (such nominee will be subject to election together with the remaining Trustees at annual meetings of Unitholders). For so long as Daniel Drimmer controls the Manager, he is expected to be Starlight's nominee. KingSett Group's nomination right, as set forth in the Investor Rights Agreement and the Declaration of Trust, is subject to it holding at least 5% of the Fund's equity. In addition, for so long as KingSett Group owns 5% of the Fund's equity, the size of the Board will be fixed at five Trustees. On the Closing Date, it is anticipated that Mr. Drimmer will serve on the Board and act as the Chairman pursuant to Starlight's nomination right and Rob Kumer will serve on the Board pursuant to KingSett Group's nomination right. The Fund will, among other things, recommend that the Unitholders vote to elect such nominees as Trustees and use reasonable commercial efforts to solicit, obtain proxies in favour of and otherwise support the election of such nominees, each in a manner no less favourable than the manner in which the Fund supports its own nominees for election. See "Retained Interest – Investor Rights Agreement / Nomination Rights – Nomination Rights".

The Investor Rights Agreement will also provide KingSett Group and AIMCo Realty with the Demand Registration Right (exercisable at any time commencing six months following the closing of the Offering) to require the Fund to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying the Class A Units issuable on conversion of the Class C Units held by KingSett Group and AIMCo Realty, respectively, for distribution, provided that such Demand Registration Right may only be exercised by KingSett Group twice in a 12-month period and by AIMCo Realty twice in a 12-month period, and any such request for a Demand Distribution must relate to a minimum of 1,600,000 Class A Units on a combined basis for all KingSett and AIMCo Investors participating in the Demand Distribution. The expenses in respect of a Demand Distribution, subject to certain exceptions, and the underwriters' and agents' fees in connection with a Demand Distribution, will be borne by the KingSett and AIMCo Investors participating in the Demand Distribution in proportion to the amount of Units sold. The Demand Registration Right will terminate for KingSett Group when it owns, directly or indirectly, less than 5% of the Fund's equity. Similarly, the Demand Registration Right will terminate for AIMCo Realty when it owns, directly or indirectly, less than 5% of the Fund's equity. See "Retained Interest".

THE OFFERING

Offering:	Class A Units and/or Class F Units
Issue Size:	Maximum Offering: $430,000,000 of Units
Price:	$12.50 per Class A Unit $12.50 per Class F Unit
Minimum Subscription Amount:	Class A – $1,250 (100 Class A Units) or Class F – $1,250 (100 Class F Units)

Leverage:

The Manager believes that the current Canadian multi-residential rental property debt financing market offers debt financing at attractive interest rates that the Manager intends to utilize in order to seek an increased return on equity for the Fund. Notwithstanding the foregoing, the Declaration of Trust limits total indebtedness of the Fund to no more than 70% of the Gross Book Value (or, at the discretion of the Board, the appraised value of the Properties).

See "Capitalization – Long-Term Debt" and "Investment Restrictions and Operating Policy".

Distributions:

The Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any Class C Units issued under the Proposed Transaction) across all Unit classes in the aggregate, although this amount will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Unit. See "Risk Factors". An annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds represents an expected FFO Payout Ratio of approximately 80.5% based on the *pro forma* financial statements included in this Prospectus. The foregoing FFO Payout Ratio also assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus, that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders, and based on the applicable Agents' Fee and costs of the Offering.

The *pro rata* monthly distribution on the Units will commence following the end of the Fund's first full operating month after the Closing Date. Assuming the Closing Date occurs on November 2, 2020, the first prorated distribution is expected to be paid in January 2021 following the Fund's first full month of operations, which would be expected to commence in December 2020. The distribution amount per Unit will be determined in accordance with the Declaration of Trust. The Fund intends to declare monthly cash distributions no later than seven Business Days prior to the end of each month, payable within 15 days following the end of the month (or the next Business Day if not a Business Day) in which the distribution is declared to Unitholders as at month-end.

The Fund will initially own all of the issued and outstanding NV Holdings LP Class A Units. Starlight West LP will initially own all of the issued and outstanding NV Holdings LP Class B Units. NV Holdings LP will initially own all of the issued and outstanding NV LP Units. Holders of NV LP Units will be entitled to receive all the Distributable Cash from NV LP. Holders of the NV Holdings LP Class A Units will be entitled to receive all of the amounts received from NV LP, less the amount to be paid to NV Holdings GP and the amount to be paid to holders of NV Holdings LP Class B Units in respect of the Carried Interest.

The partners of Starlight West LP (currently being entities wholly-owned by Daniel Drimmer), through Starlight West LP's direct interest in NV Holdings LP, are entitled to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class if all Distributable Cash of NV LP were received by the Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts distributable by the Fund (including Distributable Cash generated by investees of the Fund not held through NV LP, if any), and distributed by the Fund to Unitholders of the Fund in accordance with the Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer), through Starlight West LP's direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to the KingSett and AIMCo Investors.

The ability of the Fund to make cash distributions on the Units and the actual amount distributed will depend on the ongoing operations of the Properties, and will be subject to various factors including those referenced in the "Risk Factors" section of this Prospectus. The aggregate Minimum Return of 8.0% per annum (determined on a per Unit basis, and calculated including the amount of the Investors Capital Return Base) for distribution proportionately to the Unitholders 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. 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 the anticipated return on investment is based upon many performance assumptions. See "Risk Factors".

See "Description of the Securities Distributed – Units – Distributions", "Description of the Securities Distributed – Units – Distribution on Termination of the Fund", "Description of the Securities Distributed – Units – Recapitalization Event" and "Risk Factors".

Recapitalization Event:

In order to provide Unitholders with liquidity, the Fund intends to complete a direct or indirect public offering or listing of new, additional or successor securities of the Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the Fund's properties and otherwise carries on the Fund's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the Fund or the Unitholders, or similar transaction as recommended by the Manager and approved by the Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding Units of the Fund (a "**Recapitalization Event**"). Any Recapitalization Event will require the approval of Unitholders by Special Resolution. On the occurrence of a Recapitalization Event, the Carried Interest will be crystallized by way of the NV Holdings LP Class B Units becoming exchangeable for Units, or for securities of the entity resulting from the Recapitalization Event, in which case the holder of the NV Holdings LP Class B Units at the time of such exchange shall be able to participate in the Recapitalization Event on the same basis as Unitholders (including, if applicable, the receipt of cash as payment for the Carried Interest).

If a Recapitalization Event has not been identified and announced by three months before the Target Recapitalization Date, the Board may extend the Target Recapitalization Date by up to two years, and may seek a Special Resolution of the Unitholders to further extend the Target Recapitalization Date beyond five years, or to take such other actions as the Board considers appropriate with respect to the continued operation of the Fund.

There can be no assurance that the Fund will be able to complete a Recapitalization Event as described herein by the Target Recapitalization Date, if at all. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur". In addition, due to intervening circumstances at any point prior to the Target Recapitalization Date, the Fund may be the subject of a transaction other than a Recapitalization Event, which transaction may take the form of (i) a sale of the Units, (ii) a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with a public issuer, (iii) a transaction involving a combination of the Fund's portfolio of Properties and operations with one or more other portfolios of properties (whether owned, controlled or managed by a related party or otherwise), or (iv) another event (other than a Recapitalization Event) similar, comparable or analogous to, or having similar, comparable or analogous effect for the Unitholders to those described in items (i) to (iii) above (an "**Alternative Liquidity Event**"). Any Alternative Liquidity Event will require the approval of Unitholders by Special Resolution. If an Alternative Liquidity

Event occurs, the Carried Interest will be crystallized and paid either in cash or in securities, as applicable, based on whether Unitholders are receiving cash or securities in such transaction.

The Carried Interest will be calculated and payable based on the net asset value of the Fund, purchase price or other valuation methodology used for purposes of the Recapitalization Event or Alternative Liquidity Event, as the case may be, regardless of the form of transaction by means of which the Recapitalization Event or Alternative Liquidity Event occurs.

See "Description of the Securities Distributed – Units – Recapitalization Event".

Redemption: The Units will be redeemable at the option of Unitholders, quarterly, by written notice to the Fund. However, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

The redemption price per Unit multiplied by the number of Units tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Units were tendered for redemption, provided that, unless the Fund otherwise determines, the total amount payable by the Fund by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed $100,000. See "Risk Factors – Limited Liquidity of Offered Units".

If Units tendered for redemption are not redeemed for cash as a result of the foregoing limitations, the Fund shall satisfy the redemption of such Units tendered for redemption by way of an *in specie* distribution of property of the Fund and/or unsecured subordinated notes of the Fund, at its option, as determined by the Board in its sole discretion. Property distributed by the Fund on a redemption is not expected to be liquid and may not be a qualified investment for trusts governed by Plans. In those circumstances, adverse tax consequences generally may apply to a Unitholder, or a 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. See "Description of the Securities Distributed – the Fund – Redemption", "Risk Factors – Limited Liquidity of Offered Units" and "Risk Factors – Risks Related to Redemptions".

Use of Proceeds: Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the Cash Amount payable under the Proposed Transaction.

There will be no closing of the Offering unless all closing conditions of the Proposed Transaction (other than payment of the Cash Amount) have been satisfied or waived. The distribution under the Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for the Final Prospectus. If one or more amendments to the Final Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for the Final Prospectus. If the closing of the Proposed Transaction is not achieved during the 90 day period or the up to 180 day period, as applicable, subscription funds received by the Agents will be returned to subscribers without any deductions, unless the subscribers have otherwise instructed the Agents.

Assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders (see "Retained Interest"), the Gross Subscription Proceeds will be $430,000,000 (net proceeds in the aggregate of $424,698,689.03 before deduction of the expenses of the Offering estimated to be $1,720,000).

The Offering size is inclusive of the Pre-Prospectus Contributions. The aggregate amount of the Pre-Prospectus Contributions will be approximately $176,979,387.50, representing the aggregate value deemed to be contributed by existing NV1 Unitholders who elected to receive Class C Units pursuant to the Plan of Arrangement that are not redeemed pursuant to the Plan of Arrangement, plus the sum of the Starlight Base Contribution, the KingSett and AIMCo Base Contribution and the Lead Order pursuant to which Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units by way of a concurrent private placement. See “Retained Interest” and “Use of Proceeds”.

Eligibility for Investment:	Based on the current provisions of the Tax Act, in the opinion of Blake, Cassels & Graydon LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the Offered Units would, if issued on the date hereof, be “qualified investments” under the Tax Act for trusts governed by RRSPs, RESPs, RRIFs, DPSPs, RDSPs and TFSAs, *provided that* the Fund qualifies at all times as a “mutual fund trust” (as defined in the Tax Act). Prospective purchasers who intend to hold Offered Units in a trust governed by such a Plan are advised to consult their personal tax advisors. See “Eligibility for Investment”.
Liquidity:	The Exchange has conditionally approved the listing of the Class A Units distributed under the Offering on the Exchange under the symbol “NHF”. Listing is subject to the Fund fulfilling all of the requirements of the Exchange on or before December 15, 2020, including distribution of the Class A Units to a minimum number of public unitholders. See “Plan of Distribution”.
Risk Factors:	Purchasers should consider the following risk factors before purchasing Units:

Limited Liquidity of Offered Units – Prior to the closing of the Offering, no public market will exist for the Offered Units. An active and liquid market for the Offered Units may not develop following the completion of the Offering or, if developed, may not be maintained. If an active public market does not develop or is not maintained, investors may have difficulty selling their Offered Units. The Offering Price of the Offered Units was determined by negotiation among the Manager, on behalf of the Fund, and the Agents and may not be indicative of the price at which the Class A Units will trade following the completion of the Offering. The Fund cannot assure investors that the market price of the Class A Units will not materially decline below the Offering Price. As a result, the liquidity of the Class A Units will be limited, and the Class C Units and Class F Units will not be liquid as they will not be listed on any exchange. Although the Fund intends to complete a Recapitalization Event by the Target Recapitalization Date, the Target Recapitalization Date may also be extended (including following the exercise of the two one-year extensions by the Board at the Board’s sole discretion) by Special Resolution of the Unitholders, subject to approval by the Board.

Volatile Market Price for 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 the Fund’s control, including the following: (i) actual or anticipated fluctuations in the Fund’s quarterly results of operations; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Fund; (iii) addition or departure of the Trustees, the Chief Executive Officer or the Chief Financial Officer as provided by the Manager and other key Fund personnel; (iv) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Fund or its competitors; (v) news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Fund’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 2019 novel coronavirus (COVID-19 virus) pandemic, or fear of any of the foregoing.

General Real Estate Ownership Risks – An investment in Offered Units is an investment in Canadian real estate through the Fund’s indirect interest in NV LP and the Properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks. See “Risk Factors – Risks Related to the Fund”.

Public Health Crises and Disease Outbreaks – Public health crises, including the ongoing health crisis related to the coronavirus (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 the Fund’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 the Fund 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 the Fund's properties. Contagion in a property or market in which the Fund operates could negatively impact its occupancy, reputation or attractiveness. All of these occurrences may have a material adverse effect on the Fund's business, cash flows, financial condition and 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 the Fund'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 the Fund to raise rent or the ability of the Fund to evict tenants for non-payment of rent, among other potential adverse impacts, that could have a material adverse effect on the Fund's business, cash flows, financial condition and 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 the Fund's business, financial condition, cash flows and/or results of operations for 2020 and beyond, cannot be fully estimated at this time, but may be material. Such impacts (for the third quarter of 2020 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 the Fund's efforts to mitigate the impact of COVID-19; (iv) deterioration of worldwide credit and financial markets that could limit the Fund's ability to obtain external financing to fund operations and capital expenditures, result in losses on the Fund's investments due to failures of financial institutions and other parties, and result in a higher rate of losses on the Fund'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 the Fund's underlying business. The size of the impact will depend on future developments.

The federal government's Canada Emergency Response Benefit (CERB) has been extended to October 3, 2020, which provides temporary income support to workers who have stopped working related to COVID-19. Additionally, the Canadian government has increased the flexibility of Employment Insurance benefits as well as extended the Canada Emergency Wage Subsidy until November 21, 2020, which will enable those employers who have experienced a considerable decline in revenue to continue paying wages to their employees. 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 the Fund's cash flow from operating activities remains uncertain. In addition, the Fund'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 the Fund's investment properties.

Even after the COVID-19 pandemic has subsided, the Fund 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 the Fund's suppliers, third-party service providers and/or tenants. The Fund and 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. The Fund 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 – The Fund may, on advice of the Manager, 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 may involve certain additional risks. See "Risk Factors – Risks Related to the Fund – Co-Investment/Joint Ventures".

No Recourse Against Property Vendors – Purchasers under this Prospectus will not have a direct statutory right or any other rights against NV1 or the NV1 Unitholders in respect of the Fund's acquisition of the Properties comprising the Initial Portfolio, and their securityholders. The Fund and its Subsidiaries will not have any remedies against NV1 and any of their respective securityholders with respect to the Fund's acquisition of the Initial Portfolio. In addition, NV1 has not made any representation to the Fund, and is not making any representation to investors in the Offering, as to the disclosure in this Prospectus constituting full, true and plain disclosure of all material facts related to the Properties comprising the Initial Portfolio, or that this Prospectus does not contain a misrepresentation with respect to such Properties. Accordingly, NV1 will not have any liability to investors in the Offering if the Prospectus disclosure relating to the Properties comprising the Initial Portfolio does not meet such standard or contains a misrepresentation.

Reliance on the Manager, Trustees and Expertise of Operational Team of the Fund – Prospective Purchasers assessing the risks and rewards of this investment 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 the Fund's operational team. The loss of the services of key personnel could have an adverse effect on the Fund, which the Fund intends to mitigate through succession planning. If the Manager loses the services of Mr. Drimmer, the Fund's Chief Executive Officer and/or the Fund's Chief Financial Officer, the business, financial condition and results of operations of the Fund may be materially adversely affected. See "Trustees and Executive Officers" and "The Manager and the Management Agreement".

A Recapitalization Event May Not Occur – The Manager intends to complete a Recapitalization Event on or prior to the Target Recapitalization Date. However, there can be no assurances that the Fund 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 the Fund's intention to complete a Recapitalization Event as described herein, intervening circumstances may result in the Fund being the subject of an Alternative Liquidity Event.

Distributions May be Reduced or Suspended – Although the Fund intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended. The ability of the Fund to pay Unitholders a targeted annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for Class C Units issued under the Proposed Transaction) across all Unit classes 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 (see "Description of the Securities Distributed – Units"), and will depend on the ability of the Fund 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 Offered 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.

Historical Financial Information and Pro Forma Financial Information – The historical financial information relating to the Initial Portfolio included in this Prospectus has been derived from historical accounting records. The Manager believes that the assumptions underlying the financial statements are reasonable. However, the financial statements may not reflect what the Fund's financial position, results of operations or cash flows would have been had the Fund been a standalone entity during the historical periods presented or what the Fund's financial position, results of operations or cash flows will be in the future.

Non-IFRS Measures – The *pro forma* financial information set out in this Prospectus includes certain measures which do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. There are no directly comparable measures calculated in accordance with GAAP, as such measures are based on investments that are external to the Fund. The measures used are meaningful to the investors as they are based on the average investor's individual investment in the entities mentioned.

Reliance on Assumptions – The Fund'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 Subscription Proceeds (or implied gross proceeds for Class C Units issued under the Proposed Transaction) across all Unit classes.

Timing of the Proposed Transaction – The completion of the Proposed Transaction, and accordingly the acquisition by the Fund of the Initial Portfolio, is subject to the satisfaction of certain conditions, including requisite approval of NV1 Unitholders, approval of the Alberta Court of Queen's Bench, regulatory approvals, and consents and approvals from CMHC and certain of NV1's lenders. The requisite approval of NV1 Unitholders was obtained on May 25, 2020 and final court approval of the Alberta Court of Queen's Bench was obtained on May 29, 2020. Anticipated timing of the Proposed Transaction may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Proposed Transaction. There is no guarantee that the Proposed Transaction will close at the anticipated time or at all.

Timing and Completion of the Lead Order – The completion of the Lead Order is subject to the satisfaction of certain conditions. Anticipated timing of the Lead Order may change for a number of reasons, including unforeseen delays relating to the Proposed Transaction or the need for additional time to satisfy the conditions to the completion of the Lead Order. There is no guarantee that the Lead Order will be completed or that the Lead Order will close at its anticipated time or at all.

Potential Conflict of Interest – The Fund 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 the Fund may be dealing. The interest of these persons could conflict with those of the Fund. 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 the Fund.

Risks Related to Redemptions

(a) *Use of Available Cash* — The payment in cash by the Fund of the redemption price of Units will reduce the amount of cash available to the Fund for the payment of distributions to the Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.

(b) *Payment of Redemption Price in Kind* — If redemptions in excess of the cash limit described above occur, the Fund may satisfy the redemption of Units in excess of this limit, by way of an *in specie* distribution of property of the Fund, and/or unsecured subordinated notes of the Fund, at its option, as determined by the Trustees in their 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. Adverse tax consequences generally will 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.

Tax Matters – The Fund, NV Holdings LP, NV Holdings GP, NV LP, NV GP and any other Subsidiaries of the Fund will be subject to the tax laws of Canada. The tax treatment of such entities may have a material adverse effect on the Fund's financial position and may adversely impact funds available for distribution to Unitholders. In addition, future legislative, judicial or administrative changes to Canadian laws could affect the tax implications to the Fund, its Subsidiaries and

Unitholders. There are numerous Canadian tax risks associated with an investment in the Offered Units. Prospective Purchasers are advised to refer to “Certain Canadian Federal Income Tax Considerations” and “Risk Factors – Risk Factors Relating to Canadian Income Taxes”.

Unitholders’ Legal Rights – The Units represent a fractional interest in the Fund. Corporate law does not govern the Fund 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. See “Description of the Securities Distributed – Units – Rights of Unitholders”.

For a more complete discussion of the risks associated with an investment in Offered Units, see “Risk Factors”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund.

Type of fee	Amount and Description
Agents' Fee:	$0.65625 (5.25%) per Class A Unit and $0.28125 (2.25%) per Class F Unit. The Agents' Fee for the Class A Units includes a selling concession of 3.00%. The Class F Units are designed for fee-based accounts and are not required to pay a selling concession. The Agents' Fee will be paid out of the Gross Subscription Proceeds.
Expenses of the Offering:	The expenses of the Offering are estimated to be $1,720,000 which, together with the Agents' Fee, will be paid by the Fund from the Gross Subscription Proceeds.
Asset Management Fee:	In consideration for providing specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer, the Fund and NV LP will pay the Manager an aggregate base annual management fee equal to 0.35% of Gross Asset Value calculated and payable on a monthly basis in arrears in cash on the first day of each month. See "The Manager and the Management Agreement – The Management Agreement".
Property Management Fees:	The Fund intends to manage the ongoing day-to-day management of the Properties through its own employees, and accordingly no property management fee will be charged to the Fund. See "Description of the Activities of the Fund – Management and Leasing of the Properties".
Ongoing Expenses of the Fund:	The Fund and NV LP will collectively pay for all ordinary expenses incurred in connection with their operation and administration. It is expected these expenses will include, without limitation: (i) mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; (ii) any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the Fund; (iii) travel expenses including those related to performance of the Manager's obligations in connection with the Management Agreement; (iv) regulatory filing fees; (v) administrative expenses and costs incurred in connection with the continuous public filing requirements of the Fund; (vi) investor relations; (vii) costs and expenses arising as a result of complying with all Applicable Laws; (viii) insurance expenses; (ix) extraordinary expenses the Manager may incur in connection with its ongoing obligations to the Fund; and (x) any expenditures incurred to effect a Recapitalization Event or resulting from an Alternative Liquidity Event. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager (and any of its officers, directors, employees, consultants or agents) or the Trustees or the executive officers of the Fund are entitled to an indemnity from the Fund. The aggregate annual amount of these fees and expenses is estimated to be approximately $2.1 million. In addition, because the Fund will indirectly own and operate physical real estate assets, the Fund will be indirectly responsible for the payment of ordinary course Operating Expenses relating to real estate, which expenses are customary for real estate related entities such as salaries and benefits for on-site and certain other employees, insurance, utilities, repairs and maintenance, advertising and general and administrative expenses. See "Description of the Activities of the Fund – Operating Expenses of the Fund".

GLOSSARY OF TERMS

Certain terms and abbreviations used in this Prospectus are defined below:

"**AB RTA**" means the *Residential Tenancies Act* (Alberta);

"**Advance Notice Provision**" has the meaning ascribed thereto under "Description of the Securities Distributed – Units – Advance Notice Provisions";

"**affiliate**" means an affiliate as defined under National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), subject to the terms "person" and "issuer" in such instrument being ascribed the same meaning as "Person" herein;

"**Agency Agreement**" means the agency agreement dated September 29, 2020 among the Fund, the Manager and the Agents;

"**Agents**" means, collectively, the Lead Agent, RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Raymond James Ltd., Canaccord Genuity Corp., Richardson GMP Limited, Desjardins Securities Inc., Industrial Alliance Securities Inc. and Laurentian Bank Securities Inc.;

"**Agents' Fee**" means a fee payable by the Fund equal to \$0.65625 (5.25%) per Class A Unit and \$0.28125 (2.25%) per Class F Unit. The Agents' Fee for the Class A Units includes a selling concession of 3.00%;

"**Aggregate Class A Interest**" is equal to (i) the aggregate gross proceeds received by the Fund for the issuance of the Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class A Units, divided by (ii) the number of Class A Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Class A Units outstanding at the time the Aggregate Class A Interest is being calculated;

"**Aggregate Class C Interest**" is equal to (i) the sum of (A) the aggregate subscription amount received and deemed to have been received by the Fund for the issuance of Class C Units pursuant to the Pre-Prospectus Contributions, and (B) the aggregate gross proceeds received by the Fund in respect of any concurrent private placements of Class C Units, divided by (ii) the number of Class C Units issued pursuant to the Pre-Prospectus Contributions and any concurrent private placements, multiplied by (iii) the number of Class C Units outstanding at the time the Aggregate Class C Interest is being calculated (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement);

"**Aggregate Class F Interest**" is equal to (i) the aggregate gross proceeds received by the Fund for the issuance of Class F Units pursuant to the Offering and any concurrent private placements, less the aggregate Agents' Fee payable in respect of the Class F Units, divided by (ii) the number of Class F Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Class F Units outstanding at the time the Aggregate Class F Interest is being calculated;

"**Aggregate Units Interest**" means, at any time, the sum of (i) the Aggregate Class A Interest, (ii) the Aggregate Class C Interest, and (iii) the Aggregate Class F Interest, at such time;

"**AIMCo Realty**" means AIMCo Realty Investors LP;

"**allowable capital loss**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Alternative Liquidity Event**" has the meaning set out under "Prospectus Summary – The Offering – Recapitalization Event";

"**AMR**" has the meaning set out under "Non-IFRS Measures";

"**annuitant**" has the meaning set out under "Risk Factors – Risks Related to the Fund – Trust Unitholder Liability";

"**Applicable Laws**" means, in respect of any Person, all laws, statutes, regulations, statutory rules, principles of common law or equity, orders and terms and conditions of any grant of approval, permission, authority or license of any governmental authority applicable to such Person or its business, undertaking and property having jurisdiction over the Person or its business, undertaking or property, in each case as amended from time to time;

"**Appraisal**" means the independent summary appraisal of the aggregate fair market value of the Properties comprising the Initial Portfolio prepared by the Appraiser;

"**Appraiser**" means CBRE Limited;

"**Arrangement Agreement**" has the meaning set out in the covering pages of this Prospectus;

"**ARRL**" means the *Act respecting the Régie du logement*;

"**Asset Management Fee**" means an annual fee payable to the Manager by the Fund and NV LP in accordance with the terms of the Management Agreement, in consideration of the Manager providing specified management services to the Fund as described in "The Manager and the Management Agreement – The Management Agreement";

"**at-risk rules**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Audit Committee**" means the Audit Committee established by the Board and described under "Corporate Governance and Board Committees – Audit Committee";

"**Average Rent per Square Foot**" has the meaning set out under "Non-IFRS Measures";

"**Azure**" means 10804 & 10812 - 102 Avenue, Fort Saint John, British Columbia;

"**BC RTA**" means the *Residential Tenancy Act*, S.B.C. 2002;

"**Bid Units**" has the meaning set out in "Description of the Securities Distributed – Units – Coattail Provisions";

"**Board**" means the board of Trustees of the Fund;

"**bps**" means basis points;

"**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario;

"**Canadian Appraisal Standards**" has the meaning set out under "Description of the Activities of the Fund – The Initial Portfolio – Independent Appraisal of the Initial Portfolio";

"**capital gains refund**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Capital Suites**" means 807 Aviq Street, Iqaluit, NU;

"**Capitalization Rate**" has the meaning set out under "Non-IFRS Measures";

"**Carried Interest**" means the entitlement of the partners of Starlight West LP (currently being entities wholly-owned by Daniel Drimmer), through Starlight West LP's direct interest in NV Holdings LP, to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class if all Distributable Cash of NV LP were received by the Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts distributable by the Fund (including Distributable Cash generated by investees of the Fund not held through NV LP, if any), and distributed by the Fund to Unitholders of the Fund in accordance with the Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer), through Starlight West LP's direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to the KingSett and AIMCo Investors;

"**Cash Amount**" has the meaning set out in the covering pages of this Prospectus;

"**Cash Flow**" means, for any Distribution Period:

(a) the sum of all cash amounts received by the Fund for or in respect of such Distribution Period, including amounts received as a limited partner holding NV Holdings LP Units pursuant to the terms of the NV Holdings LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in NV Holdings LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the Fund in any prior Distribution Period to the extent not previously distributed; less

(b) all costs and expenses of the Fund that, in the opinion of the Board, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less

(c) without duplication, any interest expense incurred by the Fund between distributions,

provided that any funds borrowed by the Fund will not be included in the calculations of Cash Flow in respect of any Distribution Period;

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time;

"**CCA**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**CCQ**" means the *Civil Code of Quebec*;

"**CDOR**" means the Canadian Dollar Offered Rate;

"**CDS**" means CDS Clearing and Depository Services Inc. and its successors;

"**Class A Unit Conversion Rate**" is equal to (i) (A) the aggregate gross proceeds received by the Fund for the issuance of the Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class A Units and, divided by (B) the aggregate of the number of Class A Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Fund for the issuance of Class F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class F Units, divided by (B) the number of Class F Units issued pursuant to the Offering and any concurrent private placements;

"**Class A Units**" means the trust units of the Fund, designated as "Class A Units";

"**Class C Unit to Class A Unit Conversion Rate**" is equal to (i) (A) the sum of (x) the aggregate subscription amount received and deemed to have been received by the Fund for the issuance of Class C Units pursuant to the Pre-Prospectus Contributions and (y) the aggregate gross proceeds received by the Fund in respect of any concurrent private placements of Class C Units, divided by (B) the aggregate number of Class C Units issued pursuant to the Pre-Prospectus Contributions (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement) and any concurrent private placements following the cancellation of the initial Class C Unit, divided by (ii) (A) the aggregate gross proceeds received by the Fund for the issuance of Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class A Units, divided by (B) the number of Class A Units issued pursuant to the Offering and any concurrent private placements;

"**Class C Unit to Class F Unit Conversion Rate**" is equal to (i) (A) the sum of (x) the aggregate subscription amount received and deemed to have been received by the Fund for the issuance of Class C Units pursuant to the Pre-Prospectus Contributions and (y) the aggregate gross proceeds received by the Fund in respect of any concurrent private placements of Class C Units, divided by (B) the aggregate number of Class C Units issued pursuant to the Pre-Prospectus Contributions (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement) and any concurrent private placements following the cancellation of the initial Class C Unit, divided by (ii) (A) the aggregate gross proceeds received by the Fund for the issuance of Class F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class F Units, divided by (B) the number of Class F Units issued pursuant to the Offering and any concurrent private placements;

"**Class C Units**" means the trust units of the Fund, designated as "Class C Units";

"**Class Excess Return**" means the amount by which (i) the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class if all Distributable Cash were received by the Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts distributable by the Fund (including Distributable Cash generated by investees of the Fund not held through NV LP, if any), and distributed by the Fund to Unitholders of the Fund in accordance with the Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base for such class);

"**Class F Unit Conversion Rate**" is equal to (i) (A) the aggregate gross proceeds received by the Fund for the issuance of the Class F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class F Units, divided by (B) the number of Class F Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Fund for the issuance of Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class A Units, divided by (B) the number of Class A Units issued pursuant to the Offering and any concurrent private placements;

"**Class F Units**" means the trust units of the Fund, designated as "Class F Units";

"**Class Offer**" has the meaning set out under "Description of the Securities Distributed – Units – Coattail Provisions";

"**Class Threshold Return**" means the amount by which (i) the aggregate Minimum Return in respect of a particular class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base for such class), exceeds (ii) the aggregate Investors Capital Return Base in respect of such class of Units of the Fund;

"**Closing Date**" means the closing date of the Offering, which will be following the satisfaction or waiver of all conditions to the Proposed Transaction, and which is currently expected to be on November 2, 2020;

"**CMA**" means census metropolitan area;

"**CMHC**" means the Canada Mortgage and Housing Corporation;

"**Coattail Conversion Rate**" is (i), in the case of Class C Units, (A) one divided by (B) the Class C Unit to Class A Unit Conversion Rate and (ii), in the case of the Class F Units, is equal to (A) one divided by (B) the Class F Unit Conversion Rate;

"**Conversion End Date**" has the meaning set out under "Description of the Securities Distributed – Units – Coattail Provisions";

"**Convertible Offered Units**" means the Class A Units and Class F Units;

"**Convertible Units**" means the Class A Units, Class C Units and Class F Units;

"**Courthouse**" means 4903 - 49 Street, Yellowknife, Northwest Territories;

"**Courtyards Apartments**" means 9818 - 94 Ave, Grande Prairie, Alberta;

"**CRA**" means the Canada Revenue Agency;

"**D.D. Acquisitions Partnership**" means D.D. Acquisitions Partnership, a partnership formed under the laws of the Province of Ontario and controlled by the principal of Starlight Group;

"**Debt**" has the meaning set out under "Non-IFRS Measures";

"**Declaration of Trust**" means the amended and restated declaration of trust of the Fund dated as of the date of this Prospectus, as it may be further amended or amended and restated from time to time, as more particularly described under "Description of the Securities Distributed – Units";

"**Demand Distribution**" has the meaning set out under "Retained Interest – Demand Registration Right";

"**Demand Registration Right**" has the meaning set out under "Retained Interest – Demand Registration Right";

"**Distributable Cash**" means the aggregate of all cash flow from operations of the Properties in a period after payment of all current obligations relating to the Properties, including all current principal and interest payments under the Mortgage Loans after the creation of reasonable working capital and capital improvement reserves as determined by the Fund, payment of the portion of the Asset Management Fee payable to the Manager and payment of the fees payable in respect of the Properties;

"**Distributable Cash Flow**" means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period, less any amount that the Board may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of NV Holdings LP, NV Holdings GP or the Fund, that have been or are reasonably expected to be incurred in the activities and operations of NV Holdings LP, NV Holdings GP or the Fund (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow) and less such reserves or amounts as are, in the opinion of the Board, necessary or desirable;

"**Distributable Cash Flow Balance**" has the meaning set out under "Description of the Securities Distributed – Units – Distributions";

"**Distribution Period**" means each month of each calendar year expected to commence on December 1, 2020;

"**Diversity Policy**" has the meaning set out under "Corporate Governance and Board Committees – Governance and Nominating Committee – Diversity";

"**DPSPs**" means deferred profit sharing plans as defined in the Tax Act;

"**Elk Pointe Estates**" 155 & 157 Pinnacle Drive, Grande Prairie, Alberta.

"**Entity**" means any one of the Fund, NV Holdings LP or NV LP and "**Entities**" means all of them;

"**Exchange**" means the Toronto Stock Exchange;

"**FFO**" has the meaning set out under "Non-IFRS Measures";

"**FFO Payout Ratio**" has the meaning set out under "Non-IFRS Measures";

"**Final Prospectus**" means the Final Prospectus to be filed by the Fund with the securities commissions or other securities regulatory authorities in each of the provinces and territories of Canada;

"**forward-looking information**" has the meaning set out under "Forward-Looking Statements";

"**Fund**" means Northview Canadian High Yield Residential Fund, a newly created "closed-end fund" established pursuant to the laws of the Province of Ontario on April 14, 2020 pursuant to the initial declaration of trust of the Fund, and, where the context requires, includes its Subsidiaries;

"**Fund Property**" means all of the property and assets of the Fund held pursuant to the Declaration of Trust;

"**GAAP**" means Canadian generally accepted accounting principles for publicly accountable enterprises as defined by the Accounting Standards Board of The Canadian Institute of Chartered Accountants, as amended from time to time, which is IFRS;

"**GDP**" means gross domestic product;

"**Governance and Nominating Committee**" means the Governance and Nominating Committee established by the Board and described under "Corporate Governance and Board Committees – Governance and Nominating Committee";

"**Grenfell Court**" means 30, 44 & 64 Crosbie Road, St. John's, Newfoundland and Labrador;

"**Gross Asset Value**" means, at any time, the greater of (A) the value of the assets of the Fund and its consolidated Subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations;

"**Gross Book Value**" has the meaning set out under "Non-IFRS Measures";

"**Gross Subscription Proceeds**" means the gross proceeds received by, or deemed to be contributed to, the Fund from (a) the Pre-Prospectus Contributions; (b) the issuance of the Offered Units pursuant to the Offering; and (c) the issuance of Class C Units pursuant to any concurrent private placements (other than the Lead Order, which is a Pre-Prospectus Contribution);

"**Harbour Landing**" means 5500 Parliament Avenue, Regina, Saskatchewan;

"**Health Crisis**" has the meaning set out under "Risk Factors – Risks Related to the Fund – Public Health Crises and Disease Outbreaks";

“**Holder**” has the meaning set out under “Certain Canadian Federal Income Tax Considerations”;

“**HomePort**” means HomePort Head Lease Property - 3/5/7/9/11/13 Wadland Cres; 148/150 Torbay Rd; 152/154 Torbay Rd, St. John’s, NL;

“**ICP**” means the Inuvik Commercial Properties Zheh Gwizu Limited Partnership;

“**ICS**” means the Inuvik Capital Suites Zheh Gwizu Limited Partnership;

“**IFRS**” means International Financial Reporting Standards;

“**Initial Portfolio**” means the geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites located in the Secondary Markets, interests in which will be indirectly acquired by the Fund concurrently with the completion of the Offering pursuant to the Proposed Transaction;

“**Initial Portfolio MD&A**” has the meaning set out under “Management’s Discussion and Analysis of Results of Operations of the Initial Portfolio”;

“**Insider Trading Policy**” has the meaning set out under “Corporate Governance and Board Committees – Corporate Governance”;

“**Investment Restrictions**” means the investment restrictions of the Fund, as more particularly described under “Investment Restrictions and Operating Policy – Investment Restrictions”;

“**Investor Rights Agreement**” means the investor rights agreement to be entered into by the Fund, the Manager and the KingSett and AIMCo Investors on the Closing Date as more particularly described under “Retained Interest — Investor Rights Agreement / Nomination Rights”;

“**Investors Capital Return Base**” means in respect of a Unit of a particular class of Units, (i) the sum of (A) the aggregate gross amount of all cash subscription proceeds received by the Fund for the issuance of the subject class of Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable, if any, in respect of the subject class of Units and (B) the aggregate gross subscription amount received and deemed to have been received by the Fund upon the issuance of the subject class of Units pursuant to the Pre-Prospectus Contributions, divided by (ii) the number of subject class of Units issued pursuant to the Offering and any concurrent private placements and the Pre-Prospectus Contributions (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement);

“**Issue Size**” has the meaning set out under “Retained Interest – Ownership Interest”;

“**Kelly’s Brook**” means 346 358 & 360 Empire Ave, St. John’s, Newfoundland and Labrador;

“**KingSett and AIMCo Base Contribution**” has the meaning set out in the covering pages of this Prospectus;

“**KingSett and AIMCo Investors**” means, collectively, KingSett Group and AIMCo Realty;

“**KingSett Group**” means KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP;

“**Lead Agent**” means CIBC World Markets Inc.;

“**Lead Order**” has the meaning set out in the covering pages of this Prospectus;

“**Lead Trustee**” means the Board-designated trustee among the independent Trustees, who will provide leadership for the independent Trustees in certain circumstances if the Chairman is not independent, as more particularly described under “Corporate Governance and Board Committees – Corporate Governance”;

“**Management Agreement**” means the agreement to be entered into among the Fund, NV LP and the Manager pursuant to which the Manager will provide certain services relating to the Properties;

“**Manager**” means Starlight Investments CDN AM Group LP, a wholly-owned Subsidiary of Starlight Group, and the manager of the Fund and NV LP pursuant to the Management Agreement;

"**Maximum Offering**" means the offering of a maximum of $430,000,000 of Offered Units, inclusive of the Pre-Prospectus Contributions;

"**MD&A**" means management's discussion and analysis;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* as replaced or amended from time to time;

"**Minimum Return**" means in respect of a Unit of a particular class of Units, an amount equal to the sum of (i) the Investors Capital Return Base for a Unit of the subject class of Units and (ii) a return of 8.0% per annum on the Investors Capital Return Base for a Unit of the subject class of Units calculated on a cumulative basis to the date of calculation of the Minimum Return, whether or not attributable directly or indirectly to any particular Unitholder and, for greater certainty, all Units issued pursuant to the Pre-Prospectus Contributions, the Offering and any concurrent private placement shall be deemed to have been issued on the same date for purposes of the calculation of the Minimum Return;

"**Mortgage Loans**" means one or more mortgages, charges, pledges, hypothecs, liens, security interests or other encumbrances of any kind or nature whatsoever of the Properties, to be granted by NV LP (or, if a Property is held by a Subsidiary or nominee entity on behalf of NV LP, by such entity) to one or more lenders, the proceeds of which will be used to finance the purchase, ownership and leasing of such Property;

"**NB RTA**" means the *Residential Tenancies Act* (New Brunswick);

"**NCI**" means the non-certificated inventory system of CDS;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*, as replaced or amended from time to time;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*, as replaced or amended from time to time;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, as replaced or amended from time to time;

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time;

"**NL RTA**" means the *Residential Tenancies Act, 2018* SNL 2018, c R-14.2;

"**NOI**" has the meaning set out under "Non-IFRS Measures";

"**NOI margin**" has the meaning set out under "Non-IFRS Measures";

"**Nominating Unitholder**" has the meaning ascribed thereto under "Description of the Securities Distributed – Units – Advance Notice Provisions";

"**Non-Resident**" means either a "non-resident" of Canada within the meaning of the Tax Act or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act;

"**non-same door expenses**" has the meaning set out under "Non-IFRS Measures";

"**non-same door NOI**" has the meaning set out under "Non-IFRS Measures";

"**non-same door revenue**" has the meaning set out under "Non-IFRS Measures";

"**Notice Date**" has the meaning ascribed thereto under "Description of the Securities Distributed – Units – Advance Notice Provisions";

"**NU RTA**" means the *Residential Tenancies Act* (Nunavut);

"**NV1**" means Northview Apartment Real Estate Investment Trust;

"**NV1 Unitholders**" means the unitholders of NV1;

"**NV GP**" means Northview Canadian HY Properties GP Inc., a corporation incorporated under the laws of the Province of Ontario on July 16, 2020, and the general partner of NV LP;

"**NV Holdings GP**" means Northview Canadian HY Holdings GP Inc., a corporation incorporated under the laws of the Province of Ontario on July 16, 2020, and the general partner of NV Holdings LP;

"**NV Holdings LP**" means Northview Canadian HY Holdings LP, a limited partnership established on July 16, 2020 by NV1 and NV Holdings GP under the laws of the Province of Ontario and pursuant to the NV Holdings LP Agreement;

"**NV Holdings LP Agreement**" means the agreement establishing NV Holdings LP dated July 16, 2020, as it may be amended and restated from time to time, between NV1 and NV Holdings GP and all persons who become holders of NV Holdings LP Units as provided therein;

"**NV Holdings LP Class A Units**" means the Class A limited partnership units of NV Holdings LP;

"**NV Holdings LP Class B Units**" means the Class B limited partnership units of NV Holdings LP;

"**NV Holdings LP Units**" means collectively, the NV Holdings LP Class A Units and the NV Holdings LP Class B Units;

"**NV LP**" means Northview Canadian HY Properties LP, a limited partnership established on July 16, 2020 by a Subsidiary of NV1 and NV GP under the laws of the Province of Ontario and pursuant to the NV LP Agreement;

"**NV LP Agreement**" means the agreement establishing NV LP dated July 16, 2020, as it may be amended and restated from time to time, entered into between a Subsidiary of NV1 and NV GP and all persons who become holders of NV LP Units as provided therein;

"**NV LP Units**" means collectively, the limited partnership units of NV LP;

"**NWT RTA**" means the *Residential Tenancies Act*, R.S.N.W.T. 1988;

"**occupancy**" has the meaning set out under "Non-IFRS Measures";

"**Offered Units**" means the Class A Units and the Class F Units;

"**Offering**" means the offering of up to $430,000,000 of Offered Units, inclusive of the Pre-Prospectus Contributions;

"**Offering Price**" means $12.50 per Offered Unit;

"**Operating Expenses**" means all amounts paid or payable on account of expenses in the operation of and/or leasing of the Properties;

"**Operating Policy**" means the operating policy of the Fund, as more particularly described under "Investment Restrictions and Operating Policy – Operating Policy";

"**Ordinary Resolution**" means a resolution of the unitholders or limited partners of an Entity, as the case may be, approved by not less than 50% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders or limited partners of an Entity, entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those persons;

"**Original Purchasers**" has the meaning set out under "Purchasers' Statutory Rights and Other Contractual Rights";

"**OSC**" means the Ontario Securities Commission;

"**Partnerships**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Person**" includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted;

"**Plan of Arrangement**" has the meaning set out in the covering pages of this Prospectus;

"**Plans**" has the meaning set out under "Eligibility for Investment";

"**Prairie View Estates**" means 7104 & 7110 - 41 Street, Lloydminster, Alberta;

"**Pre-Prospectus Contributions**" has the meaning set out under "Retained Interest – Ownership Interest";

"**Properties**" means the lands and premises located in the Secondary Markets or interests therein to be purchased, owned and leased, by NV Holdings LP or its affiliates, including the Initial Portfolio, and "**Property**" means one of the Properties;

"**Proportionate Class A Interest**" is equal to the Aggregate Class A Interest, divided by the Aggregate Units Interest;

"**Proportionate Class C Interest**" is equal to the Aggregate Class C Interest, divided by the Aggregate Units Interest;

"**Proportionate Class F Interest**" is equal to the Aggregate Class F Interest, divided by the Aggregate Units Interest;

"**Proposed Transaction**" has the meaning set out in the covering pages of this Prospectus;

"**Prospectus**" means this prospectus and any amendments hereto and documents incorporated by reference herein;

"**Purchaser**" means a purchaser of Offered Units;

"**RDL**" means the Régie du logement;

"**RDSPs**" means registered disability savings plans as defined in the Tax Act;

"**Recapitalization Event**" has the meaning set out under "Prospectus Summary – The Offering – Recapitalization Event";

"**Redemption Notice**" has the meaning set out under "Description of the Securities Distributed – Units";

"**REIT Exception**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Related Party**" means, with respect to any person, a person who is a "related party" as that term is defined in MI 61-101;

"**Required Proceeds**" has the meaning set out under "Retained Interest – Ownership Interest";

"**RESPs**" means registered education savings plans as defined in the Tax Act;

"**Retained Interest Holders**" has the meaning set out in the covering pages of this Prospectus;

"**RRIFs**" means registered retirement income funds as defined in the Tax Act;

"**RRSPs**" means registered retirement savings plans as defined in the Tax Act;

"**same door expenses**" has the meaning set out under "Non-IFRS Measures";

"**same door NOI**" has the meaning set out under "Non-IFRS Measures";

"**same door revenue**" has the meaning set out under "Non-IFRS Measures";

"**Saskatchewan RTA**" means *The Residential Tenancies Act*, *2006,* SS 2006, c R-22.0001 and the regulations made thereunder;

"**Scenic Heights**" means 1603, 1607, 1611, 1615 Scenic Drive South, Lethbridge, Alberta;

"**Secondary Markets**" means the secondary markets in which the Fund's Properties will be located within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut, or such other provinces and territories as the Fund may determine from time to time;

"**Securities Act**" means the *Securities Act* (Ontario), and the regulations thereunder, as amended from time to time;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval at www.sedar.com;

"**Shaw Estates**" means 5301 A & 5301 B - 37 Street, Bonnyville, Alberta;

"**SIFT Rules**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Skyline Terrace**" means 37 Berkeley Place West, Lethbridge, Alberta;

"**Special Resolution**" means a resolution of the unitholders or limited partners of an Entity, as the case may be, approved by not less than $66^2/_3$% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders or limited partners of an Entity, entitled, in the aggregate, to not less than $66^2/_3$% of the aggregate number of votes of those persons;

"**Starlight**" means collectively, Starlight Group and its affiliates;

"**Starlight Base Contribution**" has the meaning set out in the covering pages of this Prospectus;

"**Starlight Group**" means Starlight Group Property Holdings Inc., a British Columbia corporation;

"**Starlight West GP**" means Starlight West GP Ltd., a corporation incorporated under the laws of the Province of Ontario, and the general partner of Starlight West LP;

"**Starlight West LP**" means Starlight West LP, a limited partnership formed under the laws of the Province of Ontario, the general partner of which is Starlight West GP and the limited partnership interests of which are indirectly held by Starlight Group;

"**Subsidiary**" includes, with respect to any Person, an entity controlled, directly or indirectly, by such Person and, in respect of the Fund, shall include NV Holdings LP, NV Holdings GP, NV LP, NV GP and any special purpose vehicle wholly-owned by NV Holdings LP and "**Subsidiaries**" means any two or more of them;

"**Sunridge Place**" means 83/85/87/89 MacDonald Drive; 135/137 Ennis Avenue; 25/27 Wadland Cres, St. John's, Newfoundland and Labrador;

"**Target Recapitalization Date**" means the date which is on or about three years from the Closing Date, subject to extension by the Board pursuant to two one-year extensions at the Board's sole discretion, or as may be further extended beyond five years by Special Resolution of the Unitholders;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

"**Tax Proposals**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**taxable capital gain**" has the meaning set out under "Certain Canadian Federal Income Tax Considerations";

"**Tesla Estates**" means 3370 - 72 Avenue, Lloydminster, Alberta;

"**TFSAs**" means tax-free savings accounts as defined in the Tax Act;

"**TMX Project**" means the Trans Mountain Expansion Project;

"**top-up elections**" has the meaning set out under "Retained Interest – Ownership Interest";

"**Trustee**", at any time, means an individual who is, in accordance with the provisions hereof, a trustee of the Fund at that time and "**Trustees**" means, at any time, all of the individuals each of whom is at that time a trustee;

"**U.S.**" means the United States of America;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as it may be amended from time to time;

"**Unitholder**" means a holder of record of any Units;

"**Units**" means the Class A Units, Class C Units and Class F Units, collectively;

"**Valleyview Apartments**" means 99, 100, 101, 102, 103, 105, 107 & 109 Terra Nova Road, St. John's, Newfoundland and Labrador;

"**Westmore Estates**" means 10250A - 121st Avenue, Grande Prairie, Alberta;

"**Winston Villa**" means 1304, 1306 & 1308 23rd Ave North, Lethbridge, Alberta; and

"**YK Centres**" means YK Centre, YK Centre East, YK Centre West - 4802 - 50 Avenue, 4915 - 48 Street, 4905 - 48 Street, Yellowknife, Northwest Territories.

1. CORPORATE STRUCTURE

1.1 Name and Formation

The Fund

The Fund is a newly created “closed-end fund”, managed by the Manager. The Fund is governed by the laws of the Province of Ontario and was established on April 14, 2020 pursuant to the initial declaration of trust of the Fund. The Fund has a Board consisting of five Trustees being Daniel Drimmer, Rob Kumer, Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder.

The head and registered office of the Fund is 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3.

NV Holdings LP

NV Holdings LP is a limited partnership formed pursuant to, and governed by, the laws of the Province of Ontario. The general partner of NV Holdings LP is NV Holdings GP, a corporation incorporated pursuant to and governed by the laws of the Province of Ontario. All of the issued and outstanding shares of NV Holdings GP will be owned by the Fund following the closing of the Proposed Transaction.

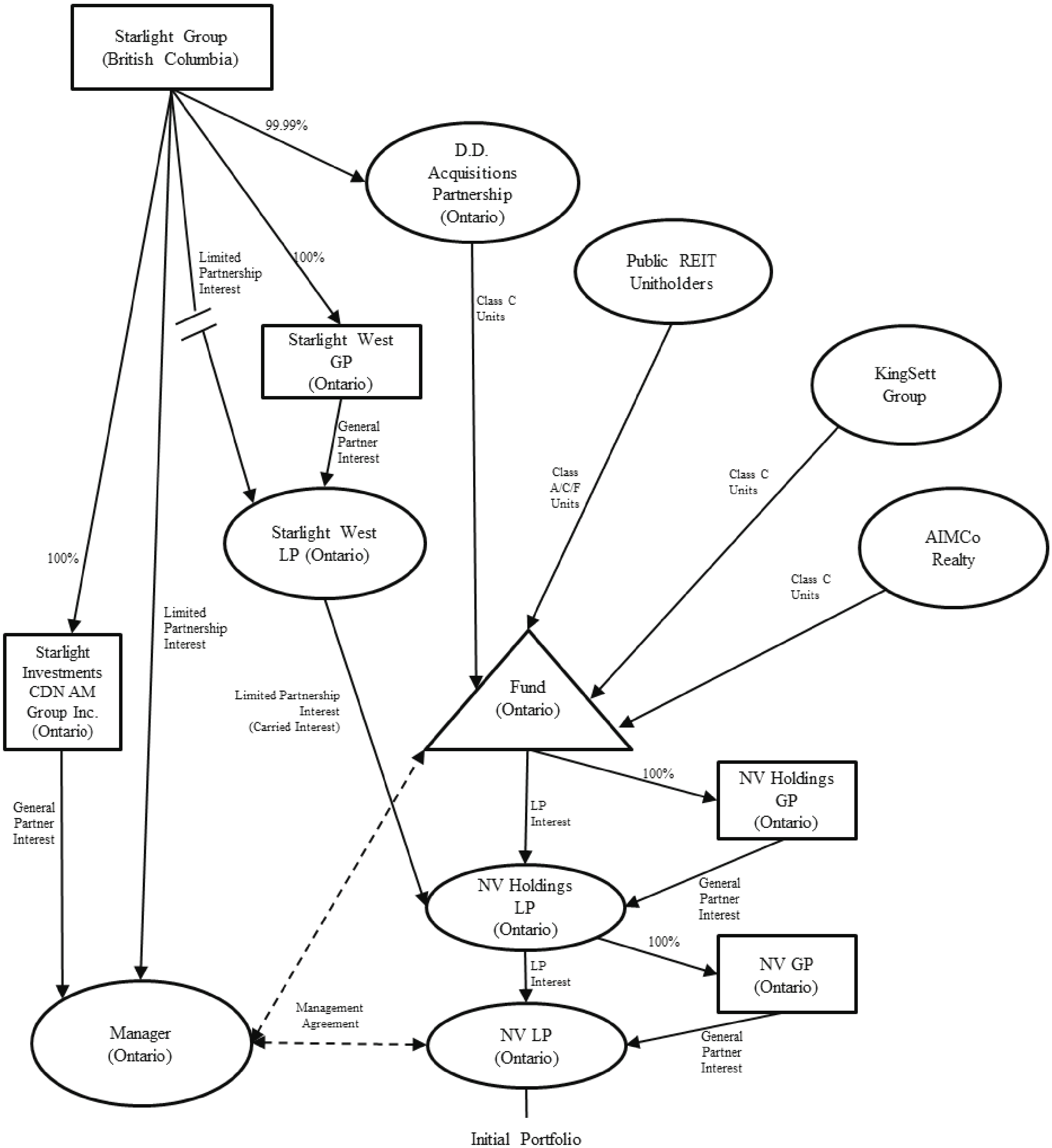
NV LP

NV LP is a limited partnership formed pursuant to, and governed by, the laws of the Province of Ontario. The general partner of NV LP is NV GP, a corporation incorporated pursuant to and governed by the laws of the Province of Ontario. All of the issued and outstanding shares of NV GP will be owned by NV Holdings LP following the closing of the Proposed Transaction.

NV LP has been established, among other things, for the purposes of acquiring, owning and operating the Initial Portfolio. In order to accommodate the expected requirements of lenders and to segregate any risks of ownership between Properties, NV LP may have certain of the Properties owned by a separate underlying limited partnership or other Subsidiary wholly-owned by NV LP.

1.2 Inter-corporate Relationships

The following chart sets forth the relationships among the Fund, NV Holdings LP, NV LP, the KingSett and AIMCo Investors, the Manager, D.D. Acquisitions Partnership and Starlight Group, assuming the completion of the Proposed Transaction and acquisition of the Initial Portfolio.



* Starlight Group indirectly owns the limited partnership interest in Starlight West LP. Starlight Group and Starlight West GP are entitled to the Carried Interest through Starlight West LP's direct interest in NV Holdings LP. See "Description of the Securities Distributed – NV Holdings LP – Distributions".

2. INVESTMENT STRATEGY

The Fund was established for the primary purpose of indirectly acquiring, owning and operating a high quality, geographically diversified real estate portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets. The Manager believes that the multi-residential real estate sector in the Secondary Markets continues to exhibit compelling investment characteristics, supported by strong property fundamentals and demographic trends that position it well in all economic environments and provides the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes.

2.1 Investment Objectives

The Fund's investment objectives are to:

(a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and execusuites, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets;

(b) make stable monthly cash distributions; and

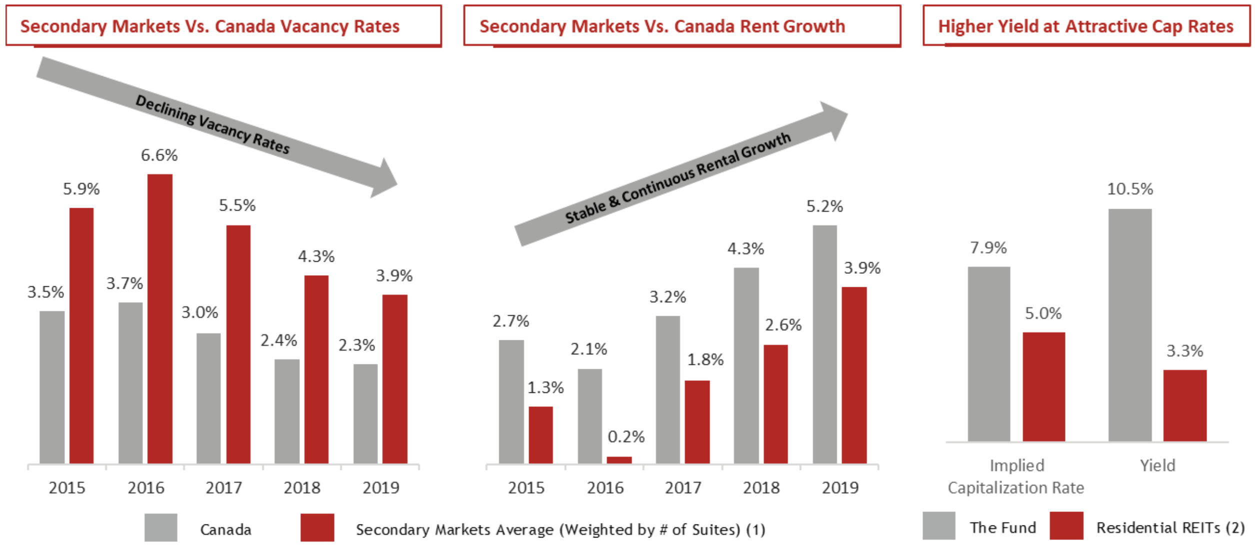
(c) effect a Recapitalization Event by the Target Recapitalization Date. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur".

The Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any Class C Units issued under the Proposed Transaction) across all Unit classes in the aggregate, although this amount will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Unit. See "Risk Factors" and "Description of the Securities Distributed – Units – Distributions".

An annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any Class C Units issued under the Proposed Transaction) would represent an expected FFO Payout Ratio of approximately 80.5% based on the *pro forma* financial statements included in this Prospectus. The foregoing FFO Payout Ratio also assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus, that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders, and based on the applicable Agents' Fee and costs of the Offering. The Fund will seek to achieve its investment objectives through its investment strategy as described under the heading "Investment Strategy".

2.2 Strategy of the Fund

The Fund is being formed to provide investors with an attractive investment opportunity to participate in a geographically diverse portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit-rated corporations. The Manager believes that multi-residential suites, commercial real estate and execusuites markets in the selected markets within the Secondary Markets represent an attractive investment opportunity and offer the potential for attractive risk adjusted returns. Specifically, the Fund has selected the Secondary Markets, which have exhibited high growth characteristics while providing stable and relatively high yields. The Manager believes there are significant barriers to the expansion of multi-residential supply in the Fund's target markets given the challenge associated with achieving economies of scale, general unavailability of developable land, and the high cost of development. Additionally, rising unaffordability and the growing demand for living in the more affordable Secondary Markets, coupled with a supply-constrained multi-residential market, creates an appealing investment opportunity for investors.



Notes:

(1) Based on data from Alberta (excluding Calgary, Edmonton), British Columbia (excluding Vancouver, Abbotsford/Mission, Victoria, Nanaimo), Saskatchewan, Québec (excluding Montréal, Québec City, Gatineau), New Brunswick, Newfoundland and Labrador, and the Northwest Territories.

(2) Includes public market comparables as of May 29, 2020: CAR.UN, BEI.UN, KMP.UN, IIP.UN, MI.UN, and MRG.UN.

Source: CMHC, Public Disclosure

The Manager has, and the Fund's Chief Executive Officer and Chief Financial Officer are expected to have significant experience in the Canadian multi-residential real estate market sector with a focus on Canadian markets, including real estate acquisitions, dispositions, finance and administration, property management, construction and renovation, and marketing and sales. These skills are expected to permit the Fund to capitalize on real estate opportunities which may be unavailable to other real estate investors who lack experience in these real estate markets and more specifically, with the Fund's asset classes.

The Manager expects to undertake regular reviews of the Fund's property investments and, based on experience and local market knowledge, will assess the ongoing opportunities for the Properties, including capital improvement projects and enhanced asset management opportunities.

The Fund's investment strategy will capitalize on the following characteristics of the Initial Portfolio in order to meet its objectives:

(a) ***Robust Asset Class with Compelling Characteristics***: The Canadian real estate sector experienced, until recently, an unprecedented decade of demand and returns since the global financial crisis in 2008. Historically strong property fundamentals, driven by compelling economic and population growth as well as employment gains, led to record high commercial real estate acquisition volumes and record low Capitalization Rates. Against the backdrop of these results, the multi-residential sector has been the top performing commercial property class in North America.

The Manager believes that the multi-residential sector's historical ability to generate consistent cash flows and provide defensive positioning against economic cycle downturns, makes it an attractive option for investors, including in the current economic environment. Historical performance drivers including a growing population stemming from Canada's normal immigration policies, rising home ownership costs and an imbalance between rental supply and demand are becoming entrenched in many markets across the country. The Manager expects these performance drivers to continue, and therefore increase the appeal of multi-residential assets, both currently and as the current economic environment improves in the future, well-positioning the Initial Portfolio to outperform during the expected period of recovery.

(b) ***Attractive Capitalization Rates***: Highly attractive Capitalization Rates (approximately 7.88% in 2019) in the Secondary Markets are exhibited by the Initial Portfolio compared to historically lower Capitalization Rates in primary Canadian markets.

(c) ***Portfolio Diversification***: The Initial Portfolio is a geographically diverse portfolio of income-producing multi-residential suites, commercial real estate and execusuites across six Canadian provinces and two territories. The Manager believes the diversity of the markets in which the Initial Portfolio is situated allows for the mitigation of negative shocks and cyclicality within both specific industries (including oil and gas and resource-based industries) and markets and on a macro level, while providing the potential for stable returns and distributions with flexibility for growth opportunities.

(d) ***Low Vacancy Rates and Strong Rental Rates***: Overall, the Canadian multi-residential sector and, specifically, the markets in which the Initial Portfolio is situated, have historically experienced significant shortages of housing that have resulted in low vacancy rates in the Initial Portfolio. According to CBRE Group Inc.'s February 24, 2020 report, the Canadian national average multi-residential vacancy rate at the end of 2019 was approximately 2.3%, which is below the ten-year average of approximately 2.6%, and was projected to decline further in 2020. With multi-residential properties at near full occupancy in markets from coast to coast, rent growth has also accelerated. Over the past two years, as a result of a robust economy and continued economic growth, the rental rate for two bedroom suites grew on average over 4.6%. During the course of the COVID-19 pandemic, NV1 has not been issuing rental increases, or enforcing increases that were due to come into effect.

(e) ***Strong Rental Covenants***: Nunavut and the Northwest Territories represented approximately 52% of the Fund's aggregate NOI for fiscal 2019. Approximately 66% of the rental revenue from Nunavut and the Northwest Territories is derived from leases to, or leases guaranteed by, governments or credit-rated corporations. The Manager believes that the benefits of these arrangements are fourfold: (i) governments represent a minimal credit risk; (ii) the leases are administratively and operationally simpler; (iii) as the Fund's relationship will not be with individual sub-tenants, damages and repairs that may occur will often be covered by the government or corporate entity leasing the suite; and (iv) turnover which is typical of residential portfolios is significantly reduced.

Additionally, mixed residential/commercial complexes in the Secondary Markets were pioneered by the predecessor to the Fund. These complexes are mainly residential with ground floors leased to credit-rated corporations and government agencies. The rents for the ground floor commercial space are much higher per square foot than residential rents and add significant yield.

(f) ***Barriers to Entry***: The Manager believes that the opportunity for new competition or over-building in the Secondary Markets is limited due to the focus by most developers on major metropolitan markets in Canada and the barriers to entry into the Fund's secondary multi-residential markets, particularly the Northern Canadian markets, experienced by other developers. These barriers to entry include limited land availability suitable for development and unique building techniques, shorter duration of the building season, and significant construction costs. Accordingly, new supply is constrained due to both financial and practical constraints of construction. The Manager also believes that the Initial Portfolio is being purchased at below replacement cost.

(g) ***Availability of CMHC Financing***: CMHC-insured financing has historically been available at attractive rates for the Initial Portfolio's residential and mixed-use buildings. Approximately 90% of the mortgages on the multi-residential properties forming part of the Initial Portfolio are presently CMHC-insured. Moreover, CMHC mitigates against renewal risk of existing CMHC-insured financing given the fact that the insurance remains valid for the entire amortization period of the loan (typically ranging from 25 to 40 years). Together with interest rates at substantially below conventional mortgage rates, CMHC-insured financing is expected to mitigate the Fund's exposure to interest rate risk in a rising interest rate environment. Currently, CMHC-insured interest rates are at or near record lows.

(h) ***Strategic Relationships***: Through its strategic relationship with Starlight Group, the Fund will have the opportunity to make additional acquisitions of high quality residential and commercial properties. The Fund will attempt to enhance the yield on the Units, including by making accretive real estate investments.

2.3 Implementation Strategies

The Fund plans to achieve growth by implementing the internal and external strategies described below.

(a) ***Internal Property Management and External Asset Management***: The Fund will manage its Properties utilizing its strong internal property and market knowledge and will benefit from Starlight Group's asset management platform which will, among other things, provide the services of a Chief Executive Officer and a Chief Financial Officer at no additional cost to the Fund. This will provide the Fund with access to one of Canada's strongest multi-residential platforms and the opportunity to achieve cost efficiencies and revenue synergies. The Fund will also maintain resident and senior property management personnel to ensure that key tenant relations are addressed by professional and capable local personnel. In addition, accounting and financial operations will be centrally located and administered by personnel familiar with the Initial Portfolio. This will allow for continuity of management and local knowledge of the Fund's markets. Based on its prior track record, decades of combined experience, including navigating the global financial crisis in 2008, and the deep knowledge of the Canadian multi-residential sector possessed by its personnel, the Manager believes that it is well positioned to manage the Fund through the current pandemic.

(b) ***Refinancing of Properties in a Favourable Interest Rate Environment***: The Fund intends to secure new financing and/or refinancing proceeds for properties in the Initial Portfolio in the current interest rate environment in which CMHC financing rates are at or near record lows.

(c) ***Residential "Out-Sourcing" Through Execusuites Platform***: The Manager and internal property management team's expertise in providing housing to corporations and government agencies that wish to "outsource" their housing needs is expected to continue and will allow the Fund to provide rental housing solutions tailored to meet their specific needs in remote areas where there are few conventional housing market providers. The Manager believes that there is a housing out-sourcing market particularly related to the resource exploration and development industry which the Fund will be qualified to access, thereby providing the opportunity to generate additional low-risk high-yield returns.

(d) ***Long-Term Tenant Relationship Management***: The Manager intends to continue to nurture positive tenant relations in order to maintain the Initial Portfolio's low turnover and low level of vacancy which will enhance growth.

(e) ***Preventive Maintenance and Repair***: The Fund will continue to maintain the high standard of maintenance and repair established by NV1 in order to ensure a high level of tenant satisfaction and reduce risk of turnover. During the COVID-19 pandemic, only emergency work orders in multi-residential suites will be addressed. However, the Fund intends to maintain property cleaning schedules, with increased frequency and focus on cleaning high traffic areas.

(f) ***Internal Growth through Development***: The Initial Portfolio includes one property which is currently in redevelopment as well as over 26.6 acres of land held for potential development, of which approximately: (i) 15.6 acres are located in Northern Alberta and Northern British Columbia; (ii) 10.9 acres are located in Newfoundland and Labrador; and (iii) 1.1 acres are located in Nunavut.

Other than the Chief Executive Officer and Chief Financial Officer of the Fund, whose services will be provided to the Fund by the Manager, the Fund will provide the platform necessary to capitalize on this opportunity, offering a team with operational and strategic experience and expertise and the benefit of its established network of industry contacts.

3. INVESTMENT RESTRICTIONS AND OPERATING POLICY

3.1 Investment Restrictions

The Declaration of Trust provides certain restrictions on investments that may be made directly or indirectly by the Fund. The assets of the Fund may be invested only in accordance with the following restrictions.

(a) the Fund may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in multi-residential suites, commercial real estate and execusuites located in the Secondary Markets and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment restrictions in the Declaration of Trust (the "**Investment Restrictions**"), provided that the Fund may invest up to 25% of the size of the Gross Book Value in real properties which do not comply with the foregoing;

(b) other than the Initial Portfolio, neither the appraised value nor the purchase price of the interest of the Fund in any single Property shall exceed $50 million unless approved by the Board;

(c) the Fund may make its investments and conduct its activities, directly or indirectly, through an investment in one or more Persons on such terms as the Trustees may from time to time determine;

(d) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of Canada or a province or territory, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the Investment Restrictions and Operating Policy (as defined herein) of the Fund, the Fund may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Board) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (h) below, the Fund may hold securities of a person: (i) acquired in connection with the carrying on, directly or indirectly, of the Fund's activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the "**Acquired Issuer**") on a fair market value basis, except for investments referred to in paragraph (a) or investments held by the Fund, directly or indirectly, following the Proposed Transaction, the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the Fund and the Acquired Issuer or for otherwise ensuring that the Fund will control the business and operations of the Acquired Issuer;

(e) the Fund shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

(f) the Fund shall not invest in raw land for development, except for (i) raw land acquired as part of the Proposed Transaction, (ii) existing Properties with additional development, or (iii) the purpose of renovating or expanding existing Properties, in an amount that does not exceed 5% of the aggregate Gross Book Value of the Fund;

(g) the Fund may invest in mortgages (including participating or convertible mortgages) and similar instruments where: (i) the Board has approved such investment; (ii) the real property which is security therefor is income-producing real property which otherwise meets the Investment Restrictions; (iii) the aggregate book value of the investments of the Fund in mortgages, after giving effect to the proposed investment, will not exceed 25% of the Gross Book Value; (iv) such investments are not entered into for speculative purposes; and (v) the Board believes that such investments will provide the Fund with the opportunity to acquire the Property underlying such investment within one year from the date such investment is made;

(h) notwithstanding anything else contained in the Declaration of Trust, the Fund will not make any investment, take any action or omit to take any action (or permit any of its Subsidiaries to make any investment, take any action, or omit to take any action) that would result in the Fund not qualifying as a "unit trust", a "mutual fund trust" and a "real estate investment trust"; that would result in the Fund, NV Holdings LP, NV LP or any other subsidiary of the Fund being a "SIFT trust" or a "SIFT partnership"; or that would result in any Units not being "qualified investments" for trusts governed by Plans, in each case within the meaning of the Tax Act;

(i) the Fund shall not invest more than 10% of the Gross Book Value in securities of a publicly traded entity; and

(j) notwithstanding any other provisions of the Declaration of Trust, the Fund shall require NV LP to only make investments and adopt the Operating Policy and undertake activities that will allow the Fund to meet all requisite organizational, operational, income, asset and distribution requirements for the Fund to qualify as a "real estate investment trust" under the Tax Act

For the purpose of the foregoing Investment Restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Fund, including NV Holdings LP and NV LP, will be deemed to be those of the Fund and they will be accounted for in accordance with the methods prescribed by IFRS, except in the case of the Investment Restrictions described in 3.1(h) and (j) above to the extent that such treatment would be inconsistent with the relevant requirements or interpretation of the Tax Act. In addition, any references in the foregoing Investment Restrictions to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

3.2 Operating Policy

The Declaration of Trust provides that the operations and affairs of the Fund, NV Holdings LP and NV LP are to be conducted in accordance with the following policy (the "**Operating Policy**"):

(a) the Fund shall not purchase, sell, market or trade in currency or interest rate futures contracts other than for hedging purposes where, for the purposes hereof, the term "hedging" has the meaning ascribed thereto by National Instrument 81-102 – *Investment Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;

(b)

(i) any written instrument creating an obligation which is or includes the granting by the Fund of a mortgage; and

(ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation

shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Fund, but that only property of the Fund or a specific portion thereof is bound; the Fund, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Fund upon the acquisition of real property;

(c) the Fund may only engage in construction or development of real property to maintain its real properties in good repair or to improve the income-producing potential of properties in which the Fund has an interest;

(d) title to each real property shall be held by and registered in the name of NV Holdings LP, a limited partnership or a corporation formed (or acquired) and wholly-owned, directly or indirectly, by the Fund or NV Holdings LP or jointly-owned, directly or indirectly, by the Fund or NV Holdings LP, with joint venturers or in such other manner which, in the opinion of the Board, is commercially reasonable;

(e) the Fund shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Fund would be more than 70% of Gross Book Value;

(f) the Fund shall obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Fund and the accidental loss of value of the assets of the Fund from risks, in amounts, with such insurers, and on such terms as the Board considers appropriate, taking into account all relevant factors including the practice of owners of comparable properties;

(g) the Fund shall obtain a Phase I environmental site assessment of each real property to be acquired by it (other than the Properties comprising the Initial Portfolio) and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Fund shall conduct such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Board;

(h) the Fund shall obtain a property condition assessment of each real property that it intends to acquire (other than the Properties comprising the Initial Portfolio); and

(i) the Fund shall obtain an independent appraisal of each property, or an independent valuation of a portfolio of properties, that it intends to acquire.

For the purpose of the foregoing Operating Policy, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Fund, including NV Holdings LP and NV LP, will be deemed to be those of the Fund and they will be accounted for in accordance with the methods prescribed by IFRS. In addition, any references in the foregoing Operating Policy to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

For the purpose of paragraph (e) of the foregoing Operating Policy, "**indebtedness**" means (without duplication) on a consolidated basis:

(a) any obligation of the Fund for borrowed money;

(b) any obligation of the Fund incurred in connection with the acquisition of property, assets or business, other than the amount of future income tax liability arising out of indirect acquisitions;

(c) any obligation of the Fund issued or assumed as the deferred purchase price of property;

(d) any capital lease obligation of the Fund; and

(e) any obligation of the type referred to in clauses (a) through (d) of another person, the payment of which the Fund has guaranteed or for which the Fund is responsible for or liable;

provided that (i) for the purposes of clauses (a) through (d), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Fund in accordance with generally accepted accounting principles; (ii) obligations referred to in clauses (a) through (c) exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business; and (iii) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding.

3.3 Amendments to Investment Restrictions and Operating Policy

Pursuant to the Declaration of Trust, any of the Investment Restrictions and the Operating Policy contained in paragraph (e) set out under the heading "Operating Policy" may be amended only by Special Resolution. The remaining Operating Policy may be amended by Ordinary Resolution. Notwithstanding the foregoing, the Board may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein. See "Description of the Securities Distributed – Units – Meetings of Unitholders and Resolutions" and "Description of the Securities Distributed – Units – Amendments to the Declaration of Trust".

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the Fund or any property owned directly or indirectly by the Fund shall enact any law, regulation or requirement which is in conflict with any Investment Restriction or Operating Policy of the Fund then in force (other than subparagraphs (h) and (j) of the "Investment Restrictions"), such Investment Restriction or Operating Policy in conflict shall, if the Board, on the advice of legal counsel to the Fund, so resolves, be deemed to have been amended to the extent necessary to resolve any such conflict and any such resolution of the Board shall not require the prior approval of Unitholders.

4. DESCRIPTION OF THE ACTIVITIES OF THE FUND

The Fund will use the proceeds from the issuance of Offered Units to fund the Cash Amount under the Proposed Transaction and as part of the Proposed Transaction, the Fund will acquire all of the issued and outstanding NV Holdings LP Class A Units and Starlight West LP will acquire all of the issued and outstanding NV Holdings LP Class B Units. NV Holdings LP will own all of the NV LP Units and NV LP will directly or indirectly acquire the Properties, including the Initial Portfolio. See "Description of the Activities of the Fund – The Initial Portfolio" and "Investment Strategy".

As a result, an investment in Offered Units will be an indirect investment in the acquisition, ownership and leasing of the Properties and other returns on and of capital payable to NV Holdings LP will also ultimately form part of the Distributable Cash Flow and be available for distribution to Unitholders after payment of all Fund expenses.

4.1 Activities of the Fund

The Fund was established on April 14, 2020 for the primary purpose of indirectly acquiring, owning and operating a high quality, geographically diversified real estate portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets. The Manager believes that the multi-residential real estate sector in the Secondary Markets continues to exhibit compelling investment characteristics, supported by strong property fundamentals and demographic trends that position it well in all economic environments, and provides the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes. The Fund's principal undertaking will be to issue Offered Units and to acquire, own and operate the Properties indirectly through NV Holdings LP. The Fund does not have an operating history. The Fund's ultimate objective, through NV Holdings LP is to enhance operating income and property values and effect a Recapitalization Event by the Target Recapitalization Date.

In order to provide Unitholders with liquidity, the Fund intends to complete a Recapitalization Event by way of a direct or indirect public offering or listing of new, additional or successor securities of the Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the Fund's properties and otherwise carries on the Fund's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the Fund or the Unitholders, or similar transaction as recommended by the Manager and approved by the Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding Units of the Fund. Any Recapitalization Event will require the approval of Unitholders by Special Resolution. There can be no assurance that the Fund will be able to complete a Recapitalization Event as described herein by the Target Recapitalization Date, if at all. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur".

4.2 Business of NV Holdings LP and NV LP

NV Holdings LP has been established for the purposes of issuing NV Holdings LP Units and holding the NV LP Units. NV LP has been established for the purposes of owning and leasing a portfolio of income-producing rental properties in the multi-residential suites, commercial real estate and execusuites markets in the Secondary Markets. Each of the Properties may be owned by a separate underlying limited partnership or other Subsidiary entity established (or acquired) and owned by NV LP. See "Corporate Structure – Inter-corporate Relationships".

4.3 The Properties

The Fund intends, on recommendation from the Manager and through the experience of internal property management and the senior executive team, to invest (directly or indirectly through a Subsidiary) in income-producing rental properties in the multi-residential suites, commercial real estate and execusuites markets in the Secondary Markets including the Initial Portfolio. See "– The Initial Portfolio" below. The Manager intends to manage the Properties with the view to preserving capital and providing monthly cash returns. The Manager expects to focus on multi-residential suites, commercial real estate and execusuites that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets.

The Fund's investment objectives are to: (a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and execusuites, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets; (b) make stable monthly cash distributions; and (c) effect a Recapitalization Event by the Target Recapitalization Date. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur".

The Fund will provide disclosure for select geographic groupings of Properties acquired by NV LP in the Fund's interim and annual MD&A, which disclosure is expected to be similar to that previously provided for NV1. The Fund anticipates such information will include, as appropriate, for disclosed Properties, details on the location, size, age, suite distribution, occupancy, purchase price and purchase date. Disclosure will also include any material capital expenditures intended to be made on the Property and a summary of the results of any third-party appraisal.

To the extent the acquisition of a Property constitutes a "material change" or "significant acquisition" under NI 51-102, the Fund will file a press release, material change report and/or business acquisition report, as applicable, for the acquisition containing the required disclosure.

4.4 Management and Leasing of the Properties

The Manager believes that maximizing revenue and careful scrutiny of capital expenditures is the key to driving value when investing in real estate. The Manager intends to enhance the value of the Properties through an active asset management strategy, which includes property-specific business plans to improve NOI. The Manager believes active management of leasing is one key to driving revenue as it allows the Manager to be intimately aware of resident needs. This allows the Manager to anticipate future revenue opportunities and mitigate potential leasing risks. The Manager also intends to enhance assets with targeted capital expenditures to increase operating income and to improve resident relationships and increase resident retention through customer service initiatives and new service offerings. The Manager believes it is aligned, through the investment in the Fund by its affiliate, to ensure that capital will not be spent unnecessarily and only where it is beneficial to the value of the investment.

The Fund intends to manage the ongoing day-to-day management of the Properties through its own employees, and accordingly no property management fee will be charged to the Fund.

The Fund will also provide, through its own employees, customary property management services in respect of certain properties located in Québec being acquired by Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, respectively, pursuant to the Proposed Transaction. The Fund will receive a property management fee of between 3.25% to 3.75% of the effective gross income for such properties. The term of the property management agreement in respect of each property will be one year, subject to automatic renewal for successive periods of one year each, unless a notice of non-renewal is delivered by Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, as applicable, at least 60 days prior to the termination date of each agreement. Notwithstanding the foregoing, either the Fund or Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, as applicable, may terminate the property management agreements within 60 days written notice at any time and for any reason whatsoever. The agreements shall also terminate upon (i) an event of insolvency of the Fund, (ii) an event of default by the Fund that is not cured to the reasonable satisfaction of Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, as applicable, within 30 days or, if unable to be cured within 30 days, the Fund fails to take reasonable steps to do so, (iii) the sale of the subject property, or (iv) any damage or destruction of the subject property which is sufficient to detrimentally affect the ongoing operation of such property. In connection with a termination of a property management agreement, the Fund shall be paid all unpaid and earned fees up to the date of termination of the agreement.

4.5 Operating Expenses of the Fund

The Fund and NV LP will collectively pay for all ordinary expenses incurred in connection with their operation and administration. It is expected these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; (b) any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the Fund; (c) travel expenses including those related to performance of the Manager's obligations in connection with the Management Agreement; (d) regulatory filing fees; (e) administrative expenses and costs incurred in connection with the continuous public filing requirements of the Fund; (f) investor relations; (g) costs and expenses arising as a result of complying with all Applicable Laws; (h) insurance expenses; (i) extraordinary expenses the Manager may incur in connection with its ongoing obligations to the Fund; and (j) any expenditures incurred to effect a Recapitalization Event or resulting from an Alternative Liquidity Event. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager (and any of its officers, directors, employees, consultants or agents) or the Trustees or the executive officers of the Fund are entitled to an indemnity from the Fund. The aggregate annual amount of these fees and expenses is estimated to be approximately $2.1 million.

In addition, because the Fund will indirectly own and operate physical real estate assets, the Fund will be indirectly responsible for the payment of ordinary course Operating Expenses relating to real estate, which expenses are customary for real estate related entities such as salaries and benefits for on-site and certain other employees, insurance, utilities, repairs and maintenance, advertising and general and administrative expenses.

4.6 The Initial Portfolio

Total Portfolio By Province

Province	Multi-Residential Suites	Execusuites	Commercial Square Footage
British Columbia	1,397	-	85,390
Alberta	3,527	-	45,703
Saskatchewan	355	-	-
Québec	161	-	-
New Brunswick	1,338	-	17,680
Newfoundland and Labrador	1,730	145	225,449
Northwest Territories	1,309	160	532,798
Nunavut	1,161	42	220,676
Total	**10,978**	**347**	**1,127,696**

Total Portfolio By City

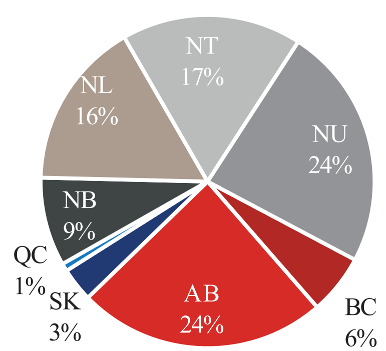
City	Multi-Residential Suites	Execusuites	Commercial Square Footage
British Columbia			
Fort Saint John	401	-	49,683
Dawson Creek	377	-	7,555
Fort Nelson	284	-	28,152
Prince George	202	-	-
Panorama	88	-	-
Taylor	45	-	-
Subtotal - British Columbia	**1,397**	**-**	**35,707**
Alberta			
Fort McMurray	866	-	-
Grande Prairie	826	-	-
Lloydminster	655	-	-
Lethbridge	611	-	-
Slave Lake	247	-	-
Bonnyville	164	-	-
Saint Paul	134	-	-
Brooks	24	-	-
Calgary	-	-	45,703
Subtotal - Alberta	**3,527**	**-**	**45,703**
Saskatchewan			
Regina	323	-	-
Lloydminster	32	-	-
Subtotal - Saskatchewan	**355**	**-**	**-**
Québec			
Sept-Iles	161	-	-
Subtotal - Québec	**161**	**-**	**-**
New Brunswick			
Moncton	1,069	-	10,800
Dieppe	269	-	6,880
Subtotal - New Brunswick	**1,338**	**-**	**17,680**

Total Portfolio By City

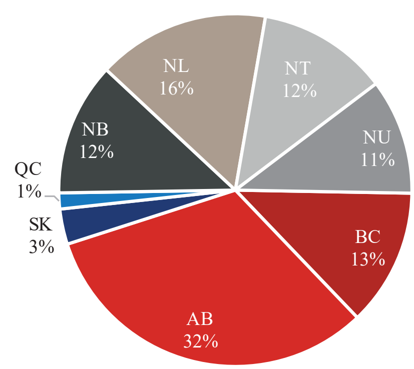
City	Multi-Residential Suites	Execusuites	Commercial Square Footage
Newfoundland & Labrador			
Saint John's	1,330	145	225,449

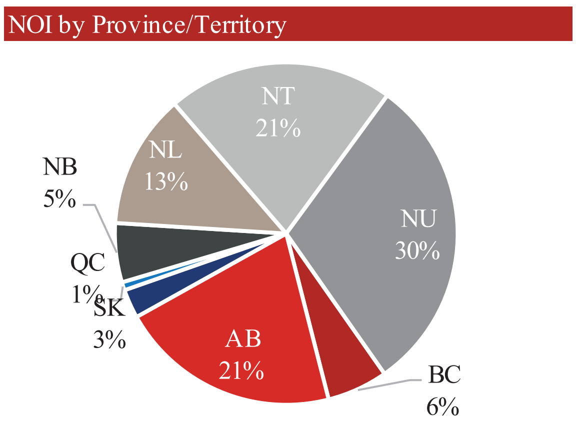
Gander	215	-	-
Labrador City	185	-	-
Subtotal - Newfoundland & Labrador	**1,730**	**145**	**225,449**
Northwest Territories			
Yellowknife	1,051	78	440,471
Inuvik	258	82	92,327
Subtotal - Northwest Territories	**1,309**	**160**	**532,798**
Nunavut			
Iqaluit	946	42	220,676
Cambridge Bay	66	-	-
Pangnirtung	40	-	-
Igloolik	27	-	-
Cape Dorset	24	-	-
Pond Inlet	23	-	-
Clyde River	10	-	-
Hall Beach	7	-	-
Taloyoak	6	-	-
Arctic Bay	5	-	-
Kimmirut	4	-	-
Gjoa Haven	3	-	-
Subtotal – Nunavut	**1,161**	**42**	**220,676**

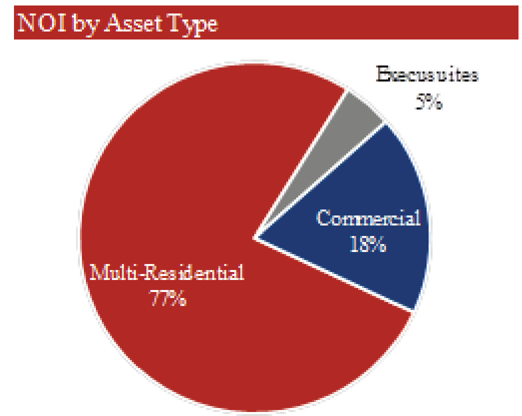
Value by Province/Territory



Residential Suites by Province/Territory







The Initial Portfolio is a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites, with approximately 77% of NOI derived from an aggregate of approximately 10,900 multi-residential suites, approximately 18% of NOI derived from an aggregate of approximately 1,100,000 square feet of commercial real estate which includes office and commercial space, and approximately 5% of NOI derived from an aggregate of approximately 340 execusuites.

The multi-residential suites forming part of the Initial Portfolio consist mainly of low-rise, wood-frame buildings in either an apartment or townhouse configuration. Approximately 90% of the mortgages on the multi-residential suites forming part of the Initial Portfolio are CMHC-insured.

The commercial real estate forming part of the Initial Portfolio is located within the Secondary Markets where certain of the multi-residential suites forming part of the Initial Portfolio are located, and consist of office, warehouse, and mixed-use buildings, which are largely leased to federal, provincial or territorial governments and other credit-rated commercial tenants under long-term leases.

The execusuites forming part of the Initial Portfolio comprise four Properties located in St. John's, Yellowknife, Iqaluit and a joint venture in Inuvik. The execusuites offer apartment-style accommodation and are rented for both short and long-term periods. The execusuites forming part of the Initial Portfolio have historically performed well due to being situated in locations in favourable markets with robust economies, limited supply, extensive government travel, limited new construction and developments, and strong transient business.

The Initial Portfolio collected 98.1% of multi-residential and commercial rent in the second quarter of 2020. As of September 9, 2020, the Initial Portfolio has collected 98.6% of total June rent, 98.2% of total July rent, 97.9% of total August rent and 88.7% of total September rent. However, the effects of the ongoing COVID-19 pandemic could result in an increasing inability for tenants to meet their payment obligations, among other adverse effects. See "Risk Factors – Risks Related to the Fund – Public Health Crises and Disease Outbreaks".

During the course of the COVID-19 pandemic, NV1 has not been issuing rental increases, or enforcing increases that were due to come into effect, and is not currently acting on evictions for non-payment of rent. There are no current plans by the Fund to enter into deferred payment plans or provide any rental abatements with respect to the Initial Portfolio as a result of COVID-19. Any changes to the rental program require the consent of the Retained Interest Holders under the Arrangement Agreement.

Occupancy for the multi-residential Properties that comprise the Initial Portfolio was 90.2% as at June 30, 2020 compared to 91.0% as at December 31, 2019 and 90.6% as at June 30, 2019.

For a complete list of the Properties comprising the Initial Portfolio, see "Schedule A". In addition, for summary descriptions of 20 of the Properties comprising the Initial Portfolio selected as representative of the Initial Portfolio, see "Description of the Activities of the Fund".

Joint Venture Relationships

The Fund has a 50% interest in Inuvik Capital Suites Zheh Gwizu Limited Partnership ("**ICS**") and a 50% interest in Inuvik Commercial Properties Zheh Gwizu Limited Partnership ("**ICP**") with Zheh Gwizu Limited Partnership. These partnerships represent approximately ten multi-residential suites, 82 execusuites and approximately 85,000 commercial square feet at the 100% ownership level.

The Fund has a 55% interest in GoGa Cho Building Limited Partnership. This partnership represents approximately 20,500 commercial square feet at the 100% ownership level.

Potential Co-Investments/Joint Ventures

The Manager has extensive experience in the multi-residential real estate sector, including in Canada. During the past ten years, the principal of the Manager, Daniel Drimmer, has acquired, operated and sold in excess of 85,000 multi-residential suites. Throughout this period, the Manager has developed a broad network of, and has maintained ongoing relationships with, numerous sophisticated investors in the multi-residential real estate sector (including, in particular, real estate investment trusts and pension funds). The Manager may leverage its network and ongoing relationships with such investors by exploring, from time to time, potential co-investment opportunities involving the Fund and one or more co-investors. Such co-investment opportunities may allow the Fund to participate in the acquisition of larger portfolios than it would otherwise be able to acquire acting as a sole purchaser. As such, the Fund has been structured to facilitate co-investments by one or more co-investors, provided the Fund retains voting control of NV Holdings LP and NV LP or other entity used for co-investment. Notwithstanding the foregoing, the Fund may not control some or all of the decision making with respect to the Properties that are the subject of a co-investment. Should the Fund determine it is in the best interests of the Fund to acquire any Property with a co-investor, conflicts of interest could arise between the Fund and such co-investor, including with respect to the sale of such Property. See "Risk Factors – Risks Related to the Fund – Co-Investment/Joint Ventures".

Key Tenants and Government Backing

The Initial Portfolio has a stable tenant base, comprising government entities, large credit-rated commercial tenants and individual tenants. Tenants are individuals and federal, provincial and territorial governments as well as credit-rated corporations, which allows for a hybrid of significant diversification as well as credit tenancies.

In Nunavut, approximately 81% of residential rental revenues are currently derived from leases with, or guaranteed by, corporations, and the federal and territorial governments and agencies, with the Government of Nunavut accounting for approximately 62% of residential rental revenues and the Government of Canada accounting for approximately 9% of residential rental revenues. In the Northwest Territories, leases with or guaranteed by the Government of Northwest Territories comprises approximately 8% of residential rental revenues.

Within the commercial component of the Initial Portfolio, approximately 64% of base revenues are derived from the top ten tenants with approximately 46% of base revenues being derived from federal, provincial or territorial government or government-backed leases. In the Northwest Territories and Nunavut, government commercial leases account for approximately 59% and 64% of the respective territory's base commercial revenue. The following table illustrates the top ten tenants in the Initial Portfolio's commercial properties in terms of their percentage contribution to total commercial square footage and base commercial revenues:

Tenant Name	Description	Credit Rating Moody's/S&P/DBRS	Percentage of Square Footage	Percentage of Base Commercial Revenue
Government of Northwest Territories	The Government of Northwest Territories is the governing body of the Territory.	Aa1 / - / -	20.9%	26.3%
Government of Nunavut	The Government of Nunavut is the governing body of the Territory.	Aa1 / - / AAL	6.6%	11.3%
Wal-Mart Canada Corp.	Walmart Canada operates a chain of more than 400 stores nationwide that carry nearly 120,000 products including fresh groceries, apparel, electronics and specialty services such as pharmacies, photocentres and garden centres.	Aa2 / AA / AA	5.0%	3.1%
Government of Canada	The Government of Canada is based in Ottawa and is the federal governing body of the country.	Aaa / AAA / AAA	3.9%	8.2%
Wolseley Holdings Canada Inc.	Wolseley Canada is the leading wholesale distributor to plumbing, HVAC/R, waterworks and industrial markets in the country.	Baa2/ BBB+ / -[(1)]	3.4%	2.8%
Stantec Consulting Ltd.	Stantec is an engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics firm employing over 22,000 people globally.	-	3.3%	4.2%
Technip Canada Limited	TechnipFMC is a global leader in subsea, onshore, offshore, and surface technologies, operating in 48 countries with 37,000+ employees.	Baa2 / BBB+ / -	2.5%	3.3%
United Parcel Service Canada Ltd.	United Parcel Service is an American multinational package delivery and supply chain management company, managing the flow of goods, funds, and information in more than 200 countries and territories.	A2 / A / -	2.0%	1.0%
Loblaws Inc.	Loblaws is Canada's food and pharmacy leader, with a network of corporate and independently- operated stores in communities across the country, and employing close to 200,000 Canadians.	- / BBB / BBB	1.9%	2.3%
Det Norske Veritas (Canada) Ltd.	Det Norske Veritas is the leading provider of risk management and quality assurance services to the maritime, oil and gas, and power and renewables industries, with operations in more than 100 countries.	-	1.3%	1.6%
Total			**51.1%**	**64.2%**

Note:

(1) Wolseley Holdings Canada Inc. is a subsidiary of Ferguson PLC. Credit rating ascribed reflects the credit rating of the parent entity, Ferguson PLC.

Land Leases Structure

Land tenure in Nunavut is based on a system of equity leases, with the exception of a very limited number of fee simple titles in existence at the time of the establishment of Nunavut.

Rental rates during the initial term of an equity lease are based upon an agreed price for the land to be leased with such price generally amortized over a 15-year period. Equity leases have an initial term of 30 years and are generally renewable for a further 30-year term at an annual rent of $1.00.

Additional Properties are subject to leases which do not contain renewal provisions. In cases where a lease does not specify a renewal option and a building has been constructed on the property, governmental practice to date has been that such leases have been automatically renewed on application.

Overview of Territories

General Overview

The economy in Nunavut and the Northwest Territories is multi-faceted, driven by oil and gas exploration and production, diamond and gold mining, government administration, transportation and tourism.

In the public sector, the Northwest Territories is less economically autonomous than its provincial counterparts as a result of the federal government continuing to own the Territories' natural resource rights. According to the Northwest Territories' budget for 2019-2020, the Territorial Financing Formula grant and other transfer payments accounted for approximately 80% of the Northwest Territories' revenues. The territorial government spent approximately $790 million in public infrastructure in recent years, including the construction of Inuvik Tuktoyaktuk Highway and Stanton Territorial Hospital.

Real Estate Property Market

In recent history, the real estate markets in Nunavut and the Northwest Territories have been characterized by low vacancy rates, low turnover rates, widespread housing shortages and high rental rates. The Fund's predecessor has captured a large share of the residential rental market in Nunavut and the Northwest Territories and has established itself as the largest private-sector residential landlord and private-sector owner of income-producing properties in these territories.

The governments of both Nunavut and the Northwest Territories have identified the shortage of affordable housing as a serious concern. The Manager believes that as a result of this shortage, the real estate market of the Canadian territories presents opportunities for both residential and commercial properties. Historically, demand for housing has been created by the mining and oil and gas industries as well as government workers and the employees of Aboriginal governments and business. In addition, due to the historical high cost of housing, government departments and agencies, as well as private companies, have entered into multi-year lease arrangements with property owners and in turn sub-let these premises to their employees. The Manager intends to continue servicing the need for housing in this market and believes that the Fund has the experience and market-specific knowledge developed through the previous management of the Initial Portfolio's operations to enable it to meet its objectives and strategies.

Real estate development in Nunavut and the Northwest Territories is characterized by the practical problems of constructing buildings on permafrost, the need to accumulate building materials during a short summer shipping season, transportation costs and risks and high development costs. These barriers have prevented easy entry to the market by other developers and are expected to permit the Fund, with its experience in the real estate market of Canadian territories and its existing portfolio of properties, to capitalize on this market. For example, the high cost of new construction has prevented incremental residential developers from entering the rental market in Yellowknife for many years. With the acquisition of the Initial Portfolio, the Fund expects to own approximately 50% of the rental market in Yellowknife, resulting in a market leading position in the region.

Overview of Alberta

The Fund will own assets in:

(a) Bonnyville

(b) Calgary

(c) Fort McMurray

(d) Grande Prairie

(e) Lethbridge

(f) Lloydminster

(g) Saint Paul

(h) Slave Lake

General Overview

Northern Alberta has a resilient and diverse economy, which is predominantly fueled by its oil and gas industry, and in particular the natural gas and pipeline sectors, and also includes agriculture, forestry and the government services industry. The extraction of these resources and subsequent construction of the area's complex network of oil and natural gas pipelines has prompted an influx of companies and people into the region over the last few decades. Northern Alberta's economy, going forward, will in particular be impacted by the outcome of the Trans Mountain Expansion Project ("**TMX Project**") approved in 2019, which, if completed, would twin the existing Trans Mountain oil pipeline running from Edmonton, Alberta to the Westridge Marine Terminal and the Chevron refinery in Burnaby, British Columbia, and increase the pipeline system's capacity from approximately 300,000 barrels per day to approximately 890,000 barrels per day, as well as the construction of the Keystone XL pipeline project, a 1,947 kilometre pipeline capable of delivering 830,000 barrels per day of crude oil from Alberta to the U.S. Gulf Coast. The Manager expects there to be an opportunity for improvement from cyclical recovery in resource-based markets in Northern Alberta.

Real Estate Property Market

The majority of the Initial Portfolio within Alberta is spread across the cities of Fort McMurray, Grand Prairie, Lloydminster and Lethbridge.

The real estate market in Fort McMurray surrounds numerous projects that have been undertaken in the vicinity, such as the Syncrude joint venture (Suncor, Imperial, Sinopec and CNOOC), Shell Canada's Athabasca oil sands project and Cenovus' Foster Creek & Christina Lake projects, which have historically resulted in higher housing and rental prices than most such remote areas. The economy and real estate market of Lloydminster, similar to Fort McMurray, is driven primarily by the energy industry.

Grande Prairie's demographics are an important driver in its economy and real estate market. According to the City of Grande Prairie, the city is one of the youngest cities in Canada with a median age of 31.9 and has in the recent past been one of the fastest growing communities in North America. Statistics Canada's 2016 Census recorded 69,088 residents, up 37.6% from 2007. This young population has provided a valuable workforce to the region's main economic sectors, which include agriculture, forestry and oil and gas.

Uniquely situated along the borders of Alberta and Saskatchewan, Lloydminster is an entrepreneurial mid-sized city, given an absence of business tax, no development charges, low municipal taxes and special Saskatchewan provincial sales tax exempt status. Accordingly, it has in the recent past attracted a young community of residents with more than a quarter of the population between the ages of 20-34 based on Statistics Canada's 2016 Census. While its economy and real estate market is dependent on the energy industry, it also relies on its historical agriculture industry, with wheat, barley and canola accounting for over 30% of the total acreage sown in the Lloydminster area according to the municipal government. In addition, Lloydminster is home to Husky Energy Inc.'s asphalt refinery.

Lethbridge is the commercial, financial, transportation and industrial centre of southern Alberta. In contrast to Fort McMurray, Lethbridge's economy has traditionally been agriculture-based; however, it has diversified in recent years. Half of the workforce is employed in the health, education, retail and hospitality sectors, and the top five employers are government-based. In addition, Lethbridge is home to the University of Lethbridge, which has historically been the source of a stream of housing demand from the university-going population.

Overview of Northern British Columbia

The Fund will own assets in:

(a) Dawson Creek

(b) Fort Nelson

(c) Fort Saint John

(d) Panorama

(e) Prince George

(f) Taylor

General Overview

Northern British Columbia's economic base predominantly comprises the forestry, mining, oil and gas, energy, agriculture and tourism industries.

Northern British Columbia's economy has a predominant focus on the energy sector. The energy sector in Northern British Columbia includes large hydroelectric dams, biomass facilities and wind farms. BC Hydro operates two hydroelectric facilities in the Northeast region: the GM Shrum Generating Station and the Peace Canyon Generating Station, which together generate roughly 38% of BC Hydro's total. The Site C Dam which is currently under construction by BC Hydro on the Peace River near Fort St. John will be the fourth largest hydroelectric dam in British Columbia. The major energy infrastructure projects in Northern British Columbia currently under construction are the Site C Dam and the LNG Canada natural gas facility.

In addition, Northern British Columbia's economy is impacted by the performance of its tourism sector and mining sector. With respect to its mining sector, Northern British Columbia has metal and coal deposits, with metallurgical coal deposits concentrated in the Northeast region and precious metal deposits in the Northwest and Cariboo-Chilcotin/Lillooet regions. The Manager expects there to be an opportunity for improvement from cyclical recovery of the oil and gas industry in British Columbia.

Real Estate Property Market

The majority of the Initial Portfolio within British Columbia is spread across the cities of Fort Saint John and Dawson Creek.

Fort Saint John is the largest city in the Northeast Region of British Columbia, with a population of approximately 21,000 and houses a resource-based economy focused on oil, natural gas, forestry and agriculture. It is the centre for the province's oil and gas industry with the British Columbia Oil and Gas Commission located in the city, along with Northern Lights College's Fort Saint John campus, which houses the British Columbia Centre of Training Excellence in Oil and Gas, including a full-sized oil rig and simulated wellsites. In addition, according to the municipal government of Fort Saint John, the population is younger with the average age being approximately nine years less than the average age of the population in the rest of the province, which is supportive of the multi-residential rental market given the general lack of savings for the younger residents of the city.

The real estate market in Dawson Creek has historically been supported by the city's abundance of natural resources and agricultural commodities, which have in the recent past contributed to an influx of individuals looking for job opportunities, resulting in demand for housing. According to the municipal government of Dawson Creek, the city's unique climate and geographic location gives it access to a variety of natural resources. The city is also surrounded by the Agricultural Land Reserve, which is a collection of agricultural land in British Columbia wherein agriculture is recognized as the priority. Farms in the Agricultural Land Reserve enjoy ideal growing conditions, producing significant yields on quality crops such as wheat, oats, barley and canola. Agricultural Land Reserve farms are also capable of supporting livestock operations, given the abundance of space and quality feed, with the region now possessing the largest cow and calf production in British Columbia.

Overview of New Brunswick

The Fund will own assets in:

(a) Moncton

(b) Dieppe

General Overview

New Brunswick's economy is closely tied to its exports with trade to the U.S. accounting for over 80% of the province's export market. The primary sectors of production are agriculture, aquaculture, forestry, mining and manufacturing. In the recent past, New Brunswick has seen an inflow of international migrants looking for employment in these sectors, which contributed to an increased need for housing.

Real Estate Property Market

The Initial Portfolio within New Brunswick is located within the Moncton CMA, in the cities of Moncton and Dieppe.

Situated in the heart of the Maritimes, Moncton is accessible via highway, train and air transportation. The city offers a blend of waterside and urban exposure being also situated along the famous Tidal Bore Petitcodiac River. The city has a population of over 75,000, a metropolitan area population of over 150,000, and more than 1.3 million people living within a 2.5-hour drive. The Greater Moncton Roméo LeBlanc International Airport is a 10-minute drive from the downtown core, which has typically offered seven direct daily flights to Toronto and is serviced by three major airlines as well as seasonal carriers. Furthermore, CF Champlain, Atlantic Canada's largest shopping mall is located in Moncton.

Overview of Newfoundland and Labrador

The Fund will own assets in:

(a) St. John's

(b) Labrador City

(c) Gander

General Overview

Newfoundland and Labrador's economy predominantly comprises metals and mining, manufacturing, aquaculture, agriculture, forestry, oil and gas and technology. The mining sector includes the holdings of Iron Ore Company of Canada, Vale Inco Newfoundland & Labrador Inc.'s Long Harbour nickel processing facility, Voisey's Bay underground mine, as well as the operations of Tata Steel Minerals Canada Ltd., Tacora Resources Inc. and Marathon Gold Corp. The manufacturing sector in Newfoundland and Labrador comprises manufacturers located in both rural and urban areas of the province.

Real Estate Property Market

The majority of the Initial Portfolio within Newfoundland and Labrador is spread across the cities of St. John's, Gander and Labrador City.

The city of St. John's is Canada's most eastern city and the capital of the province of Newfoundland and Labrador. St. John's is the main commercial, financial, educational and cultural centre for the province and the location of the seat of the Government of Newfoundland and Labrador. St. John's extends out from a century-old urban core to include suburban developments, shopping complexes and industrial sites, equipped with the conveniences of a progressive metropolitan centre. About one-third of Newfoundland's population lives in St. John's and the surrounding area, supporting the rental market for the region. St. John's is the hub of economic activity for the Canadian offshore petroleum industry. St. John's is also a leader in ocean technologies, an emerging tourism destination and a city recognized for its cultural distinctiveness.

Labrador City has an industrial base and is strategically situated to take advantage of developments throughout Labrador and Northern Québec. As a provincial gateway, Labrador West is a strategic distribution centre, supported by an air, ground and rail transportation network connecting to the port facilities in Baie Comeau and Sept-Îles, Québec and Happy Valley-Goose Bay in central Labrador. Strategically situated on the rich iron ore deposits of the Labrador Trough, the region has historically derived its economic production primarily from mineral extraction, processing and provision of services to the mining sector.

The Town of Gander is a full-service international community located in central Newfoundland and is home to over 12,000 residents. Demographically, residents of Gander are young, with approximately 50% of the population falling between the ages of 20 and 44. The main industries for the Town of Gander are transportation, communications, public administration and defense. In addition, a large portion of the economy in Gander is driven by the service industry as it is central to a service area consisting of some 96,000 people within a 100-kilometre radius, including 149 communities.

Overview of Sept-Îles, Québec

General Overview

Sept-Îles is a city in the Cote-Nord region of eastern Québec located on the north shore of the Saint Lawrence River, with a population of approximately 25,000. The city's economy is dependent on several mine operations in the region, with a focus on the iron industry. As a result, the mining and mining support services sectors have historically made up a significant portion of the labour market, with national employers such as Iron Ore Company of Canada, Cleveland-Cliffs, Inc., Aluminerie Alouette Inc. and Rio Tinto Limited. Other industries of prevalence include medical services, education, hospitality and retail services. Sept-Îles is the regional economic and administrative hub of the Lower North Shore region.

Real Estate Property Market

The real estate market in Sept-Îles has historically been supported by the mining operations in the region. As a major service centre for northeastern Québec, housing demand in Sept-Îles has historically been satisfied by a well-established multi-residential rental market with a variety of neighbourhoods to choose from, such as the Beaches, parc Ferland, Clarke City and Moisie, which are found to the east and west of town.

Overview of Regina

General Overview

Regina's economy has historically been led by its steel and manufacturing industry. Other industries of significance have included information technology, energy, finance and insurance, agribusiness and agriculture.

Real Estate Property Market

Rental demand in the Regina CMA is dependent on the strength of its labour market. Historically, employment levels among the population aged 15 to 24 have been stable and supportive of rental demand as this cohort has a greater tendency to rent. According to Statistics Canada's 2016 Census, households where the primary resident was between 15 and 24 years of age had the highest proportion of renter households at approximately 80%. In 2019, despite growth in the rental universe of 324 suites, increased demand for apartment rentals kept the overall occupancy rate relatively unchanged.

Overview of Rent Control Regulation

Multi-unit residential rental properties are subject to rent control legislation in most provinces and territories in Canada. Each province and territory in which the Fund will operate maintains distinct regulations with respect to tenants' and landlords' rights and obligations. The legislation in various degrees imposes restrictions on the ability of a landlord to increase rents above an annually prescribed guideline or requires the landlord to give tenants sufficient notice prior to an increase in rent or restricts the frequency of rent increases permitted during the year. The annual rent increase guidelines as per applicable legislation attempt to link the annual rent increases to some measure of the change in the cost of living index over the previous year. The legislation also, in most cases, provides for a mechanism to ensure rents can be increased above the guideline increases for extraordinary costs. As a result of rent controls, the Fund may incur property capital investments in the future that will not be fully recoverable from rents charged to tenants.

The availability of affordable housing and related housing policy and regulations is continuing to increase in prominence as a topic of concern at the various levels of government. Accordingly, through different approaches, governments may enact policy, or amend legislation in a manner that may have a material adverse effect on the ability of the Fund to grow or maintain the historical level of cash flow from its Properties. In addition, laws and regulations providing for compliance with various housing matters involving tenant evictions, work orders, health and safety issues or fire and maintenance standards, including in relation to the ongoing coronavirus (COVID-19) pandemic, may become more stringent in the future. The spread of the COVID-19 coronavirus has had a material and substantial impact on the Canadian and global economy. In response to the spread in Canada, provincial governments have limited a landlord's ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Initial Portfolio operates in and may adversely impact residents ability to pay rent. . Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption. The Fund may incur increased operating costs as part of its compliance with any such additional government legislation and regulations relating to housing matters, which may have an adverse effect on revenues.

Alberta and Saskatchewan do not specifically limit the rents payable by residential tenants.

Additional information relating to the Secondary Markets is provided below:

British Columbia

In British Columbia, landlords are restricted from increasing rents payable in respect of existing residential tenancies within 12 months of the date on which the tenant's rent was first payable for the rental unit or a previous rental increase, and any such rental increases require three months' prior notice to the tenants. The *Residential Tenancy Act*, S.B.C. 2002 (the "**BC RTA**"), restricts the ability of a landlord to increase rents above a prescribed amount. Effective September 26, 2018, for rent increases with an effective date on or after January 1, 2019, a landlord may not impose a rent increase that is greater than the percentage amount equal to the inflation rate, The inflation rate is the 12 month average percent change in the all-items Consumer Price Index for British Columbia ending in the July that is most recently available for the calendar year in which the rent increase takes effect.

Unless tenants agree in writing, a landlord may only impose a rent increase greater than the prescribed amount by an order granted following an application (fees are between \$300 - \$600) made pursuant to the applicable legislation, followed by notice to all tenants and a hearing. Grounds for a rent increase exceeding the prescribed amount include situations where: (a) the landlord has completed significant repairs or renovations that could not have been foreseen under reasonable circumstances and will not re-occur within a reasonable time period; (b) where there have been extraordinary increases in operating expenses that have caused the landlord to incur a financial loss; or (c) a financial loss has been incurred arising from an unforeseen increase in financing costs. As a result, the Fund may, in the future, incur capital or other expenditures which may not be fully recoverable from tenants, unless such an application was successfully made.

Effective December 11, 2017 in British Columbia, a landlord can no longer apply for a rent increase above the prescribed amount on the basis that the rent is significantly lower than other similar rental suites in the same geographic area. Effective also on December 11, 2017, a landlord can no longer require a tenant to move out on the date the tenancy agreement ends unless the landlord is an individual and that landlord or a close family member of that landlord intends in good faith at the time of entering into the tenancy agreement to occupy the rental unit at the end of the term. Unless the landlord and the tenant agree to another fixed term, the tenancy will automatically continue as a month-to-month tenancy until one party serves notice in accordance with the legislation or both parties agree to end the tenancy. The effect of this change is that a landlord can no longer increase rent beyond the prescribed amount between tenancy agreements with the same tenant.

As a result of the COVID-19 pandemic, a rent freeze is in effect in British Columbia until December 2020. In addition, the maximum annual allowable rent increase for 2021 has been set at 1.4%, a decrease from 2.6%.

Effective May 17, 2018 in British Columbia, a number of amendments were made to the BC RTA. A landlord must now give four months' notice to end a tenancy for demolition, renovation, repair or conversion of the rental unit and tenants have 30 days to dispute the notice. The previous requirement was two months' notice. If the tenancy is for a fixed term, the effective date of the notice must not be earlier than the end of the fixed term. A tenant has a right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy for the stated purpose of renovating or repairing the rental suite. This right of first refusal applies only to a rental suite in a residential property containing five or more suites. A landlord must compensate a tenant 12 months' rent (unless otherwise excused by an arbitrator in extenuating circumstances) if the tenant exercises the right of first refusal and, within 45 days before the completion of the renovation or repairs, the landlord does not give the tenant a notice of the availability date of the rental unit and a tenancy agreement to sign. As well, a landlord or purchaser of a rental unit, as applicable, must compensate a tenant 12 months' rent (unless otherwise excused by an arbitrator in extenuating circumstances), if a landlord or purchaser ends a tenancy for the stated reason that (a) the landlord or close family member of the landlord intends to occupy the rental unit, (b) the landlord has entered into an agreement to sell the rental unit and the purchaser or a close family member of the purchaser intends to occupy the rental unit or (c) the landlord intends to demolish, renovate, repair or convert the rental unit and the landlord or the purchaser do not take steps to accomplish the stated purpose for ending the tenancy within a reasonable period after the effective date of the notice or do not use the rental unit for the stated purpose for at least six months beginning within a reasonable period after the effective date of the notice.

Alberta

In Alberta, landlords are generally restricted from increasing rents payable in respect of existing residential tenancies more than once in a period of 365 days (which period commences on the commencement of the tenancy or the last increase in rent, as applicable). Pursuant to the regulations made under the *Residential Tenancies Act* (Alberta) (the "**AB RTA**"), a landlord shall not increase the rent payable by a tenant under a residential tenancy agreement in respect of a fixed-term tenancy for a term of one year or more. Further, a landlord shall not increase the rent payable by a tenant who is occupying the same premises under two or more consecutive residential tenancy agreements in respect of fixed-term tenancies each for a term of less than one year unless 365 days have passed since the commencement of the first of those tenancies or the last increase in rent, whichever is later. Pursuant to the regulations under the AB RTA, if the 365th day occurs during the term of a fixed-term tenancy, the landlord shall not increase the rent until the expiration of that tenancy.

Pursuant to the AB RTA a landlord shall not increase the rent payable under a residential tenancy agreement unless the landlord serves on the tenant a written notice of the increase in rent: (a) in respect of a weekly tenancy, at least 12 tenancy weeks before the effective date of the increase; (b) in respect of a monthly tenancy, at least three tenancy months before the effective date of the increase; and (c) in respect of any other periodic tenancy (as that term is defined in the AB RTA), at least 90 days before the effective date of the increase. A residential tenancy agreement could require a period of notice longer than the periods specified by the AB RTA and the landlord must comply with such longer period of notice before increasing the rent payable.

Saskatchewan

In Saskatchewan, pursuant to *The Residential Tenancies Act*, *2006,* SS 2006, c R-22.0001 and the regulations made thereunder (collectively, the "**Saskatchewan RTA**"), landlords are restricted from increasing rents payable in respect of fixed term tenancies unless the amount of the increase and time when an increase is to come into effect were agreed to between the landlord and the tenant at the time they entered into the tenancy agreement. No later than two months before a fixed term tenancy ends, a landlord must provide written notice to fixed lease tenants regarding its willingness to enter into a new agreement and, if willing, to specify the terms of the new agreement. The notice must be in the approved form and must also state that a failure by the tenant to respond will be deemed to be a rejection of the offer to enter into a new tenancy agreement. There are no legislated restrictions on the amount of an increase in rent a landlord can specify in the new agreement.

The Saskatchewan RTA provides landlords who are members in good standing of the Saskatchewan Landlord Association Inc. with preferred rent increase timelines for periodic tenancies. Landlords who are members of the Saskatchewan Landlord Association Inc., such as the Fund, are restricted from increasing rents payable in respect of existing periodic tenancies more than once in a period of six months and any such rental increase requires six months' prior notice to the tenants. For new periodic tenancies, landlords are restricted from increasing rents payable until 12 months after the commencement of the tenancy, and thereafter six months after any previous increase, and any such rental increase requires six months' prior notice. There is no restriction in the Saskatchewan RTA on the amount by which a landlord can increase rent for periodic tenancies and an increase in rent for additional occupants is not subject to the above time or notice provisions provided the written tenancy agreement sets out the amount by which rent varies with the number of occupants. Notwithstanding a landlord's ability to increase rent in accordance with the time and notice provisions, landlords cannot terminate or restrict services or facilities, nor impose or increase a charge for a service or facility unless the tenant agrees or the landlord obtains an order from the Office of Residential Tenancies.

Québec

In Québec, residential leases or tenancies, known as "leases of dwellings", are mainly governed by the *Civil Code of Québec* (the "**CCQ**") and an *Act respecting the Régie du logement* (the "**ARRL**") and its regulations. The CCQ sets out rules that apply to all leases generally and contains a specific division with rules that govern residential leases. Some of these rules are of public order and cannot be circumvented or contracted out of. Residential leases in Québec must be made on a standardized form established and prescribed by the Régie du logement (the "**RDL**"). The RDL is the specialized administrative tribunal that has exclusive jurisdiction over all applications relating to residential leases, including those related to rent increases.

In a Québec residential lease, a clause providing for rent adjustment is without effect if the lease has a term of less than 12 months. For leases with a term of more than 12 months, clauses providing for an adjustment of the rent during the first 12 months, or more than once during each 12-month period, is also without effect. The parties may, within one month from the date on which the rent adjustment is to take effect, apply to the RDL to contest the excessive or inadequate nature of the proposed or agreed adjustment and demand the fixing of the rent.

Furthermore, residential leases having a fixed term usually renew automatically at the expiration of the term, for the same term (or, if the initial term was more than 12 months, for 12 months) and on the same conditions. At the renewal of the lease, the landlord may modify the lease, including the term or the rent, subject to giving the tenant a notice of such modification not less than three months and not more than six months before the expiration of term. If the lease has a term of less than 12 months, the landlord shall give the notice not less than one month and not more than two months before the expiration of term, and if the lease has an indeterminate term, the landlord shall give the notice not less than one month and not more than two months. If the notice of modification aims to increase the rent, the proposed new rent shall be indicated in dollars or as a percentage of the current rent. The tenant then has one month from its receipt of the notice of modification of the lease to notify the landlord that the tenant (a) accepts the modification, (b) objects to the modification or (c) that the tenant will not renew the lease and will vacate the dwelling upon its termination, and should the tenant fail to so notify the landlord, the tenant is deemed to have agreed to the renewal on the terms and conditions proposed by the landlord. If the tenant objects to the proposed modification, the landlord may apply to the RDL within one month after receiving the tenant's notice of objection to have the rent fixed or obtain a ruling with regards to any other modification to the lease. Should the landlord fail to apply to the RDL within the aforementioned delay, the lease will be renewed on the same terms and conditions as the existing lease.

A new tenant may also apply to the RDL to have the rent fixed if the new tenant's rent is higher than the lowest rent paid during the 12 months preceding the beginning of the lease (unless that rent has already been fixed by the RDL). The tenant may apply only within ten days after the lease (or, as the case may be, the sublease) has been entered into.

In fixing the rent, the RDL shall take into consideration the mechanism, standards, criteria and factors set out by the *Regulation respecting the criteria for the fixing of rent* adopted under the ARRL, which include, amongst others and for example only, for a said reference period: the variation in municipal property taxes and services, the variation in insurance premiums included in operating expenses, the percentage applicable for the reference period with respect to electricity and fuel and the percentages applicable to maintenance, management, capital expenditures and service costs. Most of these factors or percentages are determined by the government for the reference period. The RDL may also, in some circumstances, reduce or redress the rent.

New Brunswick

In New Brunswick, the *Residential Tenancies Act* (the "**NB RTA**") sets out certain restrictions on landlords. In order to increase rent, a landlord must provide a tenant with the proper amount of written notice of the increase. The amount of the notice depends on the type of tenancy and whether the tenant is a long-term tenant. If the tenancy is weekly or monthly, two months' notice is required. For yearly and fixed term tenancies, three months' notice must be given to tenants.

The NB RTA provides that a tenant is a long-term tenant if the same tenant has lived in the same rental for at least five years in a row. The landlord must give three months' written notice to increase the rent to long-term tenants, and the landlord may only increase the rent fairly and by the same amount as other similar suites in the same building or only by what is reasonable in other similar suites in the same area. In the event a tenant disputes the increase, he or she can apply to the rentalsman within 15 days of receipt of the notice to have the increase reviewed. The rentalsman will require the landlord establish that the requirements necessary for increasing rent have been met.

In New Brunswick, the maximum allowable annual rent increase for 2020 has been set at 2.5%, which is consistent with the prior four consecutive years.

Newfoundland and Labrador

In Newfoundland and Labrador, living accommodations that are rented and used or occupied or intended for use or occupation by a tenant as a residence, including a house, apartment, room or similar place are governed by the *Residential Tenancies Act, 2018* SNL 2018, c R-14.2 (the "**NL RTA**"). Pursuant to Section 16, a landlord shall not increase the amount of rent payable by a tenant: (a) where the residential premises are rented from week to week or month to month, more than once in a 12-month period; (b) where the residential premises are rented for a fixed term, during the term of the rental agreement; or (c) where a tenant continues to use or occupy the residential premises after a fixed term has expired, more than once in a 12-month period. In addition, a landlord shall not increase the amount of rent payable by a tenant during the 12-month period immediately following the commencement of the rental agreement.

If a landlord does increase the amount of rent payable by a tenant, the increase shall be effective on the first day of a rental period and the landlord shall give the tenant written notice for the increase: (a) not less than eight weeks before the effective date of the increase where the residential premises are rented from week to week; and (b) not less than six months before the effective date of the increase where the residential premises are rented from month to month or for a fixed term. Any notice of rental increase must be signed by the landlord, state the effective date of the increase, the amount of increase and the amount of rent payable when the increase becomes effective, and must be served on the tenant in compliance with section 34 the NL RTA.

As a result of the COVID-19 pandemic, for an eviction to be effective, the period to vacate must be a minimum of 30 days if the tenant lost income as a result of the pandemic.

Northwest Territories

In the Northwest Territories, issues surrounding residential tenancies are governed by the *Residential Tenancies Act*, R.S.N.W.T. 1988 (the "**NWT RTA**"). The ability of landlords to increase rent is specifically dealt with in Section 47. Similar to other jurisdictions in Canada, the ability of landlords to increase rent on an existing tenancy is limited to once every 12 months. The landlord must give a minimum of three months' written notice of their intention to increase the rent. Upon receipt of the notice of the increase in rent, the tenant may accept this notice as an indication of the landlord that the tenancy has been terminated. The tenant is not required to notify the landlord of this acceptance of rent increase as a termination of the tenancy until one day prior to the scheduled increase in rent is to take place. If the tenant decides to accept the notice of the increase in rent as a termination notice, they must notify the Landlord in writing of their decision. The landlord may then rent the premises to a new tenant, however, pursuant to the NWT RTA, the new rent for the new tenant is restricted to the amount stated in the original notice. On new tenancies, the landlord is prohibited from increasing the rent for a period of 12 months from the beginning of the tenancy.

As a result of the COVID-19 pandemic, tenants are entitled to defer rent payments, with rent relief available until March 31, 2021, by delivering a notice to their landlord. Once a notice has been delivered, a landlord's ability to evict a tenant is constrained.

Nunavut

In Nunavut, issues surrounding residential tenancies are governed by the *Residential Tenancies Act* (Nunavut) (the "**NU RTA**"), which NU RTA was adopted from the Northwest Territories. The information provided above in respect of the Northwest Territories is also applicable to Nunavut.

Select Assets

The following sets out a detailed description of 20 of the Properties comprising the Initial Portfolio selected as representative of the Initial Portfolio, which were selected with a view to providing an overview of an assortment of the Properties comprising the Initial Portfolio of different sizes and values, as well as a cross selection of geographies and asset types.

<u>*Multi-Residential Suites*</u>

*5301 A & 5301 B - 37 Street, Bonnyville, Alberta ("**Shaw Estates**")*

Shaw Estates, constructed in 2015, consists of two wood-structure buildings with four storeys each for a total of 110 suites. The property has one bedroom, two bedroom and three bedroom suites. Water and heating are both included, and the suites feature large balconies, in-suite storage and in-suite laundry. The property is professionally managed by on-site management and includes visitor parking and energized parking stalls. Shaw Estates is conveniently located with a school bus stop outside the building and is easily accessible to convenience stories, shopping and downtown Bonnyville.

*9818 - 94 Ave, Grande Prairie, Alberta ("**Courtyards Apartments**")*

The Courtyard Apartments are nine, three-storey wood-structure buildings built in 1977. There are a total of 299 suites which include bachelor, one bedroom, two bedroom, three bedroom as well as premium two bedroom townhouse and three bedroom townhouse options. Suites include balconies, individual thermostats and in-suite storage. Both water and heating are included. The property features laundry facilities, visitor parking and secured building access. The Courtyard Apartments are located within the Highland Park Neighbourhood that boasts parks, schools, shopping, and is accessible with public transit located one block from the property.

*10250A - 121st Avenue, Grande Prairie, Alberta ("**Westmore Estates**")*

Westmore Estates, built in 2009, includes three, four-storey buildings comprising 189 suites. The buildings are wood-structure, constructed with cast-in-place concrete and do not have basements. Suites are either one bedroom with a den or two bedrooms and are equipped with a fridge, stove, dishwasher and in-suite laundry. Heating and water are also included as well as outdoor and visitor parking. The property is also conveniently located two blocks from the Grande Prairie Mall.

*155 & 157 Pinnacle Drive, Grande Prairie, Alberta ("**Elk Pointe Estates**")*

Elk Pointe Estates was built in 2015 and comprises two, four-storey buildings and 142 suites. Suites are two bedrooms and are each equipped with air conditioning, stainless steel appliances, laminate floors, ensuite bathrooms and walk-in closets. The building has 24-hour on call maintenance and security. Elk Pointe Estates is located south of the intersection between Pinnacle Avenue and Pinnacle Drive, in an area that is mostly for residential land use. The property is minutes from downtown in the southwest of Grande Prairie.

*1603, 1607, 1611, 1615 Scenic Drive South, Lethbridge, Alberta ("**Scenic Heights**")*

Scenic Heights was built in 1971 and consists of four, three-storey walk-up buildings comprising a total of 105 suites. The building is wood-structure and the exterior is clad with a combination of brick and stucco. Suites include bachelor, one bedroom and two bedrooms, and include new appliances and new windows as well as water and heating. Each of the buildings has bottom floor laundry facilities and storage rooms and the property features on-site management. Scenic Heights is located on the southwest corner of the intersection of Scenic Heights South and 16th Avenue South and is within walking distance to Lethbridge College, as well as a variety of shopping, dining and entertainment.

*37 Berkeley Place West, Lethbridge, Alberta ("**Skyline Terrace**")*

Skyline Terrace, built in 1980, is a 16-storey apartment building consisting of 111 suites. The property comprises bachelor, one bedroom, two bedroom, three bedroom and four bedroom suites, including penthouse suites. Suites feature large balconies, and water, heating and power are all included. The property includes outdoor parking, laundry facilities and full-time management on-site. Skyline Terrace is located on the east side of the terminus of Berkeley Place West cul-de-sac and across the street from the University of Lethbridge, near West Village Mall and Nicholas Sheran Lake.

*1304, 1306 & 1308 23rd Ave North, Lethbridge, Alberta ("**Winston Villa**")*

Winston Villa, built in 1974, includes three, three-storey buildings comprising 81 suites. Suites are one bedroom or two bedroom with heating and water included. The building features ground floor laundry facilities, a storage room, on-site staff and outdoor and visitor parking. Winston Villa is located on the southeast corner between the intersection between 23rd Avenue North and 13th Street North and is conveniently located near a variety of shopping and dining.

*7104 & 7110 - 41 Street, Lloydminster, Alberta ("**Prairie View Estates**")*

Prairie View Estates, built in 2013, consists of two buildings comprising 142 suites. The buildings are four storeys and include two bedroom suites and are equipped with air conditioning, hardwood floors, balconies, in-suite laundry and ensuite bathrooms. The building includes with an elevator, keyless entry and is wheelchair accessible. Prairie View Estates is located in an area that consists of residential and commercial land and is close to many shopping and dining destinations, including Wal-Mart, Canadian Tire and Tim Hortons.

*3370 - 72 Avenue, Lloydminster, Alberta ("**Tesla Estates**")*

Tesla Estates was built in 2014, and comprises three, four-storey buildings totaling 150 suites. Suites are one bedroom, two bedroom and three bedrooms with heating and water included. Suite features include hardwood floors, walk-in closets, stainless steel appliances and balconies. The building features keyless entry, outdoor parking and 24-hour on call maintenance. Tesla Estates is conveniently located near Canadian Tire, Starbucks, Wal-Mart Supercentre and Ecole St. Thomas.

*10804 & 10812 - 102 Avenue, Fort Saint John, British Columbia ("**Azure**")*

The Azure, constructed in 2015, consists of two wood-structure buildings that are two stories each and comprise a total of 118 suites. The property has one bedroom and two bedrooms suites that each contain stainless steel appliances, storage rooms and in-suite laundry. The property is professionally managed and features elevators, keyless entry and assigned parking. Situated in the northwest area of Fort Saint John, the Azure is close to Finch and Bert Bowes Schools, walking trails and downtown.

*30, 44 & 64 Crosbie Road, St. John's, Newfoundland and Labrador ("**Grenfell Court**")*

Grenfell Court was built in 1975 and is a three-storey mixed-use residential and commercial property. The residential portion of the building comprises 116 suites and the commercial space comprises approximately 3,100 square feet of space. Suites are two and three bedrooms and feature large windows and balconies. The building includes laundry facilities, on-site staff as well as outdoor and visitor parking. Grenfell Court is located on the southeast corner of the intersection between Portia Place and Crosbie Road in an area that consists of mostly residential and commercial land uses. It is also conveniently located near shopping centres including a Sobeys and the Avalon Mall.

*99, 100, 101, 102, 103, 105, 107 & 109 Terra Nova Road, St. John's, Newfoundland and Labrador ("**Valleyview Apartments**")*

Valleyview Apartments was constructed in 1968 and includes four, three-storey buildings totaling 128 suites. Each building is divided into two portions that each contain a laundry room, an electrical room and two storage rooms. Suites are one, two and three bedrooms. The buildings feature laundry facilities, on-site staff and outdoor and visitor parking. Utilities are not included. Valleyview Apartments is located on the northwest and southwest corners of the intersection between Crosbie Road and Terra Nova Road in an area that consists of residential and commercial property. It is also conveniently located near Sobeys and the Avalon Mall.

*83/85/87/89 MacDonald Drive; 135/137 Ennis Avenue; 25/27 Wadland Cres, St. John's, Newfoundland and Labrador ("**Sunridge Place**")*

Sunridge Place was built in 1968 and comprises four, four-storey buildings totaling 128 suites. The buildings are constructed with cast-in-place concrete foundation and have a wood-structure. Suites are one, two and three bedrooms and do not include any utilities. The building includes laundry facilities, on-site staff as well as outdoor parking. Sunridge Place is situated three blocks from the city centre and are near a Sobeys, Shoppers Drug Mart and Tim Hortons.

*346 358 & 360 Empire Ave, St. John's, Newfoundland and Labrador ("**Kelly's Brook**")*

Kelly's Brook, built in 1991, is a three-storey, 139 suite building for senior residents over the age of 60. Suites are spacious and include bachelor, one bedroom and two bedroom options. Each suite features large windows, mixed-flooring options with some suites including in-suite laundry. Each floor also has six laundry rooms and two common areas. The building also has a bingo machine and a library. Kelly's Brook is located on the west corner of the intersection between Empire Avenue and Stamp's Lane and in an area that predominantly consists of residential and commercial land uses.

*5500 Parliament Avenue, Regina, Saskatchewan ("**Harbour Landing**")*

Harbour Landing was newly built in 2018 and comprises two buildings that are four storeys each and total 134 suites. Suites are one and two bedroom and also feature stainless steel appliances, granite kitchen counter-tops, engineered flooring, in-suite storage areas and in-suite laundry. The building features a fitness room, keyless entry and on-site maintenance. Located in South West Regina, Harbour Landing is also a convenient five-minute drive from the Regina International Airport and the Trans-Canada Highway.

Commercial Real Estate

*4903 - 49 Street, Yellowknife, Northwest Territories (the "**Courthouse**")*

The Courthouse, built in 1980, is a six-storey building comprising approximately 60,000 square feet of commercial office space. The building has a cantilevered main and second floor, which allows for parking. The second floor is accessed by a centre winding stairwell that provides direct public access to the courtrooms on the second floor. The judges' chambers and associated offices are on the second floor with the upper floors occupied by Justice Offices and other arms of the Government of the Northwest Territories. The Courthouse is 100% occupied by several arms of the Government of Northwest Territories.

*YK Centre, YK Centre East, YK Centre West - 4802 - 50 Avenue, 4915 - 48 Street, 4905 - 48 Street, Yellowknife, Northwest Territories (collectively, the "**YK Centres**")*

The YK Centres comprise three buildings that have a total area of approximately 159,000 square feet. The YK Centre is the largest of the three buildings and was built in the 1970s and 1980s. It is a seven-storey mixed-use office and retail building with approximately 96,000 square feet of commercial space. Retail space is on the main floor and in the basement, and office space comprises the remainder. The original structure was built in 1972 with a single storey retail addition with full basement was developed in 1975 and an upper pedway was developed in 1987. Major tenants of the building are the Government of Northwest Territories, Loblaws Inc. and Home Electronics Ltd.

The YK Centre East is a three-storey, approximately 49,000 square feet office building that was built in 1987. The building has a steel frame with spread footings and raft slabs and exterior steel studs with metal siding. The building was originally built as a mixed-use development that had retail on the main and upper, with an upper pedway connecting the second floor to the YK Centre, across 48th Street. The predominant tenant is the Government of Northwest Territories.

The YK Centre West, built in 1984, is a two-storey mixed-use office and retail building comprising approximately 14,000 square feet of commercial space. The building has a walk-up and a partial basement. The structure is steel frame with spread footings and raft slabs, the exterior is a combination of concrete block, storefront glazing and stained cedar siding, and has been upgraded with horizontal metal siding. Major tenants of the building are Golder Associates and the First Nations Bank of Canada.

Qamutiq Office Building - 630 Queen Elizabeth Way, Iqaluit, Nunavut

The Qamutiq Office Building is a four storey office structure that was built in 2010. Major tenants include the Government of Canada, Workers Safety, Legislative Assembly and the First Nations Bank of Canada.

Executsuites

*HomePort Head Lease Property - 3/5/7/9/11/13 Wadland Cres; 148/150 Torbay Rd; 152/154 Torbay Rd, St. John's, Newfoundland and Labrador ("**HomePort**")*

HomePort was built in 1968 and comprises 140 execusuites located across five buildings. The suites are one, two or three bedrooms, and fully furnished. In addition, the residence offers complimentary parking, complimentary WiFi, a 24-hour front desk, meeting spaces, grocery delivery services, an onsite fitness centre and an onsite coin-operated laundry. Situated close to the heart of downtown St. John's, the residence is less than a ten minute drive away.

*807 Aviq Street, Iqaluit, Nunavut ("**Capital Suites**")*

Capital Suites in Iqaluit was built in 2000 and comprises 42 execusuites. Conveniently located in the heart of Iqaluit, the suites offer comfortable furniture, flat screen televisions, fully-equipped kitchens, complimentary wireless Internet, wheelchair access to the building and elevators, smoke free rooms, and in the summer, air-conditioning suites are available upon request. Located on Baffin Island, Capital Suites provides comfortable accommodations for both short and long-term stays in a one, two or three bedroom suites.

Acquisition of the Initial Portfolio

As part of the Proposed Transaction, the Fund will indirectly acquire, on the day prior to the completion of the Offering, and for no consideration, a 100% interest in the Initial Portfolio. This acquisition is intended to constitute a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act (as defined herein)). See "Description of the Activities of the Fund – The Initial Portfolio". Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the Cash Amount. See "Use of Proceeds".

The Fund did not obtain new environmental site assessments or property condition assessments in connection with the acquisition of the Initial Portfolio from NV1. The Manager reviewed existing reports where available as part of its due diligence in connection with the Proposed Transaction. Following the acquisition of the Initial Portfolio, the Fund will obtain a Phase I environmental site assessment, property condition assessment and independent appraisal of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Fund shall conduct such further environmental site assessments, in each case by an independent and experienced environmental consultant. See "Investment Restrictions and Operating Policy – Operating Policy".

Independent Appraisal of the Initial Portfolio

The Manager retained the Appraiser to provide an independent estimate of the aggregate value of the Properties comprising the Initial Portfolio, as a portfolio. The Appraiser was not given any limiting instructions. The Appraisal in respect of the Initial Portfolio has an effective date of May 1, 2020. A copy of the Appraisal is available on SEDAR at www.sedar.com.

The Appraisal was prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Appraisal Practice, each as adopted by the Appraisal Institute of Canada. The Appraisal Institute of Canada defines "market value" as used in the Appraisal as, "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus". Implicit in this definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and acting in what they consider their own best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of cash or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale (the foregoing collectively referred to as, the "**Canadian Appraisal Standards**").

In the Appraisal, the Appraiser estimated the aggregate market value of the Properties comprising the Initial Portfolio on a portfolio basis, as at May 1, 2020, to be between $1.862 billion and $1.907 billion, including a portfolio premium of between 2.5% and 5.0% (or an aggregate portfolio premium value between $46 million and $91 million, based on the individual market values of each of the Properties comprising the Initial Portfolio excluding any portfolio premium). The premium used by the Appraiser was determined with reference to (i) the investment characteristics of the portfolio; (ii) a review of the strengths and weaknesses of investment market conditions; (iii) a review of survey data pertaining to portfolio valuations; (iv) a review of portfolio transaction activity primarily in Canada; and (v) discussions with knowledgeable industry participants.

In connection with the Proposed Transaction, the Retained Interest Holders attributed an aggregate value of approximately $1.674 billion for the Properties comprising the Initial Portfolio. The appraised value of the Initial Portfolio of between $1.862 billion and $1.907 billion represents an initial increase from the attributed value of between $188 million and $233 million, and an appraisal capitalization rate of 6.9%.

The estimated market value of each of the Properties comprising the Initial Portfolio was determined by the Appraiser using the income approach (direct capitalization method) and the direct comparison approach. These are traditional valuation methods that are used widely by investors when acquiring properties of this nature. The Appraisal states that the appraisal and analyses were performed in accordance with Canadian Appraisal Standards. The Appraisal is subject to a number of assumptions and limiting conditions. In particular, in appraising the Properties comprising the Initial Portfolio, the Appraiser assumed, among other things, that: title to the Properties comprising the Initial Portfolio was clear and marketable and that there were no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value; existing improvements on the Properties comprising the Initial Portfolio conform to applicable local, provincial, and national federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices; and the Properties comprising the Initial Portfolio were not affected by any hazardous materials that may be present or near the Properties comprising the Initial Portfolio. The Appraiser did not conduct any interior inspections of the subject assets and only conducted a sample of exterior inspections of the subject assets in preparing its Appraisal.

In determining the approximate market value of the Properties comprising the Initial Portfolio, the Appraiser relied on operating and financial data provided by the Manager, comprised of rent rolls, operating income and operating income and expense budgets. The Appraiser further assumed that all factual data furnished by the Manager, the current owner of the Properties comprising the Initial Portfolio, the owner's representative, or persons designated by the Manager or the owner to supply such data was accurate and correct, unless otherwise specifically noted in the respective Appraisal. The Appraiser gave appropriate consideration to a forecast of NOI and cash flow for each Property based on contract and market rental rates, growth levels, vacancy rates, tenant roll-overs and operating expenses.

In general, appraisals such as the Appraisal represent only the analysis and opinion of qualified experts as of the effective date of such appraisal and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised value of the Initial Portfolio is correct as of the date of the Prospectus or that such valuations actually reflect an amount that would be realized upon a current or future sale of any of the Properties or that any projections included in the Appraisal will be attainable. In addition, the Appraisal has an effective date as at May 1, 2020. As prices in the real estate market fluctuate over time in response to numerous factors, the estimate of the aggregate value of the Initial Portfolio shown on the Appraisal may be an unreliable indication of the current market value of the Properties comprising the Initial Portfolio. For example, due to the dynamic nature of the COVID-19 pandemic and given the ultimate impact of the pandemic is currently unknown and largely dependent on both the scale and longevity of the pandemic, in preparing the Appraisal, the Appraiser made certain assumptions regarding the impact and potential prolonged effect of the COVID-19 pandemic on macroeconomic conditions and the perceived impact of the COVID-19 pandemic on real estate, based only on the information available to the Appraiser as of the date of the Appraisal.

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisal is based on various assumptions of future expectations and while the Appraiser's internal forecasts of NOI for the Properties comprising the Initial Portfolio are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

A publicly traded real estate investment vehicle will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the Appraisal. The Appraisal has been filed with the securities regulatory authorities in each of the provinces and territories of Canada and investors are advised to read the Appraisal for a full description of applicable assumptions and conditions.

5. RETAINED INTEREST

5.1 The Proposed Transaction

On February 19, 2020, the Retained Interest Holders entered into an Arrangement Agreement with NV1 and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) to acquire NV1, subject to the satisfaction of certain conditions, including receipt of the requisite approval of NV1 Unitholders, approval of the Alberta Court of Queen's Bench, regulatory approvals, and consents and approvals from CMHC and certain of NV1's lenders. The requisite approval of NV1 Unitholders was obtained on May 25, 2020 and final court approval of the Alberta Court of Queen's Bench was obtained on May 29, 2020. Under the terms of the Proposed Transaction, each NV1 Unitholder will receive cash in the amount of $36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in Class C Units on a fully or partially tax-deferred basis. The Proposed Transaction will close over the course of two days in accordance with the steps set forth in the Plan of Arrangement, and the Offering is anticipated to close on or about the second day. Mr. Drimmer (the principal of Starlight Group) has committed to invest a minimum of $30,000,000 in the Fund by electing to receive Class C Units in return for a portion of the trust units of NV1 held or controlled by Mr. Drimmer pursuant to the Starlight Base Contribution described below and the KingSett and AIMCo Investors have committed to invest a minimum of $75,000,000 in the Fund pursuant to the KingSett and AIMCo Base Contribution described below. In addition, Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units by way of a concurrent private placement. The Fund may issue additional Units, by way of additional private placements concurrent with the closing of the Offering at the Offering Price, the proceeds of which will be included in calculating the Maximum Offering size. See "Plan of Distribution".

5.2 Ownership Interest

Assuming that the size of the Maximum Offering (the "**Issue Size**") exceeds the sum of (a) the Starlight Base Contribution pursuant to which Mr. Drimmer (the principal of Starlight Group) will make an election, as an NV1 Unitholder, to receive a minimum of $30,000,000 of Class C Units for a portion of the trust units of NV1 held or controlled by Mr. Drimmer, pursuant to the Proposed Transaction, and (b) the aggregate value deemed to be contributed by existing NV1 Unitholders in respect of Class C Units received pursuant to step 2.4(q) of the Plan of Arrangement and not redeemed pursuant to the Plan of Arrangement (excluding the Starlight Base Contribution), which will be $36,949,012.50, then the excess will be raised as follows:

(a) the KingSett and AIMCo Base Contribution pursuant to which the KingSett and AIMCo Investors will subscribe for an aggregate number of Class C Units equal to $75,000,000;

(b) issuance by the Fund pursuant to elections ("**top-up elections**") by existing NV1 Unitholders, excluding Starlight, to subscribe for further Class C Units under the Plan of Arrangement, subject to pro ration if such subscriptions exceed the remaining contributions required;

(c) the Lead Order (collectively, the contributions in this and the foregoing paragraphs and the lead-in, the "**Pre-Prospectus Contributions**");

(d) the public offering of Offered Units (and any concurrent private placement of Units other than the Lead Order) as described in this Prospectus;

(e) as applicable, further subscriptions for Class C Units, as follows (and in such order):

(i) by Starlight (through D.D. Acquisitions Partnership or another affiliate) for up to an amount, if any, that when added to the Starlight Base Contribution equals at least 20% of the Required Proceeds;

(ii) by the KingSett and AIMCo Investors for up to an amount, if any, that when added to the KingSett and AIMCo Base Contribution equals at least 20% of the Required Proceeds;

(iii) by Starlight (through D.D. Acquisitions Partnership or another affiliate) in an amount, if any, that when added to all amounts contributed thus far by Starlight equals the sum of all amounts contributed by the KingSett and AIMCo Investors in the aggregate; and

(iv) by Starlight (through D.D. Acquisitions Partnership or another affiliate) and the KingSett and AIMCo Investors, in an aggregate amount, if any, required to satisfy the remaining balance of the Issue Size, split equally between Starlight, on one hand, and the KingSett and AIMCo Investors, on the other hand.

"**Required Proceeds**" means the Issue Size *minus* the aggregate value of Class C Units issued pursuant to elections by existing NV1 Unitholders (other than Starlight) to receive and retain Class C Units pursuant to the Proposed Transaction (including top-up elections). For the avoidance of doubt, the amount of the Required Proceeds does not include the Starlight Base Contribution or the KingSett and AIMCo Base Contribution, and such contributions will be in satisfaction of a corresponding amount of the Required Proceeds.

5.3 Investor Rights Agreement / Nomination Rights

The following is a summary of certain provisions of the Investor Rights Agreement, which is a material contract for the Fund and is qualified in its entirety by reference to all of the provisions of such agreement. The Investor Rights Agreement will be available following the closing of the Offering on SEDAR at www.sedar.com.

On the closing of the Offering, the Fund, the Manager and the KingSett and AIMCo Investors will enter into the Investor Rights Agreement which will govern the rights of the KingSett and AIMCo Investors as Unitholders of the Fund. The Investor Rights Agreement will contain the following provisions, the summary of which is not intended to be complete.

Nomination Rights

Pursuant to the Investor Rights Agreement, and as set forth in the Declaration of Trust, KingSett Group will be granted the right to nominate one Trustee (such nominee will be subject to election together with the remaining Trustees at annual meetings of Unitholders). As set out in the Declaration of Trust, for so long as the Manager remains the manager of the Fund, Starlight will have the right to nominate one Trustee (such nominee will be subject to election together with the remaining Trustees at annual meetings of Unitholders). For so long as Daniel Drimmer controls the Manager, he is expected to be Starlight's nominee. KingSett Group's nomination right, as set forth in the Investor Rights Agreement and the Declaration of Trust, is subject to it holding at least 5% of the Fund's equity. In addition, for so long as KingSett Group owns 5% of the Fund's equity, the size of the Board will be fixed at five Trustees. On the Closing Date, it is anticipated that Mr. Drimmer will serve on the Board and act as the Chairman pursuant to Starlight's nomination right and Rob Kumer will serve on the Board pursuant to KingSett Group's nomination right.

The Fund shall (i) nominate for election and include in any management information circular relating to any meeting at which Trustees are to be elected (or submit to Unitholders by written consent, if applicable) each person designated as a nominee of KingSett Group and Starlight, respectively, (ii) recommend (and reflect such recommendation in any management information circular relating to any such meeting or in any written consent submitted to Unitholders of the Fund for the purpose of electing Trustees) that the Unitholders vote to elect such nominees as Trustees for a term of office expiring at the subsequent annual meeting of the Unitholders, (iii) use reasonable commercial efforts to solicit, obtain proxies in favour of and otherwise support the election of such nominees at the applicable meeting, each in a manner no less favourable than the manner in which the Fund supports its own nominees for election at the applicable meeting, and (iv) take all other reasonable steps which it considers in its sole discretion may be necessary or appropriate to recognize, enforce and comply with the nomination rights of the Retained Interest Holders.

The Declaration of Trust will provide that for so long as the Manager is the manager of the Fund, any amendment to the Declaration of Trust that affects the right of Starlight to nominate a Trustee of the Fund will require the prior written approval of Starlight.

Demand Registration Right

The Investor Rights Agreement will also provide KingSett Group and AIMCo Realty with the right (the "**Demand Registration Right**") (exercisable at any time commencing six months following the closing of the Offering) to require the Fund to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying the Class A Units issuable on conversion of the Class C Units held by KingSett Group and AIMCo Realty, respectively, for distribution (a "**Demand Distribution**"), provided that such Demand Registration Right may only be exercised by KingSett Group twice in a 12-month period and by AIMCo Realty twice in a 12-month period, and any such request for a Demand Distribution must relate to a minimum of 1,600,000 Class A Units on a combined basis for all KingSett and AIMCo Investors participating in the Demand Distribution.

The Demand Registration Right will terminate for KingSett Group when it owns, directly or indirectly, less than 5% of the Fund's equity. Similarly, the Demand Registration Right will terminate for AIMCo Realty when it owns, directly or indirectly, less than 5% of the Fund's equity. The Demand Registration Right will be subject to various conditions and limitations, and the Fund will be entitled to defer any Demand Distribution in certain typical circumstances for a period not exceeding 90 days. The expenses in respect of a Demand Distribution, subject to certain exceptions, and the underwriters' and agents' fees in connection with a Demand Distribution, will be borne by the KingSett and AIMCo Investors participating in the Demand Distribution in proportion to the amount of Units sold.

Pursuant to the Investor Rights Agreement, the Fund and the Manager will indemnify the KingSett and AIMCo Investors for any misrepresentation in a prospectus under which the KingSett and AIMCo Investors' Units are distributed (other than in respect of any prospectus disclosure provided by KingSett Group and AIMCo Realty, respectively, in respect of KingSett Group and AIMCo Realty, respectively, or the underwriters/agents, in respect of the underwriters/agents). KingSett Group and AIMCo Realty will indemnify the Fund and the Manager for any prospectus disclosure provided by KingSett Group and AIMCo Realty, respectively, in respect of KingSett Group and AIMCo Realty, respectively.

The Fund has not and will not, pursuant to the Investor Rights Agreement or otherwise, have any obligation to register, nor will it register, Units under the U.S. Securities Act.

5.4 Recapitalization Event

In order to provide Unitholders with liquidity, the Fund intends to complete a Recapitalization Event by way of a direct or indirect public offering or listing of new, additional or successor securities of the Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the Fund's properties and otherwise carries on the Fund's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the Fund or the Unitholders, or similar transaction as recommended by the Manager and approved by the Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding Units of the Fund. Any Recapitalization Event will require the approval of Unitholders by Special Resolution. On the occurrence of a Recapitalization Event, the Carried Interest will be crystallized by way of the NV Holdings LP Class B Units becoming exchangeable for Units, or for securities of the entity resulting from the Recapitalization Event, in which case the holder of the NV Holdings LP Class B Units at the time of such exchange shall be able to participate in the Recapitalization Event on the same basis as Unitholders (including, if applicable, the receipt of cash as payment for the Carried Interest).

If a Recapitalization Event has not been identified and announced by three months before the Target Recapitalization Date, the Board may extend the Target Recapitalization Date by up to two years, and may seek a Special Resolution of the Unitholders to further extend the Target Recapitalization Date beyond five years, or to take such other actions as the Board considers appropriate with respect to the continued operation of the Fund.

There can be no assurance that the Fund will be able to complete a Recapitalization Event as described herein by the Target Recapitalization Date, if at all. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur". In addition, due to intervening circumstances at any point prior to the Target Recapitalization Date, the Fund may be the subject of an Alternative Liquidity Event, which transaction may take the form of (i) a sale of the Units, (ii) a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with a public issuer, (iii) a transaction involving a combination of the Fund's portfolio of Properties and operations with one or more other portfolios of properties (whether owned, controlled or managed by a related party or otherwise), or (iv) another event (other than a Recapitalization Event) similar, comparable or analogous to, or having similar, comparable or analogous effect for the Unitholders to those described in items (i) to (iii) above. Any Alternative Liquidity Event will require the approval of Unitholders by Special Resolution. If an Alternative Liquidity Event occurs, the Carried Interest will be crystallized and paid either in cash or in securities, as applicable, based on whether Unitholders are receiving cash or securities in such transaction.

The Carried Interest will be calculated and payable based on the net asset value of the Fund, purchase price or other valuation methodology used for purposes of the Recapitalization Event or Alternative Liquidity Event, as the case may be, regardless of the form of transaction by means of which the Recapitalization Event or Alternative Liquidity Event occurs.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS OF THE INITIAL PORTFOLIO

The following management's discussion and analysis ("**Initial Portfolio MD&A**") of the combined carve-out financial results of the Initial Portfolio dated September 14, 2020 for the three and six months ended June 30, 2020 and June 30, 2019 (unaudited), together with the combined carve-out financial results of the Initial Portfolio for the years ended December 31, 2019 and December 31, 2018 (audited), should be read in conjunction with the Initial Portfolio combined carve-out financial statements and accompanying notes for these periods included in this Prospectus. The Initial Portfolio and its related assets and liabilities are currently indirectly owned by NV1.

Basis of Presentation

The Initial Portfolio's unaudited condensed combined carve-out financial statements for the three and six months ended June 30, 2020 and June 30, 2019 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board. The Initial Portfolio's audited combined carve-out financial statements and notes thereto for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 have been prepared in accordance with IFRS. All amounts in the following Initial Portfolio MD&A are in Canadian dollars unless otherwise stated.

Business Overview and Recent Developments

The Initial Portfolio as presented in this Initial Portfolio MD&A is not a legal entity nor an operating business.

On February 19, 2020, the Retained Interest Holders entered into an Arrangement Agreement with NV1 and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) to acquire NV1, subject to the satisfaction of certain conditions. Under the terms of the Proposed Transaction, each NV1 Unitholder will receive cash in the amount of $36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in Class C Units on a fully or partially tax-deferred basis. The Proposed Transaction will close over the course of two days in accordance with the steps set forth in the Plan of Arrangement, and the Offering is anticipated to close on or about the second day.

As part of the Proposed Transaction, the Fund will indirectly acquire, on the day prior to the completion of the Offering, and for no consideration, a 100% interest in the Initial Portfolio, a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut, or such other provinces and territories as the Fund may determine from time to time. The Initial Portfolio is currently owned and operated by NV1. The principal business office of the Initial Portfolio and NV1 is located at 200, 6131 6th Street SE, Calgary, Alberta.

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 provinces and territories have reduced or eliminated some of these restrictions, the disruption to the Canadian economy may continue for some time.

During the first six months of 2020, the COVID-19 financial impact included a reduction of revenue from execusuites and an increase in COVID-19 related expenses and higher estimated bad debt expense in the multi-residential business segment. COVID-19 related expenses include incremental cleaning costs, an employee recognition program and the purchase of personal protective equipment to manage the safety of residents, execusuite guests and employees, and to contain the spread of COVID-19. The financial impact from the COVID-19 pandemic is expected to continue in the second half of 2020.

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 reduction or elimination of previous restrictions, many businesses have not returned to pre-COVID-19 level 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 the Initial Portfolio's properties and a higher credit risk for collection of rent. Increased government regulations may restrict the Initial Portfolio's ability to enforce provisions under its leases, including the collection of rent, eviction of tenants for payment related matters and the Initial Portfolio's ability to apply market-based increases to rent.

A decrease in crude oil demand, coupled with excess global crude oil supply, resulted in a significant oil price decline during the first six months of 2020. Although there was a partial recovery in the price of oil, and provinces and territories started re-opening their economies with fewer restrictions related to COVID-19 in the second quarter of 2020, occupancy in Western Canada decreased by 140 bps to 81.5% compared to the same period of 2019. The lower oil price and the COVID-19 pandemic may continue to have a negative impact on NOI in resource-based markets, which include regions located in northern Western Canada, in future periods, which represents approximately 20% of overall NOI in the second quarter of 2020.

In April 2020, mandatory evacuations were ordered for a portion of the Fort McMurray, Alberta portfolio located in the downtown core due to flooding. There was no significant impact on revenue, the assessment of physical damages to the buildings are currently underway, and the increase to capital expenditures for repairs is not expected to be significant.

In the second quarter of 2020, although there was a slight decline of 40 bps in overall occupancy, the Initial Portfolio was able to achieve an increase of 1.3% in multi-family same door NOI and an increase of 230 bps in AMR compared to the same period of 2019. In addition, the Initial Portfolio collected 98.1% of total rental revenue for the second quarter.

2020 Second Quarter – Operational Update in Relation to COVID-19

One of the Initial Portfolio'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, the Initial Portfolio has been able to maintain a level of essential service for its buildings, tenants and execusuite guests.

- The Initial Portfolio has implemented enhanced cleaning protocols.
- The Initial Portfolio has increased payment options for rent to promote social distancing and contactless transactions. In addition, the Initial Portfolio implemented a rent deferral program for residential tenants who face financial hardships due to the COVID-19 pandemic. Approximately 1.3% of residential tenants currently have a rent deferral arrangement and these tenants are fulfilling their obligations under the payment arrangement.
- The Initial Portfolio collected 98.1% of multi-residential and commercial rent in the second quarter of 2020. The collection rate to date for July 2020 and August 2020 was consistent with the second quarter of 2020.
- The Initial Portfolio postponed rent increases in the second quarter of 2020 and notified residents of the postponed rent increases at that time. The Initial Portfolio also did not act on evictions for non-payment of rent. Rent increases resumed in August 2020 in select markets where permitted by applicable provincial and territorial legislation.
- Front-line workers play a vital role in keeping properties safe, clean and operational for tenants and execusuite guests. The Initial Portfolio launched a recognition program effective March 29, 2020 and temporarily increased wages for front-line workers(the "**employee recognition program**"). The employee recognition program ended on May 23, 2020.
- In accordance with recommended social distancing measures, amenity spaces reopened in select markets where permitted by applicable provincial and territorial legislation.
- The corporate office and select on-site management offices across the country reopened in phases with appropriate safety measures in place.

2020 Second Quarter Highlights

- Same door NOI decreased 2.5%, including a 1.3% increase for the multi-residential suites business segment, offset by a 16.3% decrease in the commercial real estate and execusuites business segment, for the second quarter of 2020.

- Same door revenue decreased 2.9%, including a 11.1% decrease in the commercial real estate and execusuites business segment, for the second quarter of 2020.

- Multi-residential portfolio occupancy was 90.2% for the second quarter of 2020, a decrease of 40 bps from the same period of 2019.

- NOI margin was 60.1% for the second quarter of 2020, an increase of 50 bps from the same period of 2019.

- Cash flow from operations was $19.2 million for the second quarter of 2020, an increase of $3.4 million compared to the same period of 2019.

- Net and comprehensive income was $15.8 million for the second quarter of 2020, an increase of $2.7 million compared to the same period of 2019.

2019 Annual Highlights

- Same door NOI increased 0.3%, including a 0.8% increase for the multi-residential suites business segment for the year ended December 31, 2019, compared to the same period of 2018. For the year ended December 31, 2018, same door NOI increased 2.0%, including a 2.1% increase for the multi-residential suites business segment, compared to the same period of 2017.

- Multi-residential portfolio occupancy improved 50 bps from the same period of 2018 to 91.0% for the year ended December 31, 2019. For the year ended December 31, 2018, multi-residential portfolio occupancy improved 100 bps to 90.5%, compared to the same period of 2017.

- NOI margin decreased 40 bps to 59.1% for the year ended December 31, 2019, compared to the same period of 2018. For the year ending December 31, 2018, NOI margin decreased 40 bps to 59.5%, compared to the same period of 2017.

- Cash flow from operating activities was $75.7 million for the year ended December 31, 2019, a decrease of $11.1 million compared to the same period of 2018. For the year ended December 31, 2018, cash flow from operating activities was $86.8 million an increase of $9.3 million, compared to the same period of 2017.

- Net and comprehensive income was $40.2 million for the year ended December 31, 2019, a decrease of $50.6 million compared to the same period of 2018. For the year ended December 31, 2018, net and comprehensive income was $90.8 million and increase of $58.0 million, compared to the same period of 2017.

2020 Second Quarter Results

Selected Financial Information

(thousands of dollars)	**Three months ended June 30**		**Six months ended June 30**	
	2020	**2019**	**2020**	**2019**
Total revenue	**47,153**	48,262	**95,659**	96,626
Total NOI (1)	**28,321**	28,782	**54,802**	55,121
NOI margin (1)	**60.1%**	59.6%	**57.3%**	57.0%
Same door NOI increase (decrease) (1)	**(2.5%)**	n/a	**(1.3%)**	n/a
Occupancy (1)	**90.2%**	90.6%	**90.8%**	90.8%
Net and comprehensive income	**15,780**	13,097	**28,407**	26,580

Note:

(1) Non-IFRS measure. See “Non-IFRS Measures”.

2019 Annual Results

Selected Financial Information

(thousands of dollars)	2019	2018	2017
Total revenue	**194,001**	189,151	179,473
Total NOI	**114,740**	112,615	107,551
NOI margin (1)	**59.1%**	59.5%	59.9%
Same door NOI increase (1)	**0.3%**	2.0%	n/a
Occupancy (1)	**91.0%**	90.5%	89.5%
Net and comprehensive income	**40,187**	90,799	32,774

Note:

(1) Non-IFRS measure. See "Non-IFRS Measures".

2020 Second Quarter Strategic External Growth

Developments

The Iqaluit, Nunavut, development, consisting of 30 multi-residential suites and approximately 5,900 square feet of commercial space, was completed during the first quarter of 2020. Occupancy of the 30 multi-residential suites was 100% on opening in April 2020. Total development costs were consistent with budget at $10.0 million with an expected stabilized yield of 9.0% to 9.5%. The Initial Portfolio recorded a net fair value increase of $0.8 million or 8% of the total development cost in the second quarter of 2020. The development was funded by NV1's operating and construction credit facilities.

2019 Annual Strategic External Growth

Acquisitions

Acquisitions completed during the year ended December 31, 2019 (costs in thousands of dollars):

Location	Suites	Square Footage	Date	Cost
Yellowknife, Northwest Territories	-	4,400	Q3 2019	862
Total	**-**	**4,400**		**862**

Acquisitions completed during the year ended December 31, 2018 (costs in thousands of dollars):

Location	Suites	Square Footage	Date	Cost
Dieppe, New Brunswick	18	6,900	Q3 2018	3,559
Iqaluit, Nunavut	-	17,000	Q3 2018	5,191
Total	**18**	**23,900**		**8,750**

Acquisitions completed during the year ended December 31, 2017 (costs in thousands of dollars):

Location	Suites	Square Footage	Date	Cost
Moncton, New Brunswick	327	10,800	Q3, Q4 2017	34,012
Total	**327**	**10,800**		**34,012**

Acquisitions were financed by NV1 and have been reflected as contributions from NV1 in each respective period.

Developments

Projects under development at December 31, 2019 (costs in thousands of dollars):

Location	Suites	Expected Occupancy	Total Estimated Cost	Total Cost Incurred	Expected Stabilized Yield
Iqaluit, Nunavut	30	2020	10,000	7,485	9.0% to 9.5%
Total	**30**		**10,000**	**7,485**	

The Initial Portfolio commenced the Iqaluit, Nunavut, development, consisting of 30 suites and approximately 5,900 square feet of commercial space, in the third quarter of 2019 with initial occupancy expected in the first half of 2020. Total estimated development costs are $10 million.

Projects completed during the year ended December 31, 2018 (costs and net fair value increases in thousands of dollars):

Location	Suites	Initial Occupancy	Total Incurred Cost	Expected Stabilized Capitalization Rate	Net Fair Value Increase
Regina, Saskatchewan, Saskatchewan	132	Q1 2018	22,300	7.0% to 7.5%	5,800
Iqaluit, Nunavut	30	Q1 2018	9,400	9.0% to 9.5%	1,300
Total	**162**		**31,700**		**7,100**

In the first quarter of 2018 the Initial Portfolio completed development of 132 suites in Regina, Saskatchewan, and achieved stabilized occupancy of 95% in the third quarter of 2018. Also completed in the first quarter of 2018 was the development of 30 multi-residential suites and approximately 11,000 square feet of commercial space in Iqaluit, Nunavut, which were fully leased in the fourth quarter of 2018.

Projects completed during the year ended December 31, 2017 (costs and net fair value increases in thousands of dollars):

Location	Suites	Initial Occupancy	Total Incurred Cost	Expected Stabilized Capitalization Rate	Net Fair Value Increase
Cambridge Bay, Nunavut	36	Q2 2017	10,500	10.0% to 10.5%	2,000
Total	**36**		**10,500**		**2,000**

In the second quarter of 2017 the Initial Portfolio completed the development of 36 suites in Cambridge Bay, Nunavut, which was 100% leased by the first quarter of 2018.

Developments were funded by NV1's operating and construction credit facilities.

2020 Second Quarter Operating Results

The following section provides a comparison of the operating results for the three and six months ended June 30, 2020 and June 30, 2019. Operations include the multi-residential suites and commercial real estate and execusuites business segments.

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.

Revenue by Business Segment

	Three months ended June 30					
	Total			Same Door		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Multi-residential suites	**37,697**	37,627	0.2%	**37,041**	37,255	(0.6%)
Commercial real estate and executsuites	**9,456**	10,635	(11.1%)	**9,429**	10,609	(11.1%)
Total	**47,153**	48,262	(2.3%)	**46,470**	47,864	(2.9%)

	Six months ended June 30					
	Total			Same Door		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Multi-residential suites	**75,635**	74,977	0.9%	**74,550**	74,346	0.3%
Commercial real estate and execusuites	**20,024**	21,649	(7.5%)	**19,948**	21,578	(7.6%)
Total	**95,659**	96,626	(1.0%)	**94,498**	95,924	(1.5%)

Revenue in the multi-residential suites business segment for the three and six months ended June 30, 2020, increased 0.2% and 0.9%, respectively, compared to the same periods of 2019. The increases were primarily due to higher AMR, lower lease incentives, and contributions from newly developed properties. Same door revenue in the multi-residential suites business segment for the three and six months ended June 30, 2020, decreased 0.6% and increased 0.3%, respectively, compared to the same periods of 2019. AMR increased in all regions, including a 2.4% increase in Atlantic Canada, as at June 30, 2020, compared to as at June 30, 2019. Lower occupancy led to a decrease in the multi-residential business segment same door revenue for the three months ended June 30, 2020, compared to the same period of 2019.

Revenue in the commercial real estate and execusuites business segment for the three and six months ended June 30, 2020, decreased 11.1% and 7.5%, respectively, compared to the same periods of 2019. Same door revenue in the commercial real estate and execusuites business segment for the three and six months ended June 30, 2020 decreased 11.1% and 7.6%, respectively. The decreases were attributable to lower revenue at the execusuites due to travel restrictions and significantly reduced occupancy in the Northwest Territories and Nunavut, as a result of several factors, including the negative impact of the COVID-19 pandemic.

Operating Expenses by Business Segment

	Three months ended June 30					
	Total			Same Door		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Multi-residential suites	**14,480**	14,943	(3.1%)	**14,338**	14,842	(3.4%)
Commercial real estate and execusuites	**4,352**	4,537	(4.1%)	**4,337**	4,523	(4.1%)
Total	**18,832**	19,480	(3.3%)	**18,675**	19,365	(3.6%)

	Six months ended June 30					
	Total			Same Door		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Multi-residential suites	**31,444**	31,885	(1.4%)	**31,180**	31,669	(1.5%)
Commercial real estate and execusuites	**9,413**	9,620	(2.2%)	**9,384**	9,588	(2.1%)
Total	**40,857**	41,505	(1.6%)	**40,564**	41,257	(1.7%)

Operating Expenses by Expense Category

	Three months ended June 30					
	Total			Same Door		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Utilities	**5,256**	5,224	0.6%	**5,217**	5,219	-
Property taxes	**3,622**	3,723	(2.7%)	**3,565**	3,679	(3.1%)
Salaries and benefits	**2,127**	2,187	(2.7%)	**2,127**	2,190	(2.9%)
Maintenance	**3,783**	4,456	(15.1%)	**3,754**	4,437	(15.4%)
General[(1)]	**4,044**	3,890	4.0%	**4,012**	3,840	4.5%
Total	**18,832**	19,480	(3.3%)	**18,675**	19,365	(3.6%)

	Six months ended June 30					
	Total			Same Door		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Utilities	**12,433**	13,127	(5.3%)	**12,359**	13,080	(5.5%)
Property taxes	**7,361**	7,403	(0.6%)	**7,247**	7,329	(1.1%)
Salaries and benefits	**4,347**	4,370	(0.5%)	**4,347**	4,373	(0.6%)
Maintenance	**8,390**	8,858	(5.3%)	**8,337**	8,803	(5.3%)
General[(1)]	**8,326**	7,747	7.5%	**8,274**	7,672	7.8%
Total	**40,857**	41,505	(1.6%)	**40,564**	41,257	(1.7%)

Note:

(1) General operating expenses include insurance, cleaning costs, estimated bad debt expense, and general and administrative costs.

Total operating expenses for the three and six months ended June 30, 2020, decreased 3.3% and 1.6% respectively, as compared with the same periods of 2019. The decrease in total operating expenses for the three months ended June 30, 2020, was due to lower maintenance, lower salaries and benefits expenses, partially offset by COVID-19 related expenses and higher estimated bad debt expense.

Same door utilities expense for the three months ended June 30, 2020, was consistent with the same period of 2019. For the six months ended June 30, 2020, same door utility expense decreased 5.5% compared to the same period of 2019. The decrease in same door utilities expense was due to below normal temperatures experienced in the first quarter of 2019 that resulted in higher consumption of natural gas, heating fuel oil, and wood pellets, compared to the same period of 2020.

On a same door basis, property taxes for the three and six months ended June 30, 2020, decreased 3.1% and 1.1%, respectively, compared with the same periods of 2019. The decrease in property taxes was due to the assessment of lower property values in Western Canada. The Initial Portfolio closely monitors property tax assessments and files property tax appeals when appropriate.

Same door salaries and benefits for the three and six months ended June 30, 2020, decreased 2.9% and 0.6% respectively, compared with the same periods of 2019. The decrease was mainly due to the delay of replacing departed employees as a result of COVID-19.

Same door maintenance expenses for the three and six months ended June 30, 2020, decreased 15.4% and 5.3% respectively, compared to the same periods of 2019. The decreases were primarily due to: (i) restrictions on the scope of maintenance work that could be completed in properties where COVID-19 protocols were in place in the second quarter of 2020; and (ii) the decreased level of maintenance for building heating systems in Northern Canada during the first half of 2020, compared to the same period of 2019, when below normal temperatures resulted in higher maintenance expenses.

On a same door basis, general operating expenses for the three and six months ended June 30, 2020, increased 4.5% and 7.8%, respectively, compared to the same periods of 2019. The increases were mainly due to COVID-19 related expenses and higher estimated bad debt expense. COVID-19 related expenses include incremental cleaning costs, the employee recognition program and the purchase of personal protective equipment to manage safety and contain the spread of COVID-19. Estimated bad debt expense increased as a result of several factors, including the negative impact of COVID-19 on the business, high unemployment rates and a decrease in crude oil demand resulting in a significant oil price decline. COVID-19 related expenses are expected to decrease during the second half of 2020.

Net Operating Income

The Initial Portfolio uses NOI and same door NOI as key indicators to measure financial performance. Same door NOI is a key measurement of the Initial Portfolio's ability to generate NOI based on the stabilized properties owned by the Initial Portfolio for both the current reporting period and on or before the first day of the previous annual reporting period, excluding the impact of acquisitions, dispositions and developments. Non-same door is a measurement based on non-stabilized properties from acquisitions, dispositions and developments that occurred after the first day of the previous annual reporting period. The IFRS measurement most comparable to same door and non-same door is NOI, for which a reconciliation is provided as follows:

	Three months ended June 30								
	Total			**Same Door**			**Non-Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**47,153**	48,262	(2.3%)	**46,470**	47,864	(2.9%)	**683**	398	71.6%
Expenses	**(18,832)**	(19,480)	(3.3%)	**(18,675)**	(19,365)	(3.6%)	**(157)**	(115)	36.5%
NOI	**28,321**	28,782	(1.6%)	**27,795**	28,499	(2.5%)	**526**	283	85.9%
NOI margin %	**60.1%**	59.6%	50 bps	**59.8%**	59.5%	30 bps	**77.0%**	71.1%	590 bps

	Six months ended June 30								
	Total			**Same Door**			**Non-Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**95,659**	96,626	(1.0%)	**94,498**	95,924	(1.5%)	**1,161**	702	65.4%
Expenses	**(40,857)**	(41,505)	(1.6%)	**(40,564)**	(41,257)	(1.7%)	**(293)**	(248)	18.1%
NOI	**54,802**	55,121	(0.6%)	**53,934**	54,667	(1.3%)	**868**	454	91.2%
NOI margin %	**57.3%**	57.0%	30 bps	**57.1%**	57.0%	10 bps	**74.8%**	64.7%	1,010 bps

NOI by Business Segment

	Three months ended June 30					
	Total			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Multi-residential suites	**23,217**	22,684	2.3%	**22,703**	22,413	1.3%
Commercial real estate and execusuites	**5,104**	6,098	(16.3%)	**5,092**	6,086	(16.3%)
Total	**28,321**	28,782	(1.6%)	**27,795**	28,499	(2.5%)
NOI margin %	**60.1%**	59.6%	50 bps	**59.8%**	59.5%	30 bps

	Six months ended June 30					
	Total			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Multi-residential suites	**44,191**	43,092	2.6%	**43,370**	42,677	1.6%
Commercial real estate and execusuites	**10,611**	12,029	(11.8%)	**10,564**	11,990	(11.9%)
Total	**54,802**	55,121	(0.6%)	**53,934**	54,667	(1.3%)
NOI margin %	**57.3%**	57.0%	30 bps	**57.1%**	57.0%	10 bps

Total NOI decreased 1.6% and 0.6% for the three and six months ended June 30, 2020, respectively, compared to the same periods of 2019, mainly due to lower maintenance expense and higher AMR, offset by lower revenue in the commercial real estate and execusuites business segment, an increase in COVID-19 related expenses and higher estimated bad debt expense.

Same door NOI in the multi-residential suites business segment increased 1.3% and 1.6%, respectively, for the three and six months ended June 30, 2020. The increases were primarily as a result of positive same door NOI growth realized in Northern Canada and Atlantic Canada, driven by higher AMR and lower utilities and maintenance expenses.

NOI by Region and Business Segment

	Three months ended June 30					
	Multi-residential suites			Commercial real estate and execusuites		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Western Canada	**7,796**	8,378	(6.9%)	**178**	72	147.2%
Northern Canada	**10,943**	9,984	9.6%	**3,980**	4,669	(14.8%)
Atlantic Canada	**4,478**	4,322	3.6%	**946**	1,357	(30.3%)
Total	**23,217**	22,684	2.3%	**5,104**	6,098	(16.3%)

	Six months ended June 30					
	Multi-residential suites			Commercial real estate and execusuites		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Western Canada	**15,763**	16,386	(3.8%)	**307**	173	77.5%
Northern Canada	**20,128**	18,698	7.6%	**8,242**	9,442	(12.7%)
Atlantic Canada	**8,300**	8,008	3.6%	**2,062**	2,414	(14.6%)
Total	**44,191**	43,092	2.6%	**10,611**	12,029	(11.8%)

NOI by Region

	Three months ended June 30			Six months ended June 30		
(thousands of dollars)	2020	2019	Change	2020	2019	Change
Western Canada	**7,974**	8,450	(5.6%)	**16,070**	16,559	(3.0%)
Northern Canada	**14,923**	14,653	1.8%	**28,370**	28,140	0.8%
Atlantic Canada	**5,424**	5,679	(4.5%)	**10,362**	10,422	(0.6%)
Total	**28,321**	28,782	(1.6%)	**54,802**	55,121	(0.6%)

Initial Portfolio Summary – June 30, 2020 (including Joint Ventures at 100%)

Regions	Multi-residential suites	Commercial real estate (Square Footage)	Execusuites
Western Canada	5,261	131,000	-
Northern Canada	2,477	758,000	200
Atlantic Canada	3,229	243,000	145
Total	**10,967**	**1,132,000**	**345**

Initial Portfolio Change – June 30, 2020 (including Joint Ventures at 100%)

Regions	Multi-residential suites	Commercial real estate (Square Footage)	Execusuites
December 31, 2019	10,937	1,126,000	345
Developments	30	6,000	-
June 30, 2020	**10,967**	**1,132,000**	**345**

Multi-Residential Suites Operations

Same Door NOI, AMR, And Occupancy by Region

Same Door NOI Margin % Change

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Western Canada	**(7.4%)**	(2.2%)	0.8%	3.3%	2.4%
Northern Canada	**7.4%**	5.0%	(0.3%)	4.4%	(7.3%)
Atlantic Canada	**3.6%**	3.7%	4.2%	0.9%	4.8%
Overall	**1.3%**	2.0%	0.9%	3.3%	(1.7%)

AMR

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Western Canada	**1,066**	1,078	1,067	1,069	1,054
Northern Canada	**2,207**	2,195	2,183	2,167	2,157
Atlantic Canada	**824**	822	818	815	805
Overall	**1,271**	1,266	1,260	1,257	1,243

Occupancy

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Western Canada	**81.5%**	83.9%	84.4%	82.7%	82.9%
Northern Canada	**96.4%**	97.2%	97.1%	97.4%	96.9%
Atlantic Canada	**96.4%**	96.0%	96.1%	95.6%	95.2%
Overall	**90.2%**	91.3%	91.5%	90.8%	90.6%

Multi-Residential Suites AMR and Occupancy by Region

	AMR			Occupancy		
	Q2 2020	Q2 2019	Change (%)	Q2 2020	Q2 2019	Change (bps)
Alberta	**1,087**	1,077	0.9%	**82.1%**	82.8%	(70)
British Columbia	**933**	911	2.4%	**77.7%**	79.9%	(220)
Saskatchewan	**1,288**	1,293	(0.4%)	**87.2%**	92.9%	(570)
Western Canada	**1,066**	1,054	1.1%	**81.5%**	82.9%	(140)
Northwest Territories	**1,747**	1,711	2.1%	**92.5%**	93.2%	(70)
Nunavut	**2,674**	2,635	1.5%	**99.3%**	99.7%	(40)
Northern Canada	**2,207**	2,157	2.3%	**96.4%**	96.9%	(50)
Newfoundland and Labrador	**846**	836	1.2%	**94.9%**	92.9%	200
New Brunswick	**807**	779	3.6%	**98.3%**	98.3%	-
Québec	**723**	706	2.4%	**97.9%**	94.8%	310
Atlantic Canada	**824**	805	2.4%	**96.4%**	95.2%	120
Total	**1,271**	1,243	2.3%	**90.2%**	90.6%	(40)

AMR Change on Multi-Residential Suite Turnover

	Three months ended June 30			Six months ended June 30		
(thousands of dollars)	2020	2019	Change (bps)	2020	2019	Change (bps)
Western Canada	**(2.5%)**	(0.1%)	(240)	**(1.4%)**	0.9%	(230)
Northern Canada	**3.4%**	2.6%	80	**2.3%**	2.5%	(20)
Atlantic Canada	**1.5%**	0.4%	110	**1.4%**	1.0%	40
Total	**(0.7%)**	0.4%	(110)	**(0.2%)**	1.2%	(140)

For the three and six months ended June 30, 2020, AMR change on suite turnover decreased by 110 bps and 140 bps, respectively, compared to the same periods of 2019. The decreases were mainly attributable to Western Canada due to continued challenging economic conditions in certain resource-based markets.

Western Canada Operations

AMR was $1,066 as at June 30, 2020, an increase of 1.1% compared to $1,054 as at June 30, 2019. In Alberta, most markets realized modest growth and overall AMR increased 0.9% compared to the prior year. In British Columbia, continued AMR growth in Fort St. John, British Columbia and Prince George, British Columbia, contributed to a 2.4% increase in AMR compared to the same period of 2019. In Saskatchewan, AMR decreased 0.4% compared to the same period of 2019, due to a soft economic environment.

Occupancy was 81.5% for the second quarter of 2020, a decrease of 140 bps from 82.9% for the same period of 2019. The decrease in occupancy was attributable to challenging economic conditions in resource-based markets located in northern Alberta and British Columbia. The Initial Portfolio's occupancy in these resource-based markets fluctuates based on the volume and duration of short-term rentals to contractors, which are influenced by the price of oil and the number of infrastructure projects in progress. The Initial Portfolio manages occupancy through market rents and incentives to maximize revenue, and by developing relationships with contractors to proactively secure short-term rentals.

	Three months ended June 30					
Western Canada	**Total**			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**14,092**	14,418	(2.3%)	**13,722**	14,094	(2.6%)
Operating expenses	**(6,296)**	(6,040)	4.2%	**(6,170)**	(5,938)	3.9%
NOI	**7,796**	8,378	(6.9%)	**7,552**	8,156	(7.4%)
NOI margin %	**55.3%**	58.1%	(280 bps)	**55.0%**	57.9%	(290 bps)

	Six months ended June 30					
Western Canada	**Total**			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**28,700**	28,917	(0.8%)	**27,950**	28,354	(1.4%)
Operating expenses	**(12,937)**	(12,531)	3.2%	**(12,701)**	(12,332)	3.0%
NOI	**15,763**	16,386	(3.8%)	**15,249**	16,022	(4.8%)
NOI margin %	**54.9%**	56.7%	(180 bps)	**54.6%**	56.5%	(190 bps)

NOI for the three and six months ended June 30, 2020, decreased 6.9% and 3.8%, respectively, compared to the same periods of 2019. The decreases were mainly due to lower occupancy, COVID-19 related expenses, and higher estimated bad debt expense.

Same door NOI decreased 7.4% and 4.8% for the three and six months ended June 30, 2020, respectively, compared to the same periods of 2019. The decreases were mainly due to lower occupancy, COVID-19 related expenses and higher estimated bad debt expense.

Northern Canada Operations

AMR was $2,207 as at June 30, 2020, an increase of 2.3% compared to $2,157 as at June 30, 2019. The increase in AMR was due to rent increases upon lease renewal.

Occupancy in Northern Canada was 96.4% for the second quarter of 2020, compared to 96.9% for the same period of 2019. The decrease in occupancy in the second quarter of 2020, compared to the same period of 2019, was due to the delay of tenants' arrival and lease commencement as a result of COVID-19 related travel restrictions in Nunavut and Inuvik, Northwest Territories. In Yellowknife, Northwest Territories, occupancy decreased due to the repositioning of a property in the second quarter. The newly renovated suites in this property are currently leased at higher than average market rental rates.

	Three months ended June 30					
Northern Canada	**Total**			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**15,755**	15,543	1.4%	**15,473**	15,499	(0.2%)
Operating expenses	**(4,812)**	(5,559)	(13.4%)	**(4,797)**	(5,560)	(13.7%)
NOI	**10,943**	9,984	9.6%	**10,676**	9,939	7.4%
NOI margin %	**69.5%**	64.2%	530 bps	**69.0%**	64.1%	490 bps

	Six months ended June 30					
Northern Canada	**Total**			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**31,322**	30,739	1.9%	**30,995**	30,681	1.0%
Operating expenses	**(11,194)**	(12,041)	(7.0%)	**(11,166)**	(12,026)	(7.2%)
NOI	**20,128**	18,698	7.6%	**19,829**	18,655	6.3%
NOI margin %	**64.3%**	60.8%	350 bps	**64.0%**	60.8%	320 bps

NOI increased 9.6% and 7.6% for the three and six months ended June 30, 2020, respectively, compared to the same periods of 2019. The increases were due to a new development in Iqaluit, Nunavut, completed in the first quarter of 2019, higher AMR and lower maintenance and utilities expenses, partially offset by higher estimated bad debt expense. During the first half of 2019, below normal temperatures resulted in higher maintenance and utilities expenses.

For the three and six months ended June 30, 2020, same door NOI increased by 7.4% and 6.3% respectively. Same door NOI margin increased by 490 bps and 320 bps for the three and six months ended June 30, 2020, respectively. The increases were due to higher AMR, lower maintenance and utilities expenses, partially offset by higher estimated bad debt expense.

Atlantic Canada Operations

AMR was $824 as at June 30, 2020, an increase of 2.4% compared to $805 as at June 30, 2019. The increase in AMR was mainly due to a continuation of strong economic conditions in New Brunswick.

Occupancy was 96.4% for the second quarter of 2020, compared to 95.2% for the same period of 2019. In Newfoundland and Labrador, the increase in occupancy was attributable to Labrador City, Newfoundland and Labrador, where occupancy increased 19.1% to 95.1% compared to the same period of 2019, due to the re-opening of a local iron ore mine which resulted in a rise in employment for the region. Occupancy in New Brunswick remained stable in the second quarter, compared to the same period of 2019.

	Three months ended June 30					
Atlantic Canada	**Total**			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**7,850**	7,666	2.4%	**7,846**	7,662	2.4%
Operating expenses	**(3,372)**	(3,344)	0.8%	**(3,371)**	(3,344)	0.8%
NOI	**4,478**	4,322	3.6%	**4,475**	4,318	3.6%
NOI margin %	**57.0%**	56.4%	60 bps	**57.0%**	56.4%	60 bps

	Six months ended June 30					
Atlantic Canada	**Total**			**Same Door**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**15,613**	15,321	1.9%	**15,605**	15,311	1.9%
Operating expenses	**(7,313)**	(7,313)	-	**(7,313)**	(7,311)	-
NOI	**8,300**	8,008	3.6%	**8,292**	8,000	3.7%
NOI margin %	**53.2%**	52.3%	90 bps	**53.1%**	52.3%	80 bps

NOI for the three and six months ended June 30, 2020 increased 3.6% and 3.6%, respectively, compared to the same periods of 2019. The increases were due to higher AMR, increased occupancy, lower utilities and maintenance expenses, partially offset by COVID-19 related expenses incurred during the second quarter of 2020.

Same door NOI increased 3.6% and 3.7% for the three and six months ended June 30, 2020, respectively, compared to the same periods of 2019. The increases in same door NOI results are due to the same factors mentioned above.

Commercial Real Estate and Execusuites Operations

The Initial Portfolio's commercial real estate and execusuites are located in regions where certain multi-residential suites comprising the Initial Portfolio are located. The commercial real estate comprising the Initial Portfolio consists of office, warehouse and mixed-use buildings, which are largely leased to federal or territorial governments and other credit-rated commercial tenants under long-term leases. In addition, the Initial Portfolio operates four execusuites in Yellowknife, Northwest Territories, Iqaluit, Nunavut, St. John's, Newfoundland and Labrador, and a 50% joint venture in Inuvik, Northwest Territories. The execusuites offer apartment-style accommodation and are rented for both short and long-term stays.

	Three months ended June 30					
	Total			**Total**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**9,456**	10,635	(11.1%)	**9,429**	10,609	(11.1%)
Operating expenses	**(4,352)**	(4,537)	(4.1%)	**(4,337)**	(4,523)	(4.1%)
NOI	**5,104**	6,098	(16.3%)	**5,092**	6,086	(16.3%)
NOI margin %	**54.0%**	57.3%	(330 bps)	**54.0%**	57.4%	(340 bps)

	Six months ended June 30					
	Total			**Total**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Revenue	**20,024**	21,649	(7.5%)	**19,948**	21,578	(7.6%)
Operating expenses	**(9,413)**	(9,620)	(2.2%)	**(9,384)**	(9,588)	(2.1%)
NOI	**10,611**	12,029	(11.8%)	**10,564**	11,990	(11.9%)
NOI margin %	**53.0%**	55.6%	(260 bps)	**53.0%**	55.6%	(260 bps)

NOI decreased 16.3% and 11.8% for the three and six months ended June 30, 2020, respectively, compared to the same periods of 2019. The decreases were due to lower NOI at the execusuites due to significantly reduced occupancy as a result of travel restrictions in the Northwest Territories and Nunavut as a result of several factors, including the negative impact of the COVID-19 pandemic. The resumption of inter-territorial travel has increased the occupancy at the execusuites in the third quarter of 2020 to date, particularly in Iqaluit, Nunavut.

Same door NOI decreased 16.3% and 11.9% for the three and six months ended June 30, 2020, respectively, compared to the same periods of 2019. The decreases in same door NOI results are due to the same factors mentioned above.

Commercial Real Estate Summary (including Joint Ventures at 100%)

	Three months ended June 30					
	$ Average Rent per Square Foot			**Occupancy**		
	2020	**2019**	**Change (%)**	**2020**	**2019**	**Change (bps)**
Western Canada	**14.33**	14.48	(1.0%)	**70.8%**	66.4%	440
Northern Canada	**25.82**	25.68	0.5%	**94.7%**	94.4%	30
Atlantic Canada	**19.27**	19.31	(0.2%)	**94.6%**	94.3%	30
Total / Average	**23.51**	23.45	0.3%	**91.8%**	91.1%	70

	Six months ended June 30					
	$ Average Rent per Square Foot			**Occupancy**		
	2020	**2019**	**Change (%)**	**2020**	**2019**	**Change (bps)**
Western Canada	**14.35**	14.16	1.3%	**70.4%**	68.1%	230
Northern Canada	**25.95**	25.73	0.9%	**94.5%**	94.0%	50
Atlantic Canada	**19.29**	18.25	5.7%	**95.0%**	94.9%	10
Total / Average	**23.61**	23.13	2.1%	**91.8%**	91.2%	60

The Average Rent per Square Foot increased 0.3% and 2.1%, respectively, for the three and six months ended June 30, 2020, compared to the same periods of 2019. The increases were attributable to scheduled rent increases for existing leases and rent increases upon lease renewal.

Commercial real estate occupancy increased 70 bps and 60 bps, respectively, for the three and six months ended June 30, 2020, compared to the same periods of 2019. The increase is mainly related to properties in Fort St. John, British Columbia, and Inuvik, Northwest Territories.

There was approximately 174,000 square feet of commercial real estate with leases maturing in 2020, of which approximately 80,000 square feet was renewed, and approximately 11,000 square feet was on a monthly lease. The Initial Portfolio expects the remaining lease maturities with government tenants to renew on similar terms in 2020.

2019 Annual Operating Results

The following section provides a comparison of the operating results for the years ended December 31, 2019, December 31, 2018 and December 31, 2017. Operations include the multi-residential suites and commercial real estate and execusuites business segments.

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.

Revenue by Business Segment

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Multi-residential suites	**150,691**	146,415	2.9%	**146,817**	144,367	1.7%
Commercial real estate and execusuites	**43,310**	42,736	1.3%	**41,942**	42,095	(0.4%)
Total	**194,001**	189,151	2.6%	**188,759**	186,462	1.2%

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Multi-residential suites	**146,415**	138,542	5.7%	**139,666**	136,407	2.4%
Commercial real estate and execusuites	**42,736**	40,931	4.4%	**42,095**	40,475	4.0%
Total	**189,151**	179,473	5.4%	**181,761**	176,882	2.8%

Revenue in the multi-residential suites business segment for the year ended December 31, 2019, increased $4.3 million or 2.9% compared to the same period of 2018. The increase was primarily due to higher AMR and occupancy, and newly developed properties. For the year ended December 31, 2018, multi-residential suites revenue increased $7.9 million or 5.7% compared to the same period of 2017, primarily due to contributions from acquisitions and newly developed properties, and higher AMR.

Same door revenue in the multi-residential suites business segment for the year ended December 31, 2019, increased $2.5 million or 1.7% compared to the same period of 2018, as a result of higher AMR and occupancy. For the year ended December 31, 2018, same door revenue increased $3.3 million or 2.4% compared to the same period of 2017, primarily due to higher AMR.

Revenue in the commercial real estate and execusuites business segment for the year ended December 31, 2019, increased $0.6 million or 1.3% compared to the same period of 2018, due to contributions from recent acquisitions and new developments. For the year ended December 31, 2018, commercial real estate and execusuites revenue increased $1.8 million or 4.4% compared to the same period of 2017, mainly due to acquisitions of commercial and mixed-use properties and higher occupancy at the execusuites.

Same door revenue in the commercial real estate and execusuites business segment for the year ended December 31, 2019, decreased by $0.2 million or 0.4% compared to the same period of 2018, due to lower revenue as a result of an increase in supply of execusuites properties in Yellowknife, Northwest Territories, and St. John’s, Newfoundland and Labrador. For the year ended December 31, 2018, same door revenue for the commercial real estate and execusuites business segment increased $1.6 million or 4.0% compared to the same period of 2017, mainly due to higher occupancy at the execusuites.

Operating Expenses by Business Segment

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Multi-residential suites	**60,542**	58,418	3.6%	**59,383**	57,645	3.0%
Commercial real estate and execusuites	**18,719**	18,118	3.3%	**18,053**	17,822	1.3%
Total	**79,261**	76,536	3.6%	**77,436**	75,467	2.6%

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Multi-residential suites	**58,418**	55,216	5.8%	**55,979**	54,469	2.8%
Commercial real estate and execusuites	**18,118**	16,706	8.5%	**17,822**	16,600	7.4%
Total	**76,536**	71,922	6.4%	**73,801**	71,069	3.8%

Operating Expenses by Expense Category

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Utilities	**23,866**	21,370	11.7%	**23,319**	21,076	10.6%
Property taxes	**13,873**	13,918	(0.3%)	**13,373**	13,654	(2.1%)
Salaries and benefits	**8,662**	8,514	1.7%	**8,569**	8,371	2.4%
Maintenance	**16,963**	16,816	0.9%	**16,648**	16,644	0.0%
General	**15,897**	15,918	(0.1%)	**15,526**	15,721	(1.2%)
Total	**79,261**	76,536	3.6%	**77,435**	75,466	2.6%

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Utilities	**21,370**	19,393	10.2%	**20,506**	19,154	7.1%
Property taxes	**13,918**	13,499	3.1%	**13,035**	13,117	(0.6%)
Salaries and benefits	**8,514**	7,877	8.1%	**8,371**	7,877	6.3%
Maintenance	**16,816**	16,262	3.4%	**16,290**	16,125	1.0%
General	**15,918**	14,891	6.9%	**15,598**	14,797	5.4%
Total	**76,536**	71,922	6.4%	**73,800**	71,070	3.8%

Total operating expenses for the year ended December 31, 2019, increased $2.7 million or 3.6% compared to the same period of 2018. Higher operating expenses are mainly due to higher utility costs, partially offset by lower property taxes from successful property tax appeals. For the year ended December 31, 2018, total operating expenses increased $4.6 million or 6.4% compared to the same period of 2017, mainly due to higher utility costs and new acquisitions.

Same door operating expenses for the year ended December 31, 2019, increased $2.0 million or 2.6% compared to the same period of 2018, mainly due to higher utilities and salaries and benefits, partially offset by lower general operating expenses and successful property tax appeals. For the year ended December 31, 2018, same door operating expenses increased by $2.7 million or 3.8% compared to the same period of 2017, mainly due to higher utilities, salaries and benefits, and general operating expense.

Same door utilities expense for the year ended December 31, 2019, increased $2.2 million or 10.6% compared to the same period of 2018. The increase in same door utilities expense was due to higher fuel oil expense in Northern Canada and higher water costs throughout most of the regions. Additionally, below normal temperatures experienced in the first quarter of

2019 resulted in higher consumption of natural gas, heating fuel oil and wood pellets, compared to the same period of 2018. There was an increase in natural gas prices due to a decline in natural gas storage levels and colder temperatures during the first quarter of 2019. The Initial Portfolio entered into fixed price contracts in Alberta for natural gas to reduce volatility. For the year ended December 31, 2018, same door utilities expense increased $1.4 million or 7.1% compared to the same period of 2017, due to higher heating costs.

On a same door basis, property taxes for the year ended December 31, 2019, decreased $0.3 million or 2.1% compared to the same period of 2018. Higher property tax expenses in the first half of 2019, as a result of assessment of higher property values, were offset by successful property tax appeals in Western Canada and Atlantic Canada during the second half of 2019. For the year ended December 31, 2018, same door property taxes decreased $0.1 million or 0.6% compared to the same period of 2017, due to higher property tax assessments offset by successful property tax appeals. The Initial Portfolio closely monitors property tax assessments and files property tax appeals when appropriate.

Salaries and benefits on a same door basis for the year ended December 31, 2019, increased $0.2 million or 2.4% compared to the same period of 2018, mainly due to general salary increases. For the year ended December 31, 2018, same door salaries and benefits increased $0.5 million or 6.3% compared to the same period of 2017, due to general salary increases and increased staffing levels to further develop the internal property management infrastructure.

Same door maintenance expenses for the year ended December 31, 2019, were consistent with the same period of 2018. For the year ended December 31, 2018, same door maintenance expense increased $0.2 million or 1.0% compared to the same period of 2017. Higher costs incurred in the first half of 2018 were partially offset by maintenance cost reductions in the second half of 2018, due to management establishing an internal maintenance team in Atlantic Canada to reduce maintenance costs.

On a same door basis, general operating expenses for the year ended December 31, 2019, decreased slightly by $0.2 million or 1.2% compared to the same period of 2018. The Initial Portfolio continues to focus on reducing controllable expenses which contributed to the slight decrease in general operating expenses, which included the improved management of bad debt expenses and office administration costs. For the year ended December 31, 2018, same door general operating expenses increased $0.8 million or 5.4% compared to the same period of 2017, due to an increase in insurance expense and higher administration costs incurred to further develop the internal property management infrastructure.

Net Operating Income

The Initial Portfolio uses NOI and same door NOI as key indicators to measure financial performance. Same door NOI is a key measurement of the Initial Portfolio's ability to generate NOI based on the stabilized properties owned by the Initial Portfolio for both the current reporting period and on or before the first day of the previous annual reporting period, excluding the impact of acquisitions, dispositions, and developments. Non-same door NOI is a measurement based on non-stabilized properties from acquisitions, dispositions, and developments that occurred after the first day of the previous annual reporting period. The IFRS measurement most comparable to same door and non-same door is NOI, for which a reconciliation is provided as follows:

	Year ended December 31								
	Total			**Same Door**			**Non-Same Door**		
(thousands of dollars)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Revenue	**194,001**	189,151	2.6%	**188,759**	186,462	1.2%	**5,242**	2,689	94.9%
Expenses	**(79,261)**	(76,536)	3.6%	**(77,436)**	(75,467)	2.6%	**(1,825)**	(1,069)	70.7%
NOI	**114,740**	112,615	1.9%	**111,323**	110,995	0.3%	**3,417**	1,620	110.9%
NOI margin %	**59.1%**	59.5%	(40 bps)	**59.0%**	59.5%	(50 bps)	**65.2%**	60.2%	500 bps

	Year ended December 31								
	Total			**Same Door**			**Non-Same Door**		
(thousands of dollars)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Revenue	**189,151**	179,473	5.4%	**181,761**	176,882	2.8%	**7,390**	2,591	185.2%
Expenses	**(76,536)**	(71,922)	6.4%	**(73,801)**	(71,069)	3.8%	**(2,735)**	(853)	220.6%
NOI	**112,615**	107,551	4.7%	**107,960**	105,813	2.0%	**4,655**	1,738	167.8%
NOI margin %	**59.5%**	59.9%	(40 bps)	**59.4%**	59.8%	(40 bps)	**63.0%**	67.1%	(410 bps)

NOI by Business Segment

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Multi-residential suites	**90,149**	87,997	2.4%	**87,434**	86,722	0.8%
Commercial real estate and execusuites	**24,591**	24,618	(0.1%)	**23,889**	24,273	(1.6%)
Total	**114,740**	112,615	1.9%	**111,323**	110,995	0.3%
NOI margin %	**59.1%**	59.5%	(40 bps)	**59.0%**	59.5%	(50 bps)

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Multi-residential suites	**87,997**	83,326	5.6%	**83,687**	81,938	2.1%
Commercial real estate and execusuites	**24,618**	24,225	1.6%	**24,273**	23,875	1.7%
Total	**112,615**	107,551	4.7%	**107,960**	105,813	2.0%
NOI margin %	**59.5%**	59.9%	(40 bps)	**59.4%**	59.8%	(40 bps)

Total NOI increased $2.1 million or 1.9%, for the year ended December 31, 2019, compared to the same period of 2018, mainly due to higher AMR, higher occupancy, and contributions from newly developed properties, partially offset by higher utility costs. For the year ended December 31, 2018, total NOI increased $5.1 million or 4.7% compared to the same period of 2017, primarily due to contributions from acquisitions and newly developed properties, and higher same door revenue growth.

Same door NOI for the year ended December 31, 2019, was consistent with the same period of 2018. Same door NOI increased $2.1 million or 2.0% for the year ended December 31, 2018, compared to the same period of 2017, mainly due to higher AMR and higher occupancy at the execusuites.

NOI by Region and Business Segment

	Year ended December 31					
	Multi-residential suites			Commercial real estate and execusuites		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Western Canada	**33,845**	32,030	5.7%	**497**	463	7.3%
Northern Canada	**39,708**	39,793	(0.2%)	**18,878**	18,677	1.1%
Atlantic Canada	**16,596**	16,174	2.6%	**5,216**	5,478	(4.8%)
Total	**90,149**	87,997	2.4%	**24,591**	24,618	(0.1%)

	Year ended December 31					
	Multi-residential suites			Commercial real estate and execusuites		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Western Canada	**32,030**	31,051	3.2%	**463**	554	(16.4%)
Northern Canada	**39,793**	37,781	5.3%	**18,677**	18,101	3.2%
Atlantic Canada	**16,174**	14,494	11.6%	**5,478**	5,570	(1.7%)
Total	**87,997**	83,326	5.6%	**24,618**	24,225	1.6%

NOI by Region

	Year ended December 31					
(thousands of dollars)	2019	2018	Change	2018	2017	Change
Western Canada	**34,342**	32,493	5.7%	**32,493**	31,605	2.8%
Northern Canada	**58,586**	58,470	0.2%	**58,470**	55,882	4.6%
Atlantic Canada	**21,812**	21,652	0.7%	**21,652**	20,064	7.9%
Total	**114,740**	112,615	1.9%	**112,615**	107,551	4.7%

Initial Portfolio Summary – December 31, 2019 (including Joint Ventures at 100%)

Regions	Multi-residential suites	Commercial real estate (Square Footage)	Execusuites
Western Canada	5,261	130,789	-
Northern Canada	2,477	751,843	200
Atlantic Canada	3,229	243,129	145
Total	**10,937**	**1,125,761**	**345**

Multi-Residential Suites Operations

Same Door NOI, AMR, And Occupancy by Region

Same Door NOI Margin % Change

	2019	2018	2017
Western Canada	**2.5%**	0.7%	n/a
Northern Canada	**(1.1%)**	2.8%	n/a
Atlantic Canada	**2.2%**	3.5%	n/a
Overall	**0.8%**	2.1%	n/a

Same door NOI margin % change is only shown for 2019 and 2018 as the reporting period includes the years ended December 31, 2019, 2018, and 2017.

AMR

	2019	2018	2017
Western Canada	**1,067**	1,051	1,033
Northern Canada	**2,183**	2,137	2,089
Atlantic Canada	**818**	798	791
Overall	**1,260**	1,232	1,210

Occupancy

	2019	2018	2017
Western Canada	**83.5%**	82.6%	83.1%
Northern Canada	**97.0%**	96.8%	95.0%
Atlantic Canada	**95.6%**	94.8%	93.6%
Overall	**91.0%**	90.5%	89.5%

Multi-Residential Suites AMR and Occupancy by Region

	AMR			Occupancy		
	2019	2018	Change (%)	2019	2018	Change (bps)
Alberta	**1,088**	1,087	0.1%	**83.7%**	83.3%	40
British Columbia	**929**	910	2.1%	**79.4%**	78.5%	90

	AMR			Occupancy		
	2019	**2018**	**Change (%)**	**2019**	**2018**	**Change (bps)**
Saskatchewan	**1,283**	1,228	4.5%	**94.1%**	93.0%	110
Western Canada	**1,067**	1,051	1.5%	**83.5%**	82.6%	90
Northwest Territories	**1,737**	1,685	3.1%	**93.3%**	93.7%	(40)
Nunavut	**2,658**	2,610	1.8%	**99.7%**	99.1%	60
Northern Canada	**2,183**	2,137	2.2%	**97.0%**	96.8%	20
Newfoundland and Labrador	**841**	828	1.6%	**93.1%**	92.1%	100
New Brunswick	**801**	774	3.5%	**98.8%**	98.1%	70
Québec	**722**	715	1.0%	**95.9%**	97.1%	(120)
Atlantic Canada	**818**	798	2.5%	**95.6%**	94.8%	80
Total	**1,260**	1,232	2.3%	**91.0%**	90.5%	50

	AMR			Occupancy		
	2018	**2017**	**Change (%)**	**2018**	**2017**	**Change (bps)**
Alberta	**1,087**	1,062	2.4%	**83.3%**	83.5%	(20)
British Columbia	**910**	889	2.4%	**78.5%**	80.1%	(160)
Saskatchewan	**1,228**	1,292	(5.0%)	**93.0%**	94.7%	(170)
Western Canada	**1,051**	1,033	1.7%	**82.6%**	83.1%	(50)
Northwest Territories	**1,685**	1,653	1.9%	**93.7%**	92.4%	130
Nunavut	**2,610**	2,572	1.5%	**99.1%**	97.0%	210
Northern Canada	**2,137**	2,089	2.3%	**96.8%**	95.0%	180
Newfoundland and Labrador	**828**	827	0.1%	**92.1%**	92.7%	(60)
New Brunswick	**774**	759	2.0%	**98.1%**	97.1%	100
Québec	**715**	697	2.6%	**97.1%**	98.2%	(110)
Atlantic Canada	**798**	791	0.9%	**94.8%**	93.6%	120
Total	**1,232**	1,210	1.8%	**90.5%**	89.5%	100

AMR Change on Multi-Residential Suite Turnover

	Year ended December 31					
	2019	**2018**	**Change (bps)**	**2018**	**2017**	**Change (bps)**
Western Canada	**0.3%**	2.1%	(180)	**2.1%**	1.7%	40
Northern Canada	**2.6%**	4.6%	(200)	**4.6%**	0.9%	370
Atlantic Canada	**0.5%**	0.8%	(30)	**0.8%**	1.7%	(90)
Total	**0.7%**	2.2%	(150)	**2.2%**	1.7%	50

For the year ended December 31, 2019, the AMR increase on multi-residential suite turnover was lower compared to the same period of 2018, due to continued challenging economic conditions in some resource-based markets, reduced demand for rental suites as a result of the completion of a large infrastructure project in Yellowknife, Northwest Territories, and challenging market conditions in St. John's, Newfoundland and Labrador. AMR increases on multi-residential suite turnover for the year ended December 31, 2018, in Western Canada and Northern Canada were higher compared to the same period of 2017, primarily attributable to favourable market conditions. The AMR increase on multi-residential suite turnover in Atlantic Canada was lower compared to the same period of 2017, due to decreases in turnover in St. John's, Newfoundland and Labrador, partially offset by an acceleration in rent lifts in New Brunswick.

Western Canada Operations

AMR was $1,067 as at December 31, 2019, an increase of 1.5% compared to $1,051 as at December 31, 2018. AMR increased throughout the region compared to the same period of 2018. In Alberta, overall AMR remained relatively stable.

Positive AMR growth realized in most markets in Alberta were offset by a reduction in AMR in Fort McMurray, Alberta, due to a challenging economic market. In British Columbia, lower lease incentives and AMR growth in Fort St. John, British Columbia, and Prince George, British Columbia, contributed to a 2.1% increase in AMR compared to 2018. In Saskatchewan, AMR increased 4.5% compared to 2018, due to the stabilization of the recently completed development with higher AMR in Regina, Saskatchewan.

Occupancy was 83.5% for the year ended December 31, 2019, compared to 82.6% for the same period of 2018. The increase in occupancy was throughout the region. Slightly improved economic conditions combined with higher lease incentives led to increased occupancy. The Initial Portfolio's occupancy in these markets is influenced by short-term rentals to contractors, which are affected by the number of infrastructure projects in-progress. The Initial Portfolio manages vacancy through market rents and incentives to maximize revenue, and by developing relationships with contractors to proactively secure short-term rentals.

AMR was $1,051 as at December 31, 2018, an increase of 1.7% compared to $1,033 as at December 31, 2017. The increase in AMR was attributable to higher AMR in Alberta and British Columbia, partially offset by lower AMR in Saskatchewan. In Alberta, the increase in AMR was due to improved market conditions in most regions and increased market rents compared to the same period of 2017. In British Columbia, the increase in AMR from the same period of 2017 was due to increased market rents. In Saskatchewan, the decrease in AMR from the same period of 2017 was due to increased incentives to maintain occupancy levels in a soft economic environment.

Occupancy was 82.6% for the year ended December 31, 2018, compared to 83.1% for the same period of 2017. The decrease in occupancy was mainly attributable to British Columbia and Saskatchewan, while Alberta remained consistent with the same period of 2017. In British Columbia, the decrease was due to the emergence of new large-scale worker camps and recent new supply in the Fort St. John market that impacted occupancy levels. In Saskatchewan, the decrease in occupancy was attributable to a soft economic environment.

	Year ended December 31					
Western Canada	**Total**			**Same Door**		
(thousands of dollars)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Revenue	**57,912**	55,883	3.6%	**55,381**	54,549	1.5%
Operating expenses	**(24,067)**	(23,853)	0.9%	**(23,314)**	(23,264)	0.2%
NOI	**33,845**	32,030	5.7%	**32,067**	31,285	2.5%
NOI margin %	**58.4%**	57.3%	110 bps	**57.9%**	57.4%	50 bps

	Year ended December 31					
Western Canada	**Total**			**Same Door**		
(thousands of dollars)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Revenue	**55,883**	53,985	3.5%	**54,549**	53,983	1.0%
Operating expenses	**(23,853)**	(22,934)	4.0%	**(23,264)**	(22,915)	1.5%
NOI	**32,030**	31,051	3.2%	**31,285**	31,068	0.7%
NOI margin %	**57.3%**	57.5%	(20 bps)	**57.4%**	57.6%	(20 bps)

Western Canada represents 48.1% of total multi-residential suites and 37.5% of reported multi-residential suites NOI for the year ended December 31, 2019.

NOI increased $1.8 million or 5.7%, for the year ended December 31, 2019, compared to the same period of 2018, due to higher AMR and contributions from new developments, partially offset by higher lease incentives and utilities. For the year ended December 31, 2018, NOI increased $1.0 million or 3.2% compared to the same period of 2017, due to higher AMR and the new development in Regina, Saskatchewan, partially offset by higher vacancy and utilities.

Same door NOI increased $0.8 million or 2.5% for the year ended December 31, 2019, compared to the same period of 2018. The increase in same door NOI was mainly due to higher revenue from increased AMR, partially offset by higher lease incentives and utilities. For the year ended December 31, 2018, same door NOI increased $0.2 million or 0.7% compared to the same period of 2017, due to higher revenue from increased AMR, partially offset by higher vacancy and utilities.

Same door NOI margin increased 50 bps for the year ended December 31, 2019, compared to the same period of 2018. The increase was due to higher AMR and effective management of controllable expenses. For the year ended December 31, 2018, same door NOI margin was consistent with 2017.

Northern Canada Operations

AMR was $2,183 as at December 31, 2019, an increase of 2.2% compared to $2,137 as at December 31, 2018. The increase in AMR was due to rent increases upon lease renewal.

Occupancy in Northern Canada was 97.0% for the year ended December 31, 2019, compared to 96.8% for the same period of 2018. In Nunavut, the market continued to experience strong occupancy which is attributable to tight supply conditions. In the Northwest Territories, the decrease in occupancy was attributable to the softer performance in Yellowknife, Northwest Territories, in the first half of 2019. Recent new supply and the completion of a large infrastructure project impacted occupancy levels. This temporary decline was partially offset by improved occupancy in the second half of 2019 as a result of lease renewal with government tenants.

AMR was $2,137 as at December 31, 2018, compared to $2,089 as at December 31, 2017. The increase in AMR was due to rent increases upon the renewal of leases. AMR increased throughout the region, including Inuvik, Northwest Territories, where rents were reduced in 2017 to manage occupancy levels in a soft economic environment.

Occupancy in Northern Canada was 96.8% for the year ended December 31, 2018, compared to 95.0% for the same period of 2017. In Nunavut, occupancy increased throughout the region compared to the same period of 2017, due to a strong economy. In the Northwest Territories, the increase in occupancy in 2018 compared to 2017, was attributable to higher market rents combined with an increase in corporate leases.

	Year ended December 31					
Northern Canada	**Total**			**Same Door**		
(thousands of dollars)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Revenue	**61,979**	60,643	2.2%	60,920	60,045	1.5%
Operating expenses	**(22,271)**	(20,850)	6.8%	(22,034)	(20,733)	6.3%
NOI	**39,708**	39,793	(0.2%)	38,886	39,312	(1.1%)
NOI margin %	**64.1%**	65.6%	(150 bps)	63.8%	65.5%	(170 bps)

	Year ended December 31					
Northern Canada	**Total**			**Same Door**		
(thousands of dollars)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Revenue	**60,643**	57,592	5.3%	**58,796**	56,850	3.4%
Operating expenses	**(20,850)**	(19,811)	5.2%	**(20,608)**	(19,718)	4.5%
NOI	**39,793**	37,781	5.3%	**38,188**	37,132	2.8%
NOI margin %	**65.6%**	65.6%	-	**64.9%**	65.3%	(40 bps)

Northern Canada represents 22.4% of total multi-residential suites and 44.1% of reported multi-residential suites NOI for the year ended December 31, 2019.

For the year ended December 31, 2019, NOI was consistent with the same period of 2018. Higher revenue from increased AMR and occupancy, as well as contributions from new developments, were offset by higher water costs, and higher fuel oil expenses as a result of higher fuel oil prices and colder weather conditions in Yellowknife, Northwest Territories, compared to the same period of 2018. For the year ended December 31, 2018, NOI increased $2.0 million or 5.3% compared to the same period of 2017. The increase in NOI was attributable to higher AMR, increased occupancy in the region, and contributions from new developments in Cambridge Bay, Nunavut, and Iqaluit, Nunavut.

Same door NOI for the year ended December 31, 2019, decreased $0.4 million or 1.1% compared to the same period of 2018, due to higher utility costs, partially offset by higher AMR and occupancy. Same door NOI increased $1.1 million or 2.8%, for the year ended December 31, 2018, compared to the same period of 2017, due to higher AMR and increased occupancy, partially offset by higher utilities, and higher salaries.

Same door NOI margin decreased 170 bps for the year ended December 31, 2019, compared to the same period of 2018, due to utilities expenses increasing disproportionately to the revenue growth. For the year ended December 31, 2018, same door NOI margin remained relatively flat.

Atlantic Canada Operations

AMR was $818 as at December 31, 2019, an increase of 2.5% compared to $798 as at December 31, 2018. The increase in AMR was due to a continuation of strong economic conditions in New Brunswick, partially offset by more challenged conditions in St. John's, Newfoundland and Labrador.

Occupancy was 95.6% for the year ended December 31, 2019, compared to 94.8% for the same period of 2018. In Newfoundland and Labrador, the increase in occupancy was attributable to Labrador City, Newfoundland and Labrador, where occupancy increased 1,170 basis points to 80.6% compared to 68.9% for the same period of 2018, due to the re-opening of a local iron ore mine which resulted in a rise in employment in the region. In New Brunswick, the increase in occupancy is mainly attributable to a strong economy, labour market and increased migration.

AMR was $798 as at December 31, 2018, an increase of 0.9% compared to $791 as at December 31, 2017. In New Brunswick, the increase in AMR from the same period of 2017 was due to improved market conditions and increased market rents. Newfoundland and Labrador remained stable, positive growth in Gander, Newfoundland and Labrador, was offset by a slight decrease in St. John's, Newfoundland and Labrador.

Occupancy was 94.8% for the year ended December 31, 2018, compared to 93.6% for the same period of 2017. In Newfoundland and Labrador, the decrease was attributable to St. John's, Newfoundland and Labrador, where new supply impacted occupancy. In New Brunswick, the increase in occupancy was due to improved economic conditions and the internalization of property management.

	Year ended December 31					
Atlantic Canada	**Total**			**Same Door**		
(thousands of dollars)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Revenue	**30,800**	29,889	3.0%	**30,516**	29,773	2.5%
Operating expenses	**(14,204)**	(13,715)	3.6%	**(14,035)**	(13,648)	2.8%
NOI	**16,596**	16,174	2.6%	**16,481**	16,125	2.2%
NOI margin %	**53.9%**	54.1%	(20 bps)	**54.0%**	54.2%	(20 bps)

	Year ended December 31					
Atlantic Canada	**Total**			**Same Door**		
(thousands of dollars)	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Revenue	**29,889**	26,965	10.8%	**26,321**	25,574	2.9%
Operating expenses	**(13,715)**	(12,471)	10.0%	**(12,107)**	(11,836)	2.3%
NOI	**16,174**	14,494	11.6%	**14,214**	13,738	3.5%
NOI margin %	**54.1%**	53.8%	30 bps	**54.0%**	53.7%	30 bps

Atlantic Canada represents 29.5% of total multi-residential suites and 18.4% of reported multi-residential suites NOI for the year ended December 31, 2019.

For the year ended December 31, 2019, NOI increased $0.4 million or 2.6% compared to the same period of 2018, mainly due to higher AMR and occupancy, partially offset by higher utilities. NOI increased $1.7 million or 11.6% for the year ended December 31, 2018, compared to the same period of 2017, due to higher AMR and occupancy, and contributions from new acquisitions, partially offset by higher operating expenses.

Same door NOI increased $0.4 million or 2.2% for the year ended December 31, 2019, compared to the same period of 2018, due to higher AMR and occupancy, partially offset by higher utilities expenses. For the year ended December 31, 2018, same door NOI increased $0.5 million or 3.5% compared to the same period of 2017, due to higher AMR and occupancy, partially offset by higher operating expenses. In addition, 2017 included one-time electricity rebates of $0.1 million. Excluding these one-time rebates, same door NOI growth would be 4.5% for the year ended December 31, 2018, compared to the same period of 2017.

Same door NOI margin of 54.0% for the year ended December 31, 2019, was consistent with 54.2% for the same period of 2018. For the year ended December 31, 2018, same door NOI margin increased to 54.0% from 53.7% compared to the same period of 2017, due to higher revenue and cost savings from internalization of the New Brunswick portfolio.

Commercial Real Estate and Execusuites Operations

The Initial Portfolio's commercial real estate and execusuites are located in regions where certain multi-residential suites comprising the Initial Portfolio are located. The commercial real estate comprising the Initial Portfolio consists of office, warehouse and mixed-use buildings, which are largely leased to federal or territorial governments and other credit-rated commercial tenants under long-term leases. In addition, the Initial Portfolio operates four execusuites in Yellowknife, Northwest Territories, Iqaluit, Nunavut, St. John's, Newfoundland and Labrador, and a 50% joint venture in Inuvik, Northwest Territories. The execusuites offer apartment-style accommodation and are rented for both short and long-term stays.

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Revenue	**43,310**	42,736	1.3%	**41,942**	42,095	(0.4%)
Operating expenses	**(18,719)**	(18,118)	3.3%	**(18,053)**	(17,822)	1.3%
NOI	**24,591**	24,618	(0.1%)	**23,889**	24,273	(1.6%)
NOI margin %	**56.8%**	57.6%	(80 bps)	**57.0%**	57.7%	(70 bps)

	Year ended December 31					
	Total			Same Door		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Revenue	**42,736**	40,931	4.4%	**42,095**	40,475	4.0%
Operating expenses	**(18,118)**	(16,706)	8.5%	**(17,822)**	(16,600)	7.4%
NOI	**24,618**	24,225	1.6%	**24,273**	23,875	1.7%
NOI margin %	**57.6%**	59.2%	(160 bps)	**57.7%**	59.0%	(130 bps)

NOI for the year ended December 31, 2019, was consistent with the same period of 2018. Positive contributions from recent acquisitions and new developments were offset by lower revenue at the execusuites located in Yellowknife, Northwest Territories and St. Johns, Newfoundland and Labrador, where both markets have been impacted by new supply. For the year ended December 31, 2018, NOI increased $0.4 million or 1.6% compared to the same period of 2017, mainly due to acquisitions of commercial and mixed-use properties and higher occupancy across the execusuites.

Same door NOI for the year ended December 31, 2019, decreased $0.4 million or 1.6% compared to the same period of 2018, due to lower revenue at the execusuites located in Yellowknife, Northwest Territories and St. Johns, Newfoundland and Labrador, as previously mentioned. For the year ended December 31, 2018, same door NOI increased $0.4 million or 1.7% compared to the same period of 2017, mainly due to higher occupancy at the execusuites.

The execusuites operated at an average occupancy of 60.5% for the year ended December 31, 2019, compared to 63.3% for the same period of 2018 and 56.0% for the same period of 2017.

Commercial Real Estate Summary (including Joint Ventures at 100%)

	Year ended December 31					
	$ Average Rent per Square Foot			Occupancy		
	2019	2018	Change (%)	2019	2018	Change (bps)
Western Canada	**14.28**	13.11	8.9%	**68.5%**	72.1%	(360)
Northern Canada	**25.78**	26.0	(1.1%)	**94.2%**	94.1%	10
Atlantic Canada	**19.10**	18.8	1.2%	**94.9%**	95.3%	(40)
Total / Average	**23.44**	23.38	0.3%	**91.4%**	91.7%	(30)

	Year ended December 31					
	$ Average Rent per Square Foot			Occupancy		
	2018	2017	Change (%)	2018	2017	Change (bps)
Western Canada	**13.11**	13.2	(1.3%)	**72.1%**	72.4%	(30)
Northern Canada	**26.0**	24.87	4.8%	**94.1%**	94.5%	(40)
Atlantic Canada	**18.8**	19.06	(1.0%)	**95.3%**	94.8%	50
Total / Average	**23.38**	22.72	2.9%	**91.7%**	91.8%	(10)

Overall, the Average Rent per Square Foot increased 0.3% for the year ended December 31, 2019, compared to the same period of 2018. The increase was mainly attributable to Western Canada and was due to scheduled rent increases for existing leases and rent increases upon lease renewal. Overall, the Average Rent per Square Foot increased 2.9% for the year ended December 31, 2018, compared to the same period of 2017. The increase was mainly attributable to Northern Canada and was due to scheduled rent increases for existing leases and rent increases upon the renewal of leases.

Commercial real estate occupancy slightly decreased 30 bps for the year ended December 31, 2019, compared to the same period of 2018. The decrease in occupancy was mainly due to increased vacancy at a property in Fort St. John, British Columbia. Commercial real estate occupancy for the year ended December 31, 2018, was consistent with the same period of 2017.

There was approximately 157,000 square feet of commercial real estate with leases maturing in 2019, of which approximately 126,000 square feet was renewed, and approximately 22,000 square feet was on a monthly lease as of December 31, 2019. The Initial Portfolio has 174,000 square feet of commercial real estate space with leases maturing in 2020. The Initial Portfolio actively manages occupancy levels through a proactive lease renewal program and utilizing tenant inducements, when appropriate.

Q4 2019 Results

During the fourth quarter of 2019, the Initial Portfolio's operating performance remained strong with stable occupancy and increasing AMR.

Northern Canada operating results were consistent with higher revenue from increased AMR and occupancy, offset by higher utilities mainly as a result of colder weather conditions in Yellowknife, Northwest Territories. AMR increased due to rent increases upon lease renewal. Occupancy in Northern Canada is amongst the highest in the Initial Portfolio. In Nunavut, the market continued to experience strong occupancy which is attributable to tight supply conditions. In the Northwest Territories, improved occupancy was attributable to Yellowknife, Northwest Territories, as a result of lease renewal with government tenants.

In Western Canada, economies in the resource-based markets located in northern Alberta and British Columbia continue to experience challenging economic conditions. The ongoing uncertainty for the resource sector, including political risk, regulatory environment, lack of energy infrastructure, low regional commodity prices, and high unemployment rates, is expected to continue to adversely impact occupancy.

Atlantic Canada operating results were positive which was driven by higher AMR and occupancy, and lower maintenance expenses from establishing an internal maintenance team to effectively manage costs. The increase in AMR was due to improved economic conditions throughout most of the region. The re-opening of a local iron ore mine which resulted in a rise in employment in Labrador City, Newfoundland and Labrador, and a strong economy, labour market, and increased migration in New Brunswick led to improved occupancy.

2020 Second Quarter – Other Expense (Income)

	Three months ended June 30			**Six months ended June 30**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Financing costs from operations	**6,936**	7,289	(4.8%)	**13,975**	14,376	(2.8%)
Administration	**1,913**	2,015	(5.1%)	**3,859**	3,715	3.9%
Depreciation and amortization	**1,218**	1,145	6.4%	**2,450**	2,363	3.7%
Equity (income) from joint ventures	**(106)**	(287)	(63.1%)	**(234)**	(541)	(56.7%)
Fair value loss	**2,580**	7,692	(66.5%)	**6,345**	11,473	(44.7%)
Proceeds on insurance settlement	**-**	(2,169)	(100%)	**-**	(2,845)	(100%)
Total	**12,541**	15,685	(20.0%)	**26,395**	28,541	(7.5%)

Financing costs from operations consist of mortgage interest, amortization of deferred financing costs and fair value of differences of debt recorded on acquisitions. For the three and six months ended June 30, 2020, financing costs decreased 4.8% and 2.8%, respectively, compared to the same periods of 2019. The decreases were mainly due to lower interest rates upon renewal of maturing mortgages.

Administration expense represents an allocation to the Initial Portfolio by NV1 of administration expenses including audit fees, bank charges, professional and legal fees, corporate salaries and trustee fees. For the second quarter of 2020, administration expense decreased 5.1%, compared to the same period of 2019. The decrease was primarily due to certain information technology, system and process improvement projects being postponed, partially offset by COVID-19 related expenses. For the six months ended June 30, 2020, administration expense increased 3.9%, compared to the same period of 2019. The increase was due to general corporate salary increases and COVID-19 related expenses.

Equity income from joint ventures is the Initial Portfolio's share of net income. The Initial Portfolio has a 50% interest in ICS and a 50% interest in ICP. There has been no change in the Initial Portfolio's 50% ownership and voting interests in these joint ventures for the three months ended June 30, 2020.

The Initial Portfolio reports fair value change of investment properties on a net basis after deducting maintenance capital expenditures ("**maintenance capex**"). For the second quarter of 2020, total net fair value loss on investment properties of $2.6 million was due to a $0.8 million gross fair value increase on investment properties related to the newly completed development in Iqaluit, Nunavut, offset by $3.4 million of maintenance capex. For the three months ended June 30, 2019, total net fair value loss of $7.7 million was primarily related to maintenance capex. During the first six months of 2020, the COVID-19 pandemic caused a significant degree of uncertainty in the outlook for the economy and the Canadian debt and equity markets, which could have an effect on investment property values depending on the duration and severity of the pandemic. Operating results of the Initial Portfolio's properties are expected to be negatively impacted over the short term. The longer-term impact, if any, to the valuation of investment properties is currently unknown.

2019 Annual – Other Expense (Income)

	Year ended December 31					
(thousands of dollars)	**2019**	**2018**	**Change**	**2018**	**2017**	**Change**
Financing costs from operations	**29,064**	27,798	4.6%	**27,798**	27,908	(0.4%)
Administration	**7,899**	6,954	13.6%	**6,954**	6,204	12.1%
Depreciation and amortization	**4,937**	4,681	5.5%	**4,681**	4,817	(2.8%)
Equity income from joint ventures	**(588)**	(829)	(29.1%)	**(829)**	(847)	(2.1%)
Fair value loss (gain)	**36,250**	(14,065)	(357.7%)	**(14,065)**	37,611	(137.4%)
Proceeds on insurance settlement	**(3,009)**	(2,723)	10.5%	**(2,723)**	(916)	197.3%
Total	**74,553**	21,816	241.7%	**21,816**	74,777	(70.8%)

Financing costs from operations consist of mortgage interest, amortization of deferred financing costs and fair value of differences of debt recorded on acquisitions, and other interest expense. For the year ended December 31, 2019, financing costs increased 4.6% from the same period of 2018 mainly due to interest and other income from higher insurance deductible expenses. For the year ended December 31, 2018, financing costs were consistent with the same period of 2017.

Administration expense represents an allocation to the Initial Portfolio by NV1 of administration expenses including audit fees, bank charges, professional and legal fees, corporate salaries and trustee fees. For the years ended December 31, 2019 and 2018, administration expense increased 13.6% and 12.1%, respectively, compared to the same periods of 2018 and 2017. The increase was due to general corporate salary increases, incentive compensation expense increase driven by the increase in NV1's trust unit price and higher professional fees.

Equity income from joint ventures is the Initial Portfolio's share of net income. The Initial Portfolio has a 50% interest in ICS and a 50% interest in ICP. There has been no change in the Initial Portfolio's 50% ownership and voting interests in these joint ventures for the years ended December 31, 2019, December 31, 2018 and December 31, 2017.

The Initial Portfolio reports fair value change of investment properties on a net basis after deducting capital expenditures. For the year ended December 31, 2019, the net fair value loss on investment properties of $36.3 million was primarily driven by lower occupancy assumptions in Western Canada, partially offset by higher NOI assumptions in Northern Canada. For the year ended December 31, 2018, the net fair value gain on investment properties of $14.1 million was primarily driven by Capitalization Rate compression in Western Canada, fair value increases on completion of new developments in both Western and Northern Canada, partially offset by lower occupancy assumptions in Atlantic Canada. For the year ended December 31, 2017, the net fair value loss on investment properties of $37.6 million was primarily driven by lower occupancy assumptions in Western Canada, partially offset by higher NOI assumptions in Northern Canada.

2020 Second Quarter – Capital Expenditures on Investment Properties

	Three months ended June 30			Six months ended June 30		
(thousands of dollars, except per suite amounts)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Building and common areas	**384**	1,747	(78.0%)	**1,219**	2,507	(51.4%)
Suite renovations	**2,157**	3,312	(34.9%)	**4,315**	6,429	(32.9%)
High-end renovation program	**693**	53	1,207.5%	**635**	69	820.3%
Appliances	**191**	140	36.4%	**385**	600	(35.8%)
Boilers and mechanical	**335**	449	(25.4%)	**713**	739	(3.5%)
Other	**386**	142	171.8%	**534**	396	34.8%
Total capital expenditures – multi-residential	**4,146**	5,843	(29.0%)	**7,801**	10,740	(27.4%)
Average number of multi-residential suites	**10,967**	10,937	0.3%	**10,957**	10,924	0.3%
Capital expenditures per multi-residential suite	**378**	534	(29.2%)	**712**	983	(27.6%)
Total capital expenditures – multi-residential	**4,146**	5,843	(29.0%)	**7,801**	10,740	(27.4%)
Total capital expenditures – commercial	**35**	18	94.4%	**86**	52	65.4%
Total capital expenditures	**4,181**	5,861	(28.7%)	**7,887**	10,792	(26.9%)

Total capital expenditures for the multi-residential suites business segment were $4.1 million and $7.8 million for the three and six months ended June 30, 2020, respectively, compared to $5.8 million and $10.7 million for the same periods of 2019. During the three and six months ended June 30, 2020, $2.2 million and $4.3 million were invested in suite renovations, respectively, compared to $3.3 million and $6.4 million for the same periods of 2019. The decreases in capital expenditures were mainly related to building and common areas and suite renovations as a result of provincial guidelines temporarily restricting the scope of work that could be completed in residential apartments due to the COVID-19 pandemic. The Initial Portfolio does not currently have any commitments for future capital expenditures or any major repair and maintenance expenditures that are material to the Initial Portfolio as a whole. The Initial Portfolio continues to focus on enhancing revenue and improving the operating efficiency of the portfolio to maximize occupancy and NOI, and expects that future capital expenditure requirements will be consistent with historical levels.

2019 Annual – Capital Expenditures on Investment Properties

	Year ended December 31		
(thousands of dollars, except per suite amounts)	**2019**	**2018**	**Change**
Building and common areas	**6,444**	4,071	58.3%
Suite renovations	**13,309**	9,954	33.7%
High-end renovation program	**769**	-	n/m
Appliances	**1,283**	1,022	25.5%
Boilers and mechanical	**1,803**	1,566	15.1%
Other	**1,446**	2,554	(43.4%)
Total capital expenditures – multi-residential	**25,054**	19,167	30.7%
Average number of multi-residential suites	**10,929**	10,854	0.7%
Capital expenditures per multi-residential suite	**2,292**	1,766	29.8%
Total capital expenditures – multi-residential	**25,054**	19,167	30.7%
Total capital expenditures – commercial	**132**	170	(22.4%)
Total capital expenditures	**25,186**	19,337	30.2%

Total capital expenditures for the multi-residential suites business segment were $25.1 million for the year ended December 31, 2019, an increase of $5.9 million or 30.7% compared to the same period of 2018. Suite renovations for the year ended December 31, 2019 were $13.3 million, an increase of $3.4 million or 33.7% compared to the same period of 2018. The increase in capital expenditures on building and common areas, suite renovations and the high-end renovation program for the year ended December 31, 2019, is due to the repositioning of several properties in Iqaluit, Nunavut and Yellowknife, Northwest Territories. The Initial Portfolio does not currently have any commitments for future capital expenditures or any major repair and maintenance expenditures that are material to the Initial Portfolio as a whole. The Initial Portfolio continues to focus on enhancing revenue and improving the operating efficiency of the portfolio to maximize occupancy and NOI, and expects that future capital expenditure requirements will be consistent with historical levels.

2020 Second Quarter – Summary of Quarterly Results

The table below summarizes the Initial Portfolio's financial results for the last eight fiscal quarters:

	Year ended December 31							
	2020	2019				2018		
(thousands of dollars)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue	**47,153**	48,506	48,645	48,730	48,262	48,364	48,128	48,119
NOI	**28,321**	26,481	28,396	31,224	28,781	26,339	27,691	30,384
Net and comprehensive income (loss)	**15,780**	12,627	(2,321)	16,247	12,778	13,483	30,306	18,128

The Initial Portfolio's quarterly financial results have a seasonal component resulting from higher utility costs in the first and fourth quarters of each year. NOI for the second quarter of 2020 is lower compared to the same period of 2019 due to lower revenue in the commercial real estate and execusuites business segment and higher estimated bad debt expense, both of which were attributable to several factors, including the negative impact of the COVID-19 pandemic.

2019 Annual – Summary of Quarterly Results

The table below summarizes the Initial Portfolio's financial results for the last eight fiscal quarters prior to December 31, 2019:

	Year ended December 31							
	Total				Same Door			
(thousands of dollars)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenue	48,645	48,730	48,262	48,364	48,128	48,119	46,579	46,325
NOI	28,396	31,224	28,781	26,339	27,691	30,384	28,720	25,820
Net and comprehensive income (loss)	(2,321)	16,247	12,778	13,483	30,306	18,128	23,299	19,066

The Initial Portfolio's quarterly financial results have a seasonal component resulting from higher utility costs in the first and fourth quarters of each year. NOI for the fourth quarter of 2019 is higher compared to the same period of 2018, due to higher AMR, higher occupancy and contributions from newly developed properties, partially offset by higher utility costs. Net and comprehensive income (loss) for the fourth quarter of 2019 is lower compared to the same period of 2018, primarily due to higher fair value increases on investment properties recorded in the fourth quarter of 2018.

Tax Status

As the Initial Portfolio is not a taxable entity, there are no provisions for current or deferred income tax expense included in the Initial Portfolio's unaudited condensed combined carve-out financial statements for the three and six months ended June 30, 2020 and June 30, 2019 or the audited combined carve-out financial results for the years ended December 31, 2019, December 31, 2018 and December 31, 2017. See "Index to Financial Statements".

Liquidity and Capital Resources

NV1 has managed the liquidity and capital resources of the Initial Portfolio during the period of ownership to ensure adequate liquidity for operating, capital and investment activities. NV1 funded the Initial Portfolio's obligations with cash flow from operating activities, operating facilities, construction financing, mortgage debt secured by investment properties, and equity issuances.

The Initial Portfolio had no changes in its approach to capital management during the periods presented.

As at June 30, 2020, the Initial Portfolio had a working capital deficiency of $223.9 million. In the normal course of business, a portion of borrowings under mortgages with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. Of the total deficiency, $202.1 million is related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages. The remaining working capital deficiency is expected to be managed through cash flow generated from operating activities and continued access to capital from NV1 prior to completion of the Proposed Transaction, and following the completion of the Proposed Transaction, is expected to be managed through access to the Fund's credit facilities. During the second quarter of 2020, the COVID-19 pandemic did not have an impact on the Initial

Portfolio's access to capital for planned financing activities. Based on the information available as of the date hereof, the Initial Portfolio currently does not expect access to debt markets will change substantially as a result of the COVID-19 pandemic. The COVID-19 pandemic has and may continue to adversely impact the ability to collect rent or the ability of the Initial Portfolio to raise rent, which could have an adverse effect on cash flows, financial condition and results of operations.

As at December 31, 2019, December 31, 2018, December 31, 2017 and January 1, 2017, the Initial Portfolio had a working capital deficiency of $170.8 million, $154.7 million, $147.1 million and $77.8 million, respectively. In the normal course of business, a portion of borrowings under mortgages with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. Of the total deficiency, majority is related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages.

Liquidity risk is the risk that the Initial Portfolio is not able to meet its financial obligations as they become due or can only do so at excessive cost. The Initial Portfolio manages liquidity risk by balancing the maturity profile of mortgages. Mortgage maturities normally enable replacement financing with funds available for other purposes. The Initial Portfolio utilizes CMHC insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-residential property. The Initial Portfolio 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. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital and investment activities.

Mortgages

During the three months ended June 30, 2020, the Initial Portfolio completed $37.5 million of mortgage financing, excluding short-term financing, for multi-residential suites with a weighted average interest rate of 2.50% and an average term to maturity of 4.6 years. During the six months ended June 30,2020, the Initial Portfolio completed $38.0 million of mortgage financing, excluding short-term financing, for multi-family properties with a weighted average interest rate of 2.49% and an average term to maturity of 4.6 years.

For the year ended December 31, 2019, the Initial Portfolio completed $77.0 million of mortgage financing (December 31, 2018 – $100.0 million and December 31, 2017 – $100.2 million), excluding short-term financing, for multi-residential suites with a weighted average interest rate of 2.32% (December 31, 2018 – 3.24% and December 31, 2017 – 3.18%) and an average maturity of 6.5 years (December 31, 2018 – 6.6 years and December 31, 2017 – 4.4 years).

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.

Key Management Personnel

Key management personnel are NV1's executive officers. The remuneration of the key management personnel, comprising salaries, wages and other benefits, was proportionately allocated to the Initial Portfolio's financial results based on multi-residential suites. For the year ended December 31, 2019, the remuneration allocated to the Initial Portfolio was $1.8 million (December 31, 2018 – $1.3 million, and December 31, 2017 – $0.7 million).

Net Change in Net NV1 Investment

Net change in net NV1 investment represents the cumulative impact of operating cash flow, working capital and corporate allocations that are managed at NV1's consolidated level but have been reflected in the financial results of the Initial Portfolio. NV1 administers the day-to-day activities of the Initial Portfolio through a centralized property management and banking structure, including collection of rent proceeds and payment of expenses. In addition, excluding remuneration of the Initial Portfolio's key management personnel disclosed above, NV1 proportionately allocated to the Initial Portfolio's financial results property management and administrative services that supported the Initial Portfolio's operations and are included in the condensed combined carve-out statements of net and comprehensive income, as follows:

	Three months ended June 30			**Six months ended June 30**		
(thousands of dollars)	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Operating expenses	**271**	320	(15.3%)	**706**	575	22.8%
Administration	**1,910**	1,998	(4.4%)	**3,848**	3,673	4.8%
	2,181	2,318	(5.9%)	**4,554**	4,248	7.2%

(thousands of dollars)	December 31, 2019	December 31, 2018	December 31, 2017
Operating expenses	**1,347**	1,495	1,344
Administration	**6,029**	5,625	5,439
	7,376	7,120	6,783

Operating expenses and administration have been proportionately allocated to the Initial Portfolio based on multi-residential suites.

Joint Venture Investments

ICP and ICS are related parties as the Initial Portfolio has a 50% interest in ICP and a 50% interest in ICS.

For the three and six months ended June 30, 2020, revenue from ICP and ICS related to management fees was $0.1 million and $0.1 million, respectively (June 30, 2019 − $0.1 million and $0.2 million, respectively). The balance outstanding and payable to the Initial Portfolio from ICP and ICS related to management fees is $0.1 million (December 31, 2019 − $0.1 million) and is included in accounts receivable.

For the year ended December 31, 2019, revenue from ICP and ICS related to management fees was $0.3 million (December 31, 2018 − $0.4 million, December 31, 2017 – $0.4 million). The balance outstanding and payable to the Initial Portfolio from ICP and ICS related to management fees is $0.1 million (December 31, 2018 − $0.1 million, December 31, 2017 – $0.1 million, and January 1, 2017 – $0.1 million) and is included in accounts receivable.

Subsequent Events

The spread of the COVID-19 coronavirus pandemic has had a material and substantial impact on the Canadian and global economy. In response to the spread in Canada, provincial governments have limited a landlord's ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Initial Portfolio operates in and may materially and adversely impact residents ability to pay rent. Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption.

2020 Second Quarter – Critical Accounting Policies, Estimates and Judgments

The preparation of the Interim Financial Statements in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS 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.

Measurement Uncertainty

The Initial Portfolio carries its investment properties at fair value. Significant estimates used in determining the fair value of the Initial Portfolio's investment properties include Capitalization Rates and NOI. A change to any of these estimates could significantly alter the fair value of an investment property. The COVID-19 pandemic and oil price decline have contributed to an uncertain economic outlook which has resulted in a higher degree of uncertainty for investment property values.

Components of NOI that could be impacted by the increased economic uncertainty described above include market rents, occupancy rates, and operating expenses such as property taxes, and bad debt expenses. As at June 30, 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 the increased economic uncertainty may have on Capitalization Rates and NOI will depend on the duration of physical distancing requirements, the extent and effectiveness of government stimulus and regulations that impact the Initial Portfolio's operations and tenants, unemployment rates, and market demand for multi-residential suites and commercial real estate.

New Accounting Standards and Interpretations

The IASB issued amendments to IFRS 3 – *Business Combinations* that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group or similar identifiable assets. The standard is effective for annual periods beginning on or after January 1, 2020.

The Initial Portfolio adopted the Amendments to IFRS 3 – *Business Combinations* on January 1, 2020. There was no material impact to the Initial Portfolio's Interim Financial Statements as a result of the adoption of the amendments to IFRS 3 – *Business Combinations*.

2019 Annual – Critical Accounting Policies, Estimates and Judgments

The preparation of the financial statements in accordance with IFRS as issued by the International Accounting Standards Board 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

Fair Value of Investment Properties

The Initial Portfolio carries its investment properties at fair value. Significant estimates used in determining the fair value of the Initial Portfolio's investment properties include Capitalization Rates and 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.

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.

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 the Initial Portfolio's property, plant and equipment, 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.

Judgments

Purchase of Investment Properties

The Initial Portfolio 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.

New Accounting Standards and Interpretations

The description of new standards, new accounting policies adopted and the impact on the Initial Portfolio's audited combined carve-out financial results for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 are disclosed in Note 3 to the financial statements. See "Index to Financial Statements".

Non-Recurring Items

For the three and six months ended June 30, 2020, the Initial Portfolio received $nil of insurance proceeds (June 30, 2019 - $2.2 million and $2.8 million, respectively). For the three and six months ended June 30, 2019, the amount represents funds received or receivable from insurance providers for a building located in Lethbridge, AB, that was lost to a fire during 2017.

For the year ended December 31, 2019, the Initial Portfolio received $3.0 million of insurance proceeds (December 31, 2018 – $2.7 million, and December 31, 2017 –-$0.9 million). The amount represents funds received or receivable from insurance providers for a building located in Lethbridge, Alberta, that was lost to a fire during 2017.

These items have been defined as "Non-recurring Items", as they are not considered normal operating conditions, and management has presented some performance metrics adjusting for Non-recurring Items where appropriate in this Initial Portfolio MD&A.

7. USE OF PROCEEDS

Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the Cash Amount under the Proposed Transaction.

There will be no closing of the Offering unless all closing conditions of the Proposed Transaction (other than payment of the Cash Amount) have been satisfied or waived. The distribution under the Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for the Final Prospectus. If one or more amendments to the Final Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for the Final Prospectus. If the closing of the Proposed Transaction is not achieved during the 90 day period or the up to 180 day period, as applicable, subscription funds received by the Agents will be returned to subscribers without any deductions, unless the subscribers have otherwise instructed the Agents.

Assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders (see "Retained Interest"), the Gross Subscription Proceeds will be $430,000,000 (net proceeds in the aggregate of $424,698,689.03 before deduction of the expenses of the Offering estimated to be $1,720,000).

The Offering size is inclusive of the Pre-Prospectus Contributions. The aggregate amount of the Pre-Prospectus Contributions will be approximately $176,979,387.50, representing the aggregate value deemed to be contributed by existing NV1 Unitholders who elected to receive Class C Units pursuant to the Plan of Arrangement that are not redeemed pursuant to the Plan of Arrangement, plus the sum of the Starlight Base Contribution, the KingSett and AIMCo Base Contribution and the Lead Order pursuant to which Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units by way of a concurrent private placement. See "Retained Interest".

The following table shows the intended use by the Fund of the gross proceeds from the Offering:

($) (000s)	Use of Proceeds[(1)]
Sources of Funds	
Proceeds from the Offering [(2)]	430,000
Proceeds from the Credit Facility [(3)]	518,077
Proceeds from assumed mortgage financing [(4)]	786,636
Total Sources of Funds:	1,734,713
Uses of Funds	
Agents' Fee	5,301
Estimated expenses of this Offering (legal, accounting and audit, tax advice, printing, travel, securities filings) [(5)]	1,720
Cash Amount [(6)]	
– Purchase of the Initial Portfolio	1,674,283
– Transaction costs	28,696
Financing costs – new mortgages and Credit Facility	9,972
Excess cash in the Fund	14,741
Total Use of Funds:	1,734,713

Notes:

(1) The Proposed Transaction will close over the course of two days in accordance with the steps set forth in the Plan of Arrangement, and assumes the Offering is anticipated to close on or about the second day.

(2) Assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders.

(3) See "Capitalization – Long-Term Debt".

(4) The Fund is expected to assume the aggregate of the existing mortgage debt over the Initial Portfolio, which as of June 30, 2020 amounted to approximately $786,636,000.

(5) The estimated expenses of the Offering are assumed to be $1,720,000.

(6) Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund the Cash Amount under the Proposed Transaction. As part of the steps of the Proposed Transaction, the Initial Portfolio is being indirectly acquired by the Fund from NV1 for no consideration by way of a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act), below the cumulative appraised value of the Properties.

For more details on the acquisition of the Initial Portfolio, and the debt financing to be assumed or incurred by the Fund in connection with such acquisition. See "Description of the Activities of the Fund – The Initial Portfolio".

8. DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Fund is offering a maximum of $430,000,000 of Offered Units at the Offering Price.

8.1 Units

The rights and obligations of the Unitholders are governed by the Declaration of Trust. The following is a summary of certain material provisions of the Declaration of Trust. This summary does not purport to be complete and reference should be made to the Declaration of Trust itself, a copy of which is available from the Fund during the period of distribution of the Units and is available at www.sedar.com.

Capitalized terms in this summary which are not defined in this Prospectus are defined in the Declaration of Trust.

Units

The beneficial interests in the Fund are divided into three classes of Units: Class A Units; Class C Units; and Class F Units, each of which is denominated in Canadian dollars. The Fund is authorized to issue an unlimited number of Units of each class. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders.

The 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 Exchange, and the Class F Units and Class C Units are convertible into Class A Units in accordance with the Declaration of Trust (see "– Conversion of Units" below). The Class A

Units will have coattail provisions such that if a formal take-over bid is made for Units of a class other than the Class A Units, the Class A Units will be convertible into such unlisted class of Units for purposes of participating in the take-over bid (see "– Coattail Provision" below).

The Class F Units are designed for fee based accounts and differ from the Class A Units in that the Class F Units (i) are not required to pay the selling concession, (ii) will not be listed on the Exchange, and (iii) are convertible into Class A Units in accordance with the Declaration of Trust. See "– Conversion of Units" below.

The Class C Units are designed for NV1 Unitholders electing to receive and retain Class C Units in connection with the Proposed Transaction (including any top-up election), if any, the Retained Interest Holders and AIMCo Realty, and any investors subscribing pursuant to a concurrent private placement, including the Lead Order, and differ from the Class A Units in that the Class C Units (i) are not required to pay the Agents' Fee or any selling concession, (ii) will not be listed on the Exchange, (iii) are convertible into Class F Units in accordance with the Declaration of Trust, and (iv) are convertible into Class A Units in accordance with the Declaration of Trust. See "– Conversion of Units" below.

Except as described above, each Unit entitles the holder to the same rights and obligations and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to (i) the proportionate entitlement of each holder of Class A Units, Class C Units and Class F Units to participate in distributions made by the Fund and to receive proceeds upon termination of the Fund, based on such holder's share of the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively and (ii) a proportionate allocation of income or loss of the Fund in accordance with the terms of the Declaration of Trust.

On termination or liquidation of the Fund, each Unitholder of record is entitled to receive on a proportionate basis based on such holder's share of the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively, all of the assets of the Fund remaining after payment of or provisions made for all debts, liabilities and liquidation expenses of the Fund.

Conversion of Units

Holders of Class C Units and Class F Units may convert their Units into Class A Units in accordance with the Declaration of Trust. Holders of Class C Units may convert their Units into Class F Units in accordance with the Declaration of Trust. Holders of Class A Units may convert such Units into Class F Units in accordance with the Declaration of Trust, subject to the Manager ensuring that at all times a sufficient number and value of Class A Units are listed to satisfy the minimum listing requirements of the Exchange. Convertible Units may be converted at any time by delivering a notice and surrendering such Convertible Units to the Fund. In the event that a conversion of Class A Units into Class F Units would cause the Fund not to satisfy the minimum listing requirements of the Exchange, 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 the Fund to fail to satisfy the minimum listing requirements of the Exchange.

For each Class A Unit so converted, a holder will receive that number of Class F Units equal to the Class A Unit Conversion Rate. For each Class C Unit so converted for Class A Units, a holder will receive that number of Class A Units equal to the Class C Unit to Class A Unit Conversion Rate. For each Class C Unit so converted for Class F Units, a holder will receive that number of Class F Units equal to the Class C Unit to Class F Unit Conversion Rate. For each Class F Unit so converted for Class A Units, a holder will receive that number of Class A Units equal to the Class F Unit Conversion Rate. No fractions of Class A Units or Class F Units, as applicable, will be issued upon conversion of Convertible Units.

Any fractional amounts will be rounded down to the nearest whole number of Class A Units or Class F Units, as applicable, without any compensation for such rounding.

Coattail Provisions

If prior to the Target Recapitalization Date a "formal take-over bid", as defined in the Securities Act, is made for Units of a class other than the Class A Units (a "**Class Offer**") and the Class Offer does not include a concurrent identical take-over bid for the Class A Units, including in terms of relative price (on an as-converted basis) for the Class A Units, then the Fund shall by press release provide written notice to the holders of the Class A Units that the Class Offer has been made and of the right of such holders to convert all or a part of their Class A Units into the class of Units that are subject to the Class Offer (the "**Bid Units**") and tender such Bid Units to the Class Offer. Such Class A Units may, in such circumstances, be converted at any time prior to the Business Day that is five Business Days prior to the expiry of the Class Offer (the "**Conversion End Date**") by delivering a notice to the Fund and surrendering such Units by 5:00 p.m. on the Conversion End Date. Any such Class A Units so delivered shall be converted into Bid Units and tendered on behalf of the Unitholder to the Class Offer. In connection with such conversion and tender by any such Unitholder, the Unitholder shall complete and execute any and all such documentation as the Fund shall require or consider necessary to give effect to this provision. For each Class A Unit so converted, a holder will receive a number of Bid Units equal to the Coattail Conversion Rate as of the Conversion End Date, provided that, to the extent that such Bid Units are not acquired pursuant to the Class Offer, such Bid Units shall be reconverted into that number of Class A Units that they were prior to the conversion. Fractional Bid Units will not be issued and the number of Bid Units issuable under this provision to a Unitholder will be rounded down to the nearest whole Bid Unit.

Non-Certificated Inventory System

Other than pursuant to certain exceptions, registration of interests in and transfers of Units held through CDS, or its nominee, will be made electronically through the NCI system of CDS. On the Closing Date, the Fund, via its transfer agent, will electronically deliver the Offered Units registered to CDS or its nominee. Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS participant through which the Unitholder holds such Units. A holder of an Offered Unit participating in the NCI system will not be entitled to a certificate or other instrument from the Fund or the Fund's transfer agent evidencing that person's interest in or ownership of Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a "mutual fund trust" under the Tax Act, the Fund must not be established or maintained primarily for the benefit of Non-Residents. Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units (on a number of Units or fair market value basis) and the Board will inform the transfer agent and registrar of this restriction. The Board may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Board becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding (on a number of Units or fair market value basis) are, or may be, Non-Residents or that such a situation is imminent, the Board shall inform the transfer agent and the transfer agent shall not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Board determines that more than 49% of the Units (on a number of Units or fair market value basis) are held by Non-Residents, the Board may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Board may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Board with satisfactory evidence that they are not Non-Residents within such period, the Board may, on behalf of such Unitholders sell such Units and, in the interim, suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Board which is unpaid and owing to such Unitholders. The Board will have no liability for the amount received provided that they act in good faith.

Distributions

Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

The Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for Class C Units issued under the Proposed Transaction) across all Unit classes in the aggregate, although this amount will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Unit. See "Risk Factors".

An annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any Class C Units issued under the Proposed Transaction) would represent an expected FFO Payout Ratio of approximately 80.5% based on the *pro forma* financial statements included in this Prospectus. The foregoing FFO Payout Ratio also assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus, that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders, and based on the applicable Agents' Fee and costs of the Offering.

The *pro rata* monthly distribution on the Units will commence following the end of the Fund's first full operating month after the Closing Date. Assuming the Closing Date occurs on November 2, 2020, the first prorated distribution is expected to be paid in January 2021 following the Fund's first full month of operations, which would be expected to commence in December 2020. The distribution amount per Unit will be determined in accordance with the Declaration of Trust. The Fund intends to declare monthly cash distributions no later than seven Business Days prior to the end of each month, payable within 15 days following the end of the month (or the next Business Day if not a Business Day) in which the distribution is declared to Unitholders as at month-end.

In the event that any day on which any distribution amount is to be determined is not a Business Day, then such amount shall be determined on the next succeeding day that is a Business Day.

Notwithstanding the distribution policy, the Trustees retain full discretion with respect to the timing and quantum of distributions.

The Fund will initially own all of the issued and outstanding NV Holdings LP Class A Units. Starlight West LP will initially own all of the issued and outstanding NV Holdings LP Class B Units. NV Holdings LP will initially own all of the issued and outstanding NV LP Units. Holders of NV LP Units will be entitled to receive all the Distributable Cash from NV LP, less the amount paid to NV GP. Holders of the NV Holdings LP Class A Units will be entitled to receive all of the amounts received from NV LP, less the amount to be paid to NV Holdings GP and the amount to be paid to holders of NV Holdings LP Class B Units in respect of the Carried Interest.

The partners of Starlight West LP (currently being entities wholly-owned by Daniel Drimmer), through Starlight West LP's direct interest in NV Holdings LP, are entitled to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class if all Distributable Cash of NV Holdings LP were received by the Fund, together with all other amounts distributable by the Fund (including Distributable Cash generated by investees of the Fund not held through NV Holdings LP, if any), and distributed by the Fund to Unitholders of the Fund in accordance with the Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer), through Starlight West LP's direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to the KingSett and AIMCo Investors.

If the Board determines it is in the best interests of the Fund to make a co-investment with a Canadian real estate investment trust, such a co-investor would be expected to subscribe for NV Holdings LP Class A Units and may be entitled to receive distributions on the same terms as the Fund described above, based on its proportionate investment in NV Holdings LP (unless such co-investor invests in a specific property). Ultimately, it is expected that any co-investor will seek to structure their investment in a tax efficient manner, which could result in a different approach from the one described above.

If and when declared by the Trustees, the amount of the distributions payable in respect of each Unit will differ and be allocated based on, initially, the proportionate interest of the Fund attributable to each class and determined, from time to time, as follows:

(a) the product of the Proportionate Class A Interest and the balance of the Distributable Cash Flow (the "**Distributable Cash Flow Balance**") shall be distributed to the holders of Class A Units, *pro rata* in accordance with their respective proportionate shares;

(b) the product of the Proportionate Class C Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class C Units, *pro rata* in accordance with their respective proportionate shares; and

(c) the product of the Proportionate Class F Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class F Units, *pro rata* in accordance with their respective proportionate shares.

The Carried Interest is expected to be payable by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units and, therefore, to the extent that any such amounts are paid by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units, such cash will not form part of the Distributable Cash Flow distributed to Unitholders by the Fund.

The ability of the Fund to make cash distributions on the Units and the actual amount distributed will depend on the ongoing operations of the Properties, and will be subject to various factors including those referenced in the "Risk Factors" section of this Prospectus. The aggregate Minimum Return (determined on a per Unit basis, and calculated including the amount of the Investors Capital Return Base) for distribution proportionately to the Unitholders (i) is based on a 8.0% per annum return on the net subscription proceeds received (or implied net proceeds for Class C Units issued under the Proposed Transaction) by the Fund from the issuance of each Unit, and (ii) is payable prior to payment of any amounts pursuant to the Carried Interest, but (iii) is not guaranteed and 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 the anticipated return on investment is based upon many performance assumptions.

Distribution on Termination of the Fund

On the termination of the Fund, the proceeds shall be distributed in the following order:

(a) to pay any costs involved in the sale of the assets of the Fund and to pay all amounts required to discharge any mortgages or encumbrances registered against the assets, to pay all unpaid expenses which are required to be paid under the Declaration of Trust and all expenses incurred in the winding-up of the Fund, to pay all of the liabilities of the Fund and to establish reserves as the Board considers necessary for the contingent liabilities of the Fund; and

(b) to Unitholders on a proportionate basis based upon the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively, and within each class *pro rata* based upon the number of Units held.

Such distribution may be made in cash or in kind or partly in each, all as the Board in its sole discretion may determine.

Recapitalization Event

In order to provide Unitholders with liquidity, the Fund intends to complete a Recapitalization Event by way of a direct or indirect public offering or listing of new, additional or successor securities of the Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the Fund's properties and otherwise carries on the Fund's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the Fund or the Unitholders, or similar transaction as recommended by the Manager and approved by the Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding Units of the Fund. Any Recapitalization Event will require the approval of Unitholders by Special Resolution. On the occurrence of a Recapitalization Event, the Carried Interest will be crystallized by way of the NV Holdings LP Class B Units becoming exchangeable for Units, or for securities of the entity resulting from the Recapitalization Event, in which case the holder of the NV Holdings LP Class B Units at the time of such exchange shall be able to participate in the Recapitalization Event on the same basis as Unitholders (including, if applicable, the receipt of cash as payment for the Carried Interest).

If a Recapitalization Event has not been identified and announced by three months before the Target Recapitalization Date, the Board may extend the Target Recapitalization Date by up to two years, and may seek a Special Resolution of the Unitholders to further extend the Target Recapitalization Date beyond five years, or to take such other actions as the Board considers appropriate with respect to the continued operation of the Fund.

There can be no assurance that the Fund will be able to complete a Recapitalization Event as described herein by the Target Recapitalization Date, if at all. See "Risk Factors – Risks Related to the Fund – A Recapitalization Event May Not Occur". In addition, due to intervening circumstances at any point prior to the Target Recapitalization Date, the Fund may be the subject of an Alternative Liquidity Event, which transaction may take the form of (i) a sale of the Units, (ii) a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with a public issuer, (iii) a transaction involving a combination of the Fund's portfolio of Properties and operations with one or more other portfolios of properties (whether owned, controlled or managed by a related party or otherwise), or (iv) another event (other than a Recapitalization Event) similar, comparable or analogous to, or having similar, comparable or analogous effect for the Unitholders to those described in items (i) to (iii) above. Any Alternative Liquidity Event will require the approval of Unitholders by Special Resolution. If an Alternative Liquidity Event occurs, the Carried Interest will be crystallized and paid either in cash or in securities, as applicable, based on whether Unitholders are receiving cash or securities in such transaction.

The Carried Interest will be calculated and payable based on the net asset value of the Fund, purchase price or other valuation methodology used for purposes of the Recapitalization Event or Alternative Liquidity Event, as the case may be, regardless of the form of transaction by means of which the Recapitalization Event or Alternative Liquidity Event occurs.

Meetings of Unitholders and Resolutions

The Declaration of Trust provides that meetings of Unitholders will be required to be called and held in various circumstances, including for (i) the election or removal of Trustees, (ii) the appointment or removal of the auditors of the Fund, (iii) the approval of amendments to the Declaration of Trust (except as described below under "– Amendments to the Declaration of Trust"), (iv) the sale or transfer of the assets of the Fund or its Subsidiaries as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Fund or its Subsidiaries approved by the Trustees), (v) the combination, amalgamation or arrangement of any of the Fund or its Subsidiaries with any other entity that is not the Fund or a Subsidiary of the Fund (other than as part of an internal reorganization approved by the Trustees), (vi) the approval of any Recapitalization Event or Alternative Liquidity Event, (vii) the termination of the Fund, and (viii) for the transaction of any other business as the Trustees may determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually, commencing in 2021, for the election of the Trustees and the appointment of the auditors of the Fund. All meetings of Unitholders must be held in Canada, provided that the Fund may hold a meeting of Unitholders by telephonic or electronic means and a Unitholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting. Any such meeting shall be deemed to have taken place at the registered office of the Fund.

The Board may, at any time, convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of a Unitholder or Unitholders holding, in aggregate, 5% or more of the Units then outstanding.

A meeting of holders of a class of Units may be called by the Board if the nature of the business to be transacted at the meeting is only relevant to the Unitholders of that class of Units. A meeting of holders of a class of Units shall be called by the Board upon written request of a Unitholder or Unitholders of the class holding, in aggregate, 5% or more of the Units of the class then outstanding, which requisition must specify the purpose or purposes for which such meeting is to be called and must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval of Unitholders by Special Resolution, will require the approval of Unitholders by an Ordinary Resolution. A quorum for a meeting convened to consider such a matter will consist of two or more Unitholders of any class of Unitholders present in person or by proxy and representing not less than 10% of the Units or class of Units, as the case may be. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to such day, being not less than ten days later, and to such place and time as may be selected by the chairperson of the meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Each Unitholder is entitled to one vote per Unit held and votes of Unitholders will be conducted with holders of Class A Units, Class C Units and Class F Units voting together as a single class. Notwithstanding the foregoing, if the Board determines that the nature of the business to be transacted at a meeting affects Unitholders of one class of Units in a manner materially different from its effect on Unitholders of another class of Units, the Units of such affected class will be voted separately as a class.

The following matters require approval by Ordinary Resolution and will be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Ordinary Resolution:

(a) matters relating to the administration of the Fund for which the approval of the Unitholders is required by applicable securities laws, regulations, rules or policies or the rules or policies of any applicable stock exchange in effect from time to time, and such policies, laws or regulations do not require approval by Special Resolution;

(b) except in certain situations as set out in the Declaration of Trust, the election or removal of Trustees;

(c) following the first annual meeting of the Fund, the appointment of the Fund's auditors;

(d) any amendment to the Declaration of Trust, or matter or thing stated in the Declaration of Trust to be required to be consented to or approved by the Unitholders, not specified as requiring a Special Resolution (except as otherwise set out in the Declaration of Trust); and

(e) any matter which the Board considers appropriate to present to the Unitholders for their confirmation or approval.

Any amendment to the Declaration of Trust for the following purposes requires approval by Special Resolution and will be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Special Resolution:

(a) any amendment to the amendment provisions of the Declaration of Trust;

(b) matters relating to the administration of the Fund for which the approval of the Unitholders is required by Special Resolution by applicable securities laws, regulations, rules or policies or the rules or policies of any applicable stock exchange in effect from time to time;

(c) changes to any of the Investment Restrictions and the Operating Policy contained in paragraph (d) set out under the heading "Operating Policy";

(d) any change in the basis of calculating fees or other expenses that are charged to the Fund which could result in an increase in charges to the Fund, other than a fee charged by a person or company that is arm's length to the Fund;

(e) a reduction in the equal beneficial interest in the Fund Property represented by a Unit or the amount payable on any outstanding Units upon termination of the Fund or the entitlement to distributions from the Fund provided by the Declaration of Trust;

(f) any extension of the Target Recapitalization Date of the Fund, including to allow for a Recapitalization Event, following the exercise by the Board of its right to extend the Target Recapitalization Date by up to two years in total;

(g) an increase in the liability of any Unitholders;

(h) an amendment, modification or variation in the provisions or rights (including without limitation, voting rights) attaching to the Units;

(i) the sale or transfer of the assets of the Fund and its Subsidiaries as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the Fund or its Subsidiaries as approved by the Trustees);

(j) the combination, amalgamation or arrangement of any of the Fund or its Subsidiaries with any other entity that is not the Fund or a Subsidiary of the Fund (other than as part of an internal reorganization approved by the Trustees);

(k) any Recapitalization Event or Alternative Liquidity Event; and

(l) the termination of the Fund.

Notwithstanding the above or any other provision herein, no confirmation, consent or approval shall be sought or have any effect and no Unitholders shall be permitted to effect, confirm, consent to or approve, in any manner whatsoever, where the same increases the obligations of or reduces the compensation payable to or protection provided to the Board, except with the prior written consent of the Board.

In the event of any proposed transaction with a Related Party of the Fund, the Fund shall comply with the provisions of MI 61-101, subject to any regulatory relief received by the Fund. In the event that the Fund enters into a transaction that, pursuant to MI 61-101, requires approval from each class of Units, in each case voting separately as a class, the Fund intends to apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) the Declaration of Trust provides that Unitholders will vote as a single class unless the nature of the business to be transacted at meeting of Unitholders affects holders of one class of Units in a manner materially different from its effect of holders of another class of Units, (ii) the relative returns of any proposed transaction to each class of Units are fixed pursuant to a formula set out in the Declaration of Trust, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders.

Advance Notice Provisions

The Declaration of Trust includes certain advance notice provisions (the "**Advance Notice Provision**"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote.

Except as otherwise provided in the Declaration of Trust (including with respect to the nomination rights afforded to the Retained Interest Holders), only persons who are nominated by Unitholders in accordance with the Advance Notice Provision, the Declaration of Trust (with respect to Starlight's nomination right) or the Investor Rights Agreement shall be eligible for election as Trustees. Nominations of persons for election to the Board may be made for any annual meeting of Unitholders, or for any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Declaration of Trust; or (c) by any person (a "**Nominating Unitholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the Fund's register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees.

To be timely, a Nominating Unitholder's notice to the Trustees must be made: (a) in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting is made, notice by the Nominating Unitholder may be made not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders is made. In no event shall any adjournment or postponement of a meeting of Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder's notice as described above.

To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth: (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the person and confirmation as to whether they are a Canadian resident; (B) the principal occupation or employment of the person; (C) the class or series and number of Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws (as defined in the Declaration of Trust); and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws (as defined in the Declaration of Trust). The Fund may require any proposed nominee to furnish such other information as may reasonably be required by the Fund to determine the proposed nominee's qualifications, relevant experience, unit holding or voting interest in the Fund, or independence, or lack thereof, in the same manner as would be required for nominees made by the Funds, or otherwise as may be required under Applicable Laws.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Provision.

Amendments to the Declaration of Trust

The Board may, without the approval of or notice to Unitholders, but subject to the prior approval of the Exchange (provided the Fund is then listed on the Exchange), amend the Declaration of Trust for certain limited purposes specified therein, including to:

(a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Fund;

(b) provide, in the opinion of the Board, additional protection for the Unitholders or obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;

(c) make amendments which, in the opinion of the Board, based on the advice of its counsel or auditors (as the case may be), are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or accounting rules or in their interpretation or administration;

(d) remove conflicts or inconsistencies between the disclosure in the Prospectus and the Declaration of Trust that, in the opinion of the Board, based on the advice of counsel, are necessary or desirable in order to make the Declaration of Trust consistent with the Prospectus;

(e) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(f) bring the Declaration of Trust into conformity with Applicable Laws, including the rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;

(g) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of the Fund as a "mutual fund trust", a "unit trust" and a "real estate investment trust" for the purposes of the Tax Act, maintain or avoid any other relevant status under the Tax Act or, respond to amendments to the Tax Act or to the interpretation thereof or, better comply with existing provisions of the Tax Act; or

(h) make amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the assets of the Fund as a result of which, based on the advice of counsel, the Fund has substantially the same interest, whether direct or indirect, in the Fund Property that it had prior to the reorganization and includes an amalgamation, arrangement or merger of the Fund and its affiliates with any entities provided that in the opinion of the Board, based on the advice of counsel, the rights of Unitholders are not prejudiced thereby.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Board upon prior written notice to Unitholders.

Information and Reports

The Fund will send to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by Applicable Laws. In addition, on or before March 31 of each calendar year, the Fund will forward to Unitholders tax reporting information in such manner as will enable such person to report the income tax consequences of investment in Units in the Unitholder's annual Canadian income tax return.

Redemption

The Units will be redeemable at the option of Unitholders, quarterly, by written notice to the Fund. However, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

A Unitholder wishing to redeem the whole or any part of his or her Units may do so, quarterly, by delivering a written notice of such desire (the "**Redemption Notice**") to the Fund at any time. Units shall be considered to be tendered for redemption on the date that the Fund has, to the satisfaction of the Board, received the Redemption Notice and further documents or evidence the Fund may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

Subject to Applicable Laws and the conditions listed below, the Fund will redeem the Units specified in such Redemption Notice. The redemption price payable per Unit in respect of each class of Units will be:

(a) where the Units are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of the Units during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of the Units on the redemption date;

(b) where the Units are not listed on a stock exchange or similar market, but a class of Units are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of such listed class of Units during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of such listed class of Units on the redemption date on an as-converted basis; or

(c) where none of the Units are listed on a stock exchange or similar market, the fair market value of the Units, which will be determined by the Board in its sole discretion based on the applicable proportionate class interest of the Units being redeemed,

provided that in each case the redemption price shall be adjusted, as necessary, to reflect that the Class F Units are subject to a lower Agents' Fee than Class A Units, and that Class C Units are not subject to the Agents' Fee;

The redemption price per Unit multiplied by the number of Units tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Units were tendered for redemption, provided that, unless the Fund otherwise determines, the total amount payable by the Fund by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed $100,000. The redemption of the Units is subject to the further limitations that: (i) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately before the Redemption Date; and (ii) the redemption of the Units must not result in the delisting of the Units from the principal stock exchange on which the Units are listed.

See "Risk Factors – Limited Liquidity of Offered Units".

If Units tendered for redemption are not redeemed for cash as a result of the foregoing limitations, the Fund shall satisfy the redemption of such Units tendered for redemption by way of an *in specie* distribution of property of the Fund and/or unsecured subordinated notes of the Fund, at its option, as determined by the Board in its sole discretion. Property distributed by the Fund on a redemption is not expected to be liquid and may not be a qualified investment for trusts governed by Plans. In those circumstances, adverse tax consequences generally may apply to a Unitholder, or a 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. See "Risk Factors – Risks Related to Redemptions".

Units will be redeemed according to the order in which Redemption Notices are received.

See "Risk Factors – Limited Liquidity of Offered Units" and "Risk Factors – Risks Related to Redemptions".

Powers and Responsibilities of the Board of Trustees

The Board has exclusive authority to manage the operations and affairs of the Fund, to make all decisions regarding the business of the Fund and has authority to bind the Fund. The powers, authorities and responsibilities of the Board are limited to those expressly set forth in the Declaration of Trust. The Board is responsible for managing the activities and administration of the Fund and the conduct of the affairs of the Fund, including without limitation:

(a) holding Fund Property in safekeeping; retaining moneys, securities, property, assets or investments; investing moneys from time to time forming part of the Fund Property;

(b) borrowing money as necessary to pay distributions to Unitholders, and encumbering Fund Property in respect thereof;

(c) lending money or other Fund Property, whether secured or unsecured;

(d) paying properly incurred expenses out of Fund Property;

(e) depositing moneys from time to time forming part of the Fund Property in accounts;

(f) possessing and exercising rights, powers and privileges pertaining to ownership of or interest in Fund Property;

(g) holding legal title to Fund Property;

(h) approving the application for the listing on any stock exchange of any Units or other securities of the Fund, and doing all things which in the opinion of the Board may be necessary or desirable to effect or maintain such listing or listings;

(i) reinvesting income and gains of the Fund and taking other actions besides the mere protection and preservation of the Fund Property;

(j) ensuring compliance with Applicable Laws;

(k) preparing and filing or causing to be prepared and filed all requisite returns, reports and filings;

(l) monitoring the Fund's tax status as a "mutual fund trust" and a "real estate investment trust" within the meaning of the Tax Act;

(m) providing all requisite office accommodation and associated facilities;

(n) providing or causing to be provided to the Fund all other administrative and other services and facilities required by the Fund, including property appraisal services; and maintaining or causing to be maintained complete records of all transactions in respect of the Fund Property;

(o) prescribing any instrument provided for or contemplated by the Declaration of Trust;

(p) remitting distributions to Unitholders;

(q) appointing the registrar and transfer agent for the Fund; and

(r) except as prohibited by law, delegating from time to time to the Fund's employees, consultants, agents and other persons including the Manager, the doing of such things and the exercise of such powers as the Board may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of the Declaration of Trust and subject at all times to the general control and supervision of the Board as provided for therein,

all subject to the terms and conditions set out in the Declaration of Trust. The Declaration of Trust provides that the Board may engage or employ persons in connection with the Fund and pay to them compensation out of Fund Property and may delegate its powers, authorities and duties. Pursuant to the Management Agreement, the Manager will be responsible for providing specified management and administration services to the Fund and will fulfill the responsibilities listed above, subject to the oversight of the Board.

The Declaration of Trust provides that any Trustee may resign upon written notice to the Fund. All Trustees, other than the Trustees nominated by the Retained Interest Holders, may be removed at any time with or without cause by the Board. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees, as long as they constitute a quorum and a majority of the Trustees constituting quorum are resident in Canada for purposes of the Tax Act (or if they are not, then a new Trustee may be appointed by the Manager). In the event that an independent Trustee ceases to be a Trustee, such vacancy shall be filled by a person that would qualify as an independent Trustee.

The Declaration of Trust provides that the Trustees and the executive officers of the Fund (and the directors and officers of any affiliated entity) will be indemnified out of the Fund Property against all losses, claims, damages, liabilities, expenses, judgments and other amounts in respect of any civil, criminal or administrative claim, action or proceeding by reason of being or having been a Trustee or an officer of the Fund or such affiliated entity, and/or in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such parties as a result of the exercise of his or her powers or duties under the Declaration of Trust. However, any such party will not be indemnified for amounts that result from his or her failure to act honestly and in good faith with a view to the best interests of the Fund, or as a result of his or her failure to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, or, in the case of a civil, criminal or administrative action or proceeding that is enforced by a monetary penalty, where such party did not have reasonable grounds for believing that his or her conduct was lawful.

In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustees and indemnifying the Trustees in respect of certain liabilities incurred by them in the carrying out of their duties.

Each of the Trustees are required to exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Conflicts of Interest

A Trustee who directly or indirectly has a material interest in a material contract or transaction or proposed material contract or transaction with the Fund, or an affiliate of the Fund, must disclose in writing to the Fund the nature and extent of such interest forthwith after becoming aware of the material contract or transaction or proposed material contract or transaction. Such Trustee must not vote on any resolution to approve the material contract or transaction, unless the material contract or transaction is one relating primarily to his or her remuneration as a Trustee or one for indemnity or insurance.

Where a Trustee fails to disclose his or her interest in a material contract or transaction, any Trustee or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the material contract or transaction and directing that the Trustee account to the Fund for any profit or gain realized, provided that if the Trustee acted honestly and in good faith, he or she will not be accountable to the Fund or to the Unitholders for any profit or gain realized from such material contract or transaction, and such material contract or transaction will not be void or voidable and may not be set aside, if: (i) the material contract or transaction was reasonable and fair to the Fund at the time it was approved; (ii) the material contract or transaction is confirmed or approved at a meeting of the Unitholders duly called for that purpose; and (iii) the nature and extent of the Trustee's interest in such contract or transaction is disclosed in reasonable detail in the notice calling the meeting of the Unitholders.

All decisions of the Board will require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board, except for each of the following matters which will also require the approval of a majority of the independent Trustees:

(a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which any of the Retained Interest Holders or any related party of the Fund has any direct or indirect interest, whether as owner, operator or manager;

(b) a change to any agreement with the Retained Interest Holders or a related party of the Fund or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;

(c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the Fund, or the making, directly or indirectly, of any co-investment, in each case with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;

(d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity; and

(e) decisions relating to any claims by or against one or more parties to any agreement any of the Retained Interest Holders or any related party to the Fund.

In connection with any transaction involving the Fund, including any item mentioned in the prior paragraph which requires the approval of the independent Trustees, the Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in negotiating and completing such transaction without consulting or obtaining the approval of any officer of the Fund.

It is anticipated that the independent Trustees will hold in-camera meetings, with members of management not in attendance, as part of regularly scheduled Board meetings. The Lead Trustee will conduct the in-camera meetings without the presence of management or the other non-independent Trustees.

Rights of Unitholders

Subject to certain important exceptions, a Unitholder has substantially all of the same protections, rights and remedies as a shareholder would have under the CBCA. Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their Units in a manner comparable to shareholders of a CBCA corporation, and provisions relating to the calling and holding of meetings of Unitholders included in the Declaration of Trust are comparable to those of the CBCA. Unlike shareholders of a CBCA corporation, Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Fund. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation. Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). As an alternative, Unitholders seeking to terminate their investment in the Fund are entitled to receive, subject to certain conditions and limitations, the redemption price described above under “Redemption” through the exercise of the redemption rights described above. Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties.

Shareholders of a CBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances, whereas Unitholders may rely only on the general provisions of the Declaration of Trust which permit the winding-up of the Fund with the approval of a Special Resolution of the Unitholders. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include comparable rights.

The foregoing is a summary only of certain of the material provisions of the Declaration of Trust. For a complete understanding of all of the provisions of the Declaration of Trust, reference should be made to the Declaration of Trust itself, a copy of which is available from the Fund.

8.2 NV Holdings LP

The following is a summary only of certain of the material provisions that are expected to be contained in the NV Holdings LP Agreement.

The rights and obligations of NV Holdings GP and holders of NV Holdings LP Units will be governed by the limited partnership agreement of NV Holdings LP among NV Holdings GP, the Fund and Starlight West LP following the Fund’s acquisition of NV Holdings LP under the Proposed Transaction and all persons who subsequently become limited partners of NV Holdings LP. NV Holdings LP will become a Subsidiary of the Fund as part of the Proposed Transaction.

Capital of NV Holdings LP

The capital of NV Holdings LP will consist of an unlimited number of NV Holdings LP Class A Units, an unlimited number of NV Holdings LP Class B Units, and the interest held by NV Holdings GP as general partner. All of the NV Holdings LP Class A Units are expected to be held by the Fund and all of the NV Holdings LP Class B Units are expected to be held by Starlight West LP.

Distributions

To the extent cash flow permits, for any period, NV Holdings LP is expected to pay and distribute an amount equal to all cash flow from its investment in NV LP Units in that year after payment of all current obligations of NV Holdings LP. Cash flow will be distributed on a monthly basis as follows

(a) 0.01% to NV Holdings GP;

(b) 99.99%, less any amount payable to the holders of NV Holdings LP Class B Units in accordance with paragraph (c) below, to the Fund as a distribution on the NV Holdings LP Class A Units; and

(c) to the holders of NV Holdings LP Class B Units, the aggregate across all classes of Units,

(i) of the amount, if any, equal to the lesser of, for each class of Units,

(A) 50% of the Class Excess Return; and

(B) 1/3rd of the Class Threshold Return; plus

(ii) 20% of the amount, if any, by which the Class Excess Return exceeds 2/3^{rds} of the Class Threshold Return.

Notwithstanding the foregoing, NV Holdings GP may, at the direction of the Board, elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

The Carried Interest is expected to be payable by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units and, therefore, to the extent that any such amounts are paid by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units, such cash will not form part of the Distributable Cash Flow distributed to Unitholders by the Fund.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of NV Holdings LP are expected to be allocated to the holders of NV Holdings LP Class A Units. For tax and accounting purposes, net income for each fiscal year of NV Holdings LP is expected to be allocated to the holders of NV Holdings LP Units and NV Holdings GP, as general partner of NV Holdings LP, *pro rata* based on distributions received in respect of such fiscal year.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of NV Holdings LP, the assets of NV Holdings LP will be liquidated and the proceeds thereof will be distributed as follows:

(a) first, to pay all unpaid expenses which are required to be paid under the NV Holdings LP Agreement and all expenses incurred in the winding-up of NV Holdings LP;

(b) second, to pay all of the liabilities of NV Holdings LP, including any loans or advances made by its limited partners and any amounts owing to NV Holdings GP in respect of costs and expenses owing to it as general partner;

(c) third, to establish such reserves as NV Holdings GP, as general partner, considers necessary;

(d) fourth, to pay to the holders of NV Holdings LP Units any unpaid portion of the distributions noted in (b) and (c) under “Distributions”; and

(e) fifth, to pay to NV Holdings GP any unpaid portion of the distributions noted in (a) under “Distributions”.

Additional Capital Contributions

No limited partner is required to make additional capital contributions to NV Holdings LP over and above the purchase price paid for such limited partner’s NV Holdings LP Units.

Management of NV Holdings LP

NV Holdings GP, as general partner, will have continuing exclusive authority over the management of NV Holdings LP, the conduct of its affairs, and the management and disposition of the property of NV Holdings LP, except for certain limited matters being subject to votes of the holders of NV Holdings LP Units. NV Holdings GP will not have any rights to vote.

Removal of NV Holdings GP

Holders of NV Holdings LP Class A Units may, by Special Resolution and upon 60 days' written notice to NV Holdings GP, remove NV Holdings GP as general partner of NV Holdings LP without cause, and may immediately remove NV Holdings GP for cause, if such cause is not remedied after reasonable notice from the holders of NV Holdings LP Class A Units. For so long as the Manager is the manager of the Fund, NV Holdings GP shall not be removable as general partner of NV Holdings LP without cause. In either such case, the holders of NV Holdings LP Class A Units will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the NV Holdings LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to NV Holdings LP after the appointment of the new general partner.

Amendments to the Limited Partnership Agreement

Following closing of the Offering, the NV Holdings LP Agreement may be amended with the prior consent of the holders of at least $66^2/_3\%$ of the NV Holdings LP Class A Units voting on the amendment at a duly constituted meeting of holders of NV Holdings LP Class A Units or by a written resolution of partners holding at least $66^2/_3\%$ of the NV Holdings LP Class A Units entitled to vote at a duly constituted meeting of holders of NV Holdings LP Class A Units, except for certain amendments which require unanimous approval of holders of limited partnership units, including: (i) changing the liability of any limited partner that is a holder of NV Holdings LP Class A Units; (ii) changing the right of a limited partner to vote at any meeting of holders of NV Holdings LP Class A Units; and (iii) changing NV Holdings LP from a limited partnership to a general partnership.

NV Holdings GP may also make amendments to the NV Holdings LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of NV Holdings LP or the location of the principal place of business or registered office of NV Holdings LP; (ii) a change that, as determined by NV Holdings GP, is reasonable and necessary or appropriate to qualify or continue the qualification of NV Holdings LP as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iii) a change that, as determined by NV Holdings GP, is reasonable and necessary or appropriate to enable NV Holdings LP to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or (iv) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the NV Holdings LP Agreement which may be defective or inconsistent with any other provision contained in the NV Holdings LP Agreement or which should be made to make the NV Holdings LP Agreement consistent with the disclosure set out in this Prospectus.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of NV Holdings GP, as a general partner, may be made without the consent of NV Holdings GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

Liquidity Exchange Rights of NV Holdings LP Class B Units

On the occurrence of a Recapitalization Event, the Carried Interest shall be crystallized by way of the NV Holdings LP Class B Units becoming exchangeable for Units, or for securities resulting from such Recapitalization Event, in which case the holder of the NV Holdings LP Class B Units at the time of such exchange shall be able to participate in the Recapitalization Event on the same basis as Unitholders (including, if applicable, the receipt of cash as payment for the Carried Interest). If an Alternative Liquidity Event occurs, the Carried Interest shall be crystallized and paid either in cash or securities, as applicable, based on whether Unitholders are receiving cash or securities in the transaction, or as otherwise agreed.

8.3 NV LP

The following is a summary only of certain of the material provisions that are expected to be contained in the NV LP Agreement.

The rights and obligations of NV GP and holders of NV LP Units will be governed by the limited partnership agreement of NV LP among NV GP, as general partner of NV LP, NV Holdings LP (following the Fund's indirect acquisition of NV LP under the Proposed Transaction) and all persons who subsequently become limited partners of NV LP. NV LP will become a Subsidiary of the Fund as part of the Proposed Transaction.

Capital of NV LP

The capital of NV LP will consist of an unlimited number of NV LP Units, plus the interest held by NV GP as general partner. All of the NV LP Units are expected to be held by NV Holdings LP.

Distributions

To the extent cash flow permits, for any period, NV LP is expected to pay and distribute an amount equal to the aggregate of all Distributable Cash. Such amounts will be distributed as follows:

(a) 0.01% to the NV GP; and

(b) 99.99% to the holders of NV LP Units.

Notwithstanding the foregoing, NV GP may, at the direction of the Board, elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of NV LP will be allocated to the holders of NV LP Units. For tax and accounting purposes, net income for each fiscal year of NV LP will be allocated as to 99.99% to the holders of NV LP Units and as to 0.01% to NV GP.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of NV LP, the assets of NV LP will be liquidated and the proceeds thereof will be distributed as follows:

(a) first, to pay all unpaid expenses which are required to be paid under the NV LP Agreement and all expenses incurred in the winding-up of NV LP;

(b) second, to pay all of the liabilities of NV LP, including any loans or advances made by its limited partners and any amounts owing to NV GP in respect of costs and expenses owing to it as general partner;

(c) third, to establish such reserves as NV GP, as general partner, considers necessary; and

(d) fourth, to pay 0.01% of the balance to NV GP and 99.99% of the balance to the holders of NV LP Units.

Additional Capital Contributions

No limited partner is required to make additional capital contributions to NV LP over and above the purchase price paid for such limited partner's NV LP Units.

Management of NV LP

NV GP, as general partner, will have continuing exclusive authority over the management of NV LP, the conduct of its affairs, and the management and disposition of the property of NV LP, except for certain limited matters being subject to votes of the holders of NV LP Units. NV GP will not have any rights to vote.

Removal of NV GP

Holders of NV LP Units may, by Special Resolution and upon 60 days' written notice to NV GP, remove NV GP as general partner of NV LP without cause, and may immediately remove NV GP for cause, if such cause is not remedied after reasonable notice from the holders of NV LP Units. For so long as the Manager is the manager of the Fund, NV GP shall not be removable as general partner of NV LP without cause. In either such case, the holders of NV LP Units will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the NV LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to NV LP after the appointment of the new general partner.

Voting

Each NV LP Unit has attached to it the right to exercise one vote at meetings of NV LP. Certain powers, relating generally to the existence and fundamental powers of NV LP, are specified in the NV LP Agreement and are exercisable by way of an Ordinary Resolution passed by holders of NV LP Units.

9. CAPITALIZATION

9.1 Pro Forma Capitalization

The following table sets forth the *pro forma* consolidated capitalization of the Fund as at July 31, 2020 and as at June 30, 2020 after giving effect to the Maximum Offering and the acquisition of the Initial Portfolio. The table should be read in conjunction with the Fund's *pro forma* consolidated financial statements and notes thereto contained in this Prospectus.

	As July 31, 2020	**As at June 30, 2020 after giving effect to the Maximum Offering and the acquisition of the Initial Portfolio**
Units (Authorized – unlimited)	$12.50[(1)]	$430,000,000
Indebtedness		
– New and assumed Mortgage Loans	$0	$1,304,713,000
Total Capitalization	$12.50	$1,734,713,000

Note:

(1) The Fund was initially settled on April 14, 2020 with $12.50 in cash for the issuance of one Class C Unit and had no operating activities during the period of formation through to July 31, 2020.

9.2 Long-Term Debt

The Fund does not have any earnings to date, and does not currently have any outstanding long-term debt. Pursuant to the Proposed Transaction, the Fund, as indirect beneficial owner of the Initial Portfolio, will indirectly assume the aggregate of the existing debt over the Initial Portfolio, which as of June 30, 2020 amounted to approximately $786,636,000. The weighted average term of principal payments of the existing debt is approximately 3.72 years and the weighted average interest rate of the existing debt is approximately 3.04%.

In addition, the Canadian chartered bank affiliate of the Lead Agent (and a syndicate of financial institutions and other lenders arranged in consultation with the Fund) have agreed to provide three credit facilities secured by the Initial Portfolio and subordinated to the existing financing assumed by the Fund in connection with the Proposed Transaction, in an aggregate principal amount of up to $747,000,000, made up as follows: (A) a non-revolving term loan credit facility in an aggregate amount of up to $498,000,000 to partially finance the acquisition of the Initial Portfolio, (B) a non-revolving capital expenditure loan facility in an aggregate amount of up to $52,000,000 to partially finance capital expenditures in respect of the Initial Portfolio, and (C) a non-revolving mortgage backstop loan facility in an aggregate amount of up to $197,000,000, available to repay and cancel existing Mortgage Loans where the existing lender's consent to assumption of the debt is not obtained, or where the Mortgage Loans are due to mature within six months of the closing of the Proposed Transaction. Both the foregoing acquisition facility and capital expenditure facility mature three years after closing, subject to a one-year extension on certain terms. The mortgage backstop facility matures 12 months after closing.

The Manager anticipates the Fund's Debt will total approximately $1,304,714,000 following closing of the Offering, comprising indebtedness assumed pursuant to the Proposed Transaction of approximately $786,636,000 and $518,078,000 drawn in the aggregate across the credit facilities described above, implying a consolidated Debt to Gross Book Value (assuming the appraised value of the investment properties (inclusive of the portfolio premium) is used instead of book value investment properties) of approximately 67.3% to 68.9% (depending on the size of the portfolio premium) immediately following closing of the Offering.

As of the Closing Date, the weighted average term to maturity and the weighted average effective interest rate of all Debt of the Fund are expected to be approximately 3.43 years and 3.51%, respectively. Approximately 61% of the initial Debt will comprise fixed-rate term debt, of which approximately 90% is CMHC-insured mortgage debt at interest rates significantly below that of conventional mortgage lenders. Further, the renewal risk of existing CMHC mortgages is lessened by the fact that the insurance remains valid for the entire amortization period of the loan, which typically ranges from 25 to 40 years, which, together with the lower cost interest rates, mitigates the Fund's exposure to interest rate risk in a rising interest rate environment. The Manager believes the conservative FFO Payout Ratio and prudent leverage profile will support the growth and distributions of the Fund, affording the Fund with the financial flexibility to execute market opportunities via intensification, repositioning and acquisitions.

The Manager believes that the current Canadian multi-residential rental property debt financing market offers debt financing at attractive interest rates that the Manager intends to utilize in order to seek an increased return on equity for the Fund. The Declaration of Trust limits total indebtedness of the Fund to no more than 70% of the Gross Book Value. Such loans will generally be for terms of three to ten years, with fixed interest rates calculated with reference to the interest rate on a government bond with a similar term, plus an amount determined in accordance with market factors or floating rates calculated based on a spread over CDOR. The Mortgage Loans (if any) will be secured by mortgages registered on the Properties in respect of which the loans were advanced.

Debt Maturity Schedule

The following table sets out the principal installments and maturity balances for all Debt, to be paid over each of the seven calendar years following the Closing Date (on a *pro forma* basis assuming Closing occurred on June 30, 2020) and thereafter (assuming such Indebtedness is not renewed at maturity).

Year	Principal Payments During Period	Principal Repayments on Maturity	Total Mortgages	% of Total Principa l	Weighted Average Interest Rate	Total Credit Facility	% of Total Principal	Weighted Average Interest Rate	Total Debt	% of Total Principal	Weighted Average Interest Rate
2020	$13,686,740	$59,268,117	$72,954,856	9.3%	2.75%	$0	0.0%	0.00%	$72,954,856	5.6%	2.75%
2021	$24,661,494	$95,517,685	$120,179,179	15.3%	3.29%	$0	0.0%	0.00%	$120,179,179	9.2%	3.29%
2022	$22,041,886	$72,318,123	$94,360,009	12.0%	2.98%	$0	0.0%	0.00%	$94,360,009	7.2%	2.98%
2023	$18,745,663	$106,218,115	$124,963,778	15.9%	3.44%	$518,077,573	100.0%	4.13%	$643,041,351	49.3%	4.01%
2024	$13,974,926	$124,606,899	$138,581,825	17.6%	2.85%	$0	0.0%	0.00%	$138,581,826	10.6%	2.85%
2025	$7,652,726	$127,313,082	$134,965,808	17.2%	3.18%	$0	0.0%	0.00%	$134,965,808	10.3%	3.18%
2026	$3,124,122	$38,200,311	$41,324,433	5.3%	2.32%	$0	0.0%	0.00%	$41,324,433	3.2%	2.32%
Thereafter	$3,810,300	$55,495,580	$59,305,880	7.5%	2.88%	$0	0.0%	0.00%	$59,305,880	4.5%	2.88%
Total	**$107,697,856**	**$678,937,912**	**$786,635,768**	**100.0%**	**3.04%**	**$518,077,573**	**100.0%**	**4.13%**	**$1,304,713,342**	**100.0%**	**3.51%**

Note:

(1) Interest on the credit facility is floating rate and assumes an underlying rate of bankers' acceptance + 3.65% with a bankers' acceptance assumption of 0.48%.

CMHC Mortgages

The Manager intends to continue to secure cost effective mortgages on future acquisitions and refinance existing properties through the use of CMHC mortgage insurance. CMHC provides mortgage insurance to financial institutions to allow them to lend money to qualified building owners at interest rates significantly below that of conventional mortgage lenders. Additionally, the renewal risk of existing CMHC-insured mortgages is mitigated by the fact that the insurance remains valid for the entire amortization period of the loan, which typically ranges from 25 to 40 years. It is the Manager's belief that continued access to CMHC-insured financing will be an important component of the long-term debt strategy of the Fund, and the Manager will continue to work closely with CMHC and its approved lenders in order to facilitate future financings.

10. PRIOR SALES

There have been no prior sales of securities of the Fund, other than the initial Class C Unit issued to Starlight Group, which will be subsequently transferred to NV1 and dealt with in accordance with step 2.4(q) of the Plan of Arrangement.

11. PRINCIPAL SECURITYHOLDERS

Except as disclosed below, after giving effect to the Offering, to the best of the knowledge of the Board, no persons are expected to own, directly or indirectly, or exercise control or direction over Units carrying at least 10% of the votes attached to the issued and outstanding Units.

Assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders, Starlight and the KingSett and AIMCo Investors would own, in the aggregate, approximately 18,400,000 Class C Units, representing in the aggregate approximately 76.17% of the Class C Units and an aggregate approximately 53.49% ownership interest in the Fund, comprising: (a) approximately 9,200,000 Class C Units of which Mr. Drimmer (the principal of Starlight Group) would have ownership, or control or direction, directly or indirectly, representing approximately 38.09% of the Class C Units and an approximately 26.74% ownership interest in the Fund; and (b) approximately 9,200,000 Class C Units owned by the KingSett and AIMCo Investors, representing approximately 38.09% of the Class C Units and an approximately 26.74% ownership interest in the Fund. The KingSett and AIMCo Investors will be party to the Investor Rights Agreement which, among other things, will give KingSett Group certain nomination rights and KingSett Group and AIMCo Realty certain demand registration rights. See "Retained Interest". Starlight will have certain nomination rights under the Declaration of Trust.

Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for $35,000,000 of Class C Units by way of a concurrent private placement, resulting in Timbercreek Acquisitions Inc. and/or its affiliates owning, directly or indirectly, or exercising control or direction over, approximately 2,800,000 Class C Units representing approximately 11.59% of the Class C Units and an approximately 8.14% ownership interest in the Fund (based on the same assumptions as set forth in the paragraph above).

Class C Units are convertible into Class A Units (based on the Class C Unit to Class A Unit Conversion Rate subject to customary anti-dilution adjustments). Class C Units are also convertible into Class F Units (based on the Class C Unit to Class F Unit Conversion Rate subject to customary anti-dilution adjustments). See "Description of the Securities Distributed – Units".

12. TRUSTEES AND EXECUTIVE OFFICERS

12.1 Name, Address, Occupation and Security Holdings

The following table sets forth certain information regarding each of the individuals who are currently, and will continue to be as at the Closing Date, Trustees and/or acting in the capacity of executive officers of the Fund and its Subsidiaries. Daniel Drimmer has been a Trustee since formation of the Fund.

Name, Age and Municipality of Residence	Position(s) Held with the Fund(1)	Principal Occupation
Daniel Drimmer(2) .... Age: 48 Toronto, Ontario, Canada	Trustee, Chairman and Interim Chief Executive Officer	President and Chief Executive Officer of Starlight Group and the general partner of the Manager, President and Chief Executive Officer of True North Commercial REIT, Director and Chief Executive Officer of Starlight U.S. Multi-Family (No. 1) Core Plus Fund
Rob Kumer(3)(4).. Age: 44 Toronto, Ontario, Canada	Trustee (Independent)	Chief Investment Officer of KingSett Capital Inc.

Graham Rosenberg(5)(7) .... Age: 57 Toronto, Ontario, Canada	Trustee (Independent)	Chief Executive Officer of Dentalcorp Health Services ULC
Harry Rosenbaum(4)(5)(6) .... Age: 71 Toronto, Ontario, Canada	Trustee (Independent)	Principal of Ashton Woods Homes and the Great Gulf Group of Companies
Lawrence D. Wilder(4)(5) .... Age: 58 Toronto, Ontario, Canada	Lead Trustee (Independent)	Partner, Miller Thomson LLP
Martin Liddell... Age: 50 Toronto, Ontario, Canada	Interim Chief Financial Officer and Former Trustee from formation of the Fund to September 29, 2020	Chief Financial Officer of Starlight Group and the Manager and Chief Financial Officer of Starlight U.S. Multi-Family (No. 1) Core Plus Fund

Notes:

(1) The individuals acting in the capacity of the Fund's executive officers are not employed by the Fund or any of its Subsidiaries, but rather are employees of or consultants to the Manager and provide services to the Fund and its Subsidiaries, on behalf of the Manager, pursuant to the Management Agreement. Messrs. Drimmer and Liddell will be replaced following the closing of the Offering with individuals provided by the Manager that will have experience in the Canadian multi-residential suites, commercial real estate and execusuites sectors.

(2) Board nominee of Starlight pursuant to its nomination right under the Investor Rights Agreement.

(3) Board nominee of KingSett Group pursuant to its nomination right under the Investor Rights Agreement.

(4) Member of the Audit Committee.

(5) Member of the Governance and Nominating Committee.

(6) Chair of the Audit Committee.

(7) Chair of the Governance and Nominating Committee.

Personal Profiles

Set out below is a biography of each of the Trustees and executive officers of the Fund, as applicable, for the past five years or more.

Daniel Drimmer – Trustee, Chairman and Interim Chief Executive Officer

Daniel Drimmer is the founder, President and Chief Executive Officer of Starlight Group, a Canadian real estate asset management company focused on the acquisition, ownership and management of residential and commercial properties across Canada and the U.S., with a portfolio of approximately 43,000 multi-residential suites and over 7,000,000 square feet in commercial properties. In addition to the formation of Starlight Group, Mr. Drimmer is currently a director and Chief Executive Officer of the general partner of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and was previously a director and Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and a director and the Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund and its predecessors, is the founder, President, CEO and Chairman of the Board of TSX-listed True North Commercial REIT (TNT.UN), and is a member of the Board of Trustees of TSX listed NV1. Mr. Drimmer also established TSX-listed True North Apartment REIT, and was the creator and sponsor of TSX-listed TransGlobe Apartment REIT. Over the last ten years, Mr. Drimmer has completed more than $25 billion worth of acquisitions and dispositions in residential and commercial real estate (including eight initial public offerings). Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario, and both a Master of Business Administration and a Master's degree in Contemporary European Policy Making from European University in Geneva, Switzerland and is a third generation real estate investor.

Rob Kumer – Trustee (Independent)

Rob Kumer is the Chief Investment Officer of KingSett Capital Inc., a leading Canadian private equity real estate investment business which co-invests with institutional and ultra-high net worth clients seeking to provide risk weighted returns through its various fund strategies. Mr. Kumer has responsibility for leading the Investments and Project Finance teams which source, underwrite and structure investment transactions for KingSett Captital Inc.'s various fund strategies. Founded in 2002, KingSett has raised $11 billion of equity for its Growth, Income, Urban and Mortgage strategies. Currently, KingSett Capital Inc., together with its affiliates, owns interests in a $14.7 billion portfolio of assets. Mr. Kumer holds a degree in Honours

Business Administration from the Ivey Business School at the University of Western Ontario, where he now sits as a member of the school's Advisory Board. As well, Mr. Kumer sits on the Board of Directors for the Sinai Health System Foundation.

Graham Rosenberg – Trustee (Independent)

Graham Rosenberg, is the Chief Executive Officer and Founder of Dentalcorp Health Services ULC ("**dentalcorp**"), a company he founded in 2011. dentalcorp is the largest provider of dental services in Canada, with over 400 locations nationwide. Mr. Rosenberg is a member of the audit committee and lead independent director of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund, and is a director of Keplr Vision. Mr. Rosenberg was previously: lead independent director of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund; a director and member of the audit committee of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund; a member of the Board of Trustee and audit committee of TSX-listed NV1; and a director of Mount Sinai Hospital Foundation. Mr. Rosenberg is qualified as a Chartered Professional Accountant, with a Masters of Business Administration and Bachelor of Business Administration from the Schulich School of Business, York University. In 2015, Mr. Rosenberg was elected E&Y Entrepreneur of the Year (Ontario) for Business Services. He also serves as Governor of the North York General Hospital Foundation.

Harry Rosenbaum – Trustee (Independent)

Harry Rosenbaum is Co-Founder and Principal of the Great Gulf Group of Companies (Great Gulf Residential, First Gulf Corporation, Tucker HiRise and H+ME Technology). Mr. Rosenbaum is a Principal of Ashton Woods Homes, one of the largest privately held homebuilders in the U.S. He is a trustee of NEO Exchange Inc.-listed Starlight Hybrid Global Real Assets Trust and a director and member of the audit committee of the general partner of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and a past board member of WPT Industrial Real Estate Investment Trust. Mr. Rosenbaum is Chair of the Real Estate and Properties Committee of UJA of Greater Toronto and a member of the board of directors of UJA of Greater Toronto. He was a director of the Sunnybrook Hospital Foundation and a director of the Advocates for Civil Liberties. Mr. Rosenbaum was formerly the Chairman of The Association for the Soldiers of Israel. Mr. Rosenbaum received his law degree from Osgoode Law School in 1974. He also holds a degree in Economics from York University.

Lawrence D. Wilder – Lead Trustee (Independent)

Mr. Wilder is a partner at Miller Thomson LLP and serves as co-chair of the Firm's national Capital Markets Group and co-leads the Firm's Hospitality Practice Group. Mr. Wilder has practiced corporate and securities law for over 30 years and has advised Canadian public issuers and their boards on a variety of corporate governance and securities law compliance matters. His specialties include corporate finance, mergers and acquisitions and private equity. Mr. Wilder is nationally recognized by *Chambers Canada*, *Best Lawyers*, *Lexpert* and *Martindale-Hubbell*. He holds an LLB from Osgoode Hall Law School.

Martin Liddell – Interim Chief Financial Officer

Martin Liddell joined the Manager in January 2012 and is currently the Chief Financial Officer of Starlight Group and the Chief Financial Officer of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and was previously the Chief Financial Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and the Chief Financial Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund and its predecessors. From 2012 to 2015, Mr. Liddell was the Chief Financial Officer of TSX-listed True North Apartment REIT. Prior to joining Starlight Group, Mr. Liddell was the Executive Vice-President and Chief Financial Officer of TSX-listed Leisureworld Senior Care Corporation from 2006 until 2011 where he played a critical role in the March 2010 initial public offering. Previously, Mr. Liddell held the position of Chief Financial Officer of NBS Technologies Inc., at the time a TSX-listed company and since privatized. Between 2000 and 2005, Mr. Liddell served in a variety of increasingly senior corporate development and financial management roles at Tyco International Ltd., and prior to that from 1995 to 2000, provided strategic corporate finance and mergers and acquisitions advice to clients at KPMG LLP in the United Kingdom and Europe. Mr. Liddell has participated in over $7 billion of real estate debt and equity financings. Mr. Liddell holds a Bachelor of Arts (Honours) in accounting and finance from Liverpool John Moores University, United Kingdom, and received his Chartered Accountant designation in 1995. Mr. Liddell is a member of the Institute of Chartered Accountants in England and Wales.

Assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus, and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders, immediately after the Closing Date, the Directors and executive officers of the Fund, as a group, are expected to beneficially own, directly or indirectly, or exercise control or direction over, approximately 9,227,726 Units, representing a voting interest in the Fund of approximately 26.82%. See also "Retained Interest", "Principal Securityholders" and "Interests of Management and Others in Material Transactions".

12.2 Insurance Coverage for Trustees and Executive Officers and Indemnification

The Fund and its Subsidiaries will obtain or cause to be obtained a policy or policies of insurance for the Trustees and executive officers of the Fund and each corporate Subsidiary. Under such policy or policies, each Entity will have reimbursement coverage to the extent that it has indemnified the trustees, directors and officers, as applicable. The policy or policies will include securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Fund and its Subsidiaries, and their trustees, directors and officers, as applicable. In addition, the Fund and its Subsidiaries will each indemnify its trustees, directors and officers, as applicable, from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office.

12.3 Corporate Cease Trade Orders or Bankruptcies, Penalties or Sanctions

No trustee or executive officer of the Fund or promoter of the Fund, or a unitholder holding a sufficient number of securities to materially affect the control of the Fund is, or was within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company that (i) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days, that was issued while that person was acting in the capacity of a director, chief executive officer or chief financial officer of that company, or (ii) was subject to such an order that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person was acting in that capacity.

No current Trustee or executive officer of the Fund or promoter of the Fund, or a unitholder holding a sufficient number of securities to materially affect the control of the Fund is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Fund) that, while that person was acting in that capacity or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, no current director or executive officer of the Fund has, within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the current Trustee, executive officer, promoter or unitholder.

Except for the following, no current Trustee or executive officer of the Fund or promoter of the Fund or any unitholder holding a sufficient number of securities to materially affect the control of the Fund, is or has been (i) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Lawrence D. Wilder entered into a settlement agreement dated May 24, 2002 with the OSC in connection with the OSC's proceeding brought in connection with YBM Magnex International Inc. The OSC had alleged that Mr. Wilder had made misleading statements in certain of his correspondence with OSC staff concerning due diligence in the course of clearing a final prospectus on behalf of his client. Pursuant to the settlement agreement, the proceeding was settled on the basis that Mr. Wilder provided an apology to the OSC staff (which was accepted) and agreed to pay certain costs incurred by the OSC in connection with the proceeding. There were no sanctions or penalties imposed on Mr. Wilder in connection with this matter.

13. THE MANAGER AND THE MANAGEMENT AGREEMENT

13.1 The Manager

The Fund will be managed by the Manager, a limited partnership formed under the laws of the Province of Ontario and a Subsidiary of Starlight Group, which will be engaged by the Fund for specified functions in connection with the ownership and operation of the Properties. Led by a team of industry veterans with a record of creating long-term investor value, Starlight is an experienced multi-residential real estate owner and asset manager. Starlight's principal, Daniel Drimmer, has over 25 years of experience identifying undervalued properties in the multi-residential real estate sector, acquiring such properties and realizing value through individual asset or portfolio sales.

Starlight currently owns and/or manages $14.0 billion in assets in Canada and the U.S., including 400 properties, approximately 43,000 multi-residential suites (of which approximately 30,000 multi-residential suites are located in Canada spread across five provinces with a current approximate value of $8.5 billion and of which approximately 13,000 multi-residential suites are located in the U.S. with a current approximate value of $3.5 billion), and approximately 7,000,000 square feet of commercial space in Canada through various entities (spread across five provinces with a current approximate value of

$2.0 billion), including its partnership with several global institutional investors and family offices. Starlight co-invests a significant amount of equity in every new fund to ensure meaningful alignment of interests with investors. Starlight has extensive experience overseeing and working with publicly listed entities and currently provides services to two publicly listed entities: True North Commercial REIT (TSX: TNT.UN) and Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO.UN). Starlight believes it has been among North America's most active real estate investors since its inception in 1995 and employs more than 225 professionals, including more than 125 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight has completed transactions having an aggregate value of over $25.0 billion, with a transaction volume of approximately 85,000 multi-residential suites with over $6.0 billion of invested capital, generating a gross internal rate of return of over 25% since inception.

Assuming the closing of the Proposed Transaction as contemplated, Starlight expects to manage approximately $19.0 billion in assets in Canada and the U.S., including more than 500 properties, approximately 55,000 multi-residential suites in Canada across six provinces and two territories with a current approximate value of $13.5 billion and approximately 8,000,000 square feet of commercial real estate in Canada through various entities (spread across eight provinces and two territories with a current approximate value of $3 billion), including its partnership with several institutional investors and family offices. Post-closing of the Proposed Transaction, Starlight expects to employ more than 300 professionals, including more than 175 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Including the Proposed Transaction, Starlight will have completed transactions having an aggregate value of over $30.0 billion, with a transaction volume of approximately 100,000 multi-residential suites with over $7.0 billion of invested capital.

During the past ten years, Starlight's principal, Daniel Drimmer, has acquired, operated and sold in excess of 85,000 multi-family suites. Also during this time period, Starlight has established a reputation for identifying acquisitions, repositioning assets and driving value through a hands-on asset management approach as well as executing financing strategies. Starlight's speed of execution for acquisitions is due to its disciplined yet entrepreneurial decision making approach and flat organizational structure. The Manager is wholly-owned by Starlight Group and controlled by its principal, Daniel Drimmer (see the biography of Mr. Drimmer under "Trustees and Executive Officers – Name, Address, Occupation and Security Holdings – Personal Profiles").

In addition to Mr. Drimmer and Mr. Liddell, Starlight's executive leadership also comprises Glen Hirsh, Chief Operating Officer, David Hanick, Chief Legal Officer, David Chalmers, President of Canadian Multi-Family and Jamie Miller, Vice President of Asset Management, Canadian Multi-Family.

Mr. Hirsh joined Starlight in October of 2017 as Chief Operating Officer. Prior to joining Starlight, Mr. Hirsh most recently held the position of Vice President in the Strategy and Finance Group at Oxford Properties and previously was a Managing Director and Head of the Real Estate Investment Banking Group at National Bank Financial. Having spent almost 20 years in the real estate and financial services sectors, Mr. Hirsh is recognized as a leader in providing strategic advice to public and private companies, structuring capital markets transactions and executing equity and debt financings. Mr. Hirsh is a Chartered Professional Accountant and holds the Chartered Financial Analyst designation and a Bachelor of Commerce degree from McGill University, and is a trustee of NEO Exchange Inc.-listed Starlight Hybrid Global Real Assets Trust.

Mr. Hanick joined Starlight Group in November 2012 and is currently Chief Legal Officer. Prior to joining Starlight Group, Mr. Hanick was a corporate partner in the Toronto office of Osler, Hoskin & Harcourt LLP, where he focused on public and private mergers and acquisitions as well as capital market transactions acting for issuers, underwriters and private equity firms in various sectors including the real estate sector. Mr. Hanick has more than 17 years of legal, capital markets, mergers and acquisitions, and corporate governance expertise, and has participated in transactions totaling more than $22 billion. Mr. Hanick is currently the Corporate Secretary of the general partner of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund, and was previously the Corporate Secretary of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and the Corporate Secretary of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund and its predecessors. Mr. Hanick is a member of the Law Society of Ontario and holds a joint Masters of Business Administration from the Schulich School of Business and Bachelor of Laws from Osgoode Hall Law School.

Mr. Chalmers joined Starlight in September 2011 and is President, Canadian Multi-Family. Mr. Chalmers leads Starlight's Canadian Multi-Family asset management, investments, capital expenditures and development groups. He has over 20 years of experience managing real estate investments for private, public and pension fund stakeholders in all asset classes including residential and commercial. His expertise includes both purchase and disposition activities, completing over $10 billion in transactions including large portfolios and individual assets. Previously, he held positions in property and asset management with TransGlobe Investment Management Ltd. and Redcliff Realty Advisors Inc. (now Triovest Realty Advisors

Inc.). Mr. Chalmers holds an Honours Bachelor of Commerce degree from the University of Guelph with a major in Real Estate Management.

Mr. Miller joined Starlight in April 2020 as Vice President, Asset Management for the Canadian multi-family platform and is responsible for the management of a portfolio of assets owned by private investors and institutional partners, overview of all internal and external reporting, modeling; as well as tracking and consolidation of results, for portfolios managed by the asset management team. Prior to joining Starlight, Mr. Miller gained capital markets experience in real estate investment banking and brokerage. In addition, Mr. Miller spent several years on the private equity side of the industry. Mr. Miller brings with him over $9 billion of transaction experience across all asset classes and holds an Honours Bachelor of Arts degree specializing in Urban Development from Western University.

13.2 The Management Agreement

Pursuant to the terms of a management agreement to be entered into among the Fund, NV LP and the Manager (the "**Management Agreement**"), the Manager will be appointed as the sole and exclusive manager of the affairs of the Fund. The Manager will provide the Fund with specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer and the Chief Financial Officer will be compensated by the Manager and will not be employees of the Fund. The Fund and NV LP will collectively pay for all ordinary expenses incurred in connection with their operation and administration and will be responsible for reimbursing the Manager for all reasonable travel expenses related to performance of the Manager's obligations under the Management Agreement. In carrying out its obligations under the Management Agreement, the Manager will be required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Fund, including exercising the standard of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

The services to be provided by the Manager under the terms of the Management Agreement include, without limitation: (i) the structuring of the Offering and the Fund, (ii) liaising with legal and tax counsel, (iii) maintaining ongoing relationships with the lenders in respect of the Mortgage Loans (if any) for the Properties, (iv) conducting continuous analysis of market conditions to monitor NV LP's investment in the Properties, (v) advising the Fund and/or NV LP with respect to the Recapitalization Event or any Alternative Liquidity Event, as applicable, (vi) providing investor communication and reporting services to the Fund as required, and (vii) doing all such other acts or things and entering into agreements or documents on behalf of the Fund and/or NV LP to seek to achieve the investment objectives of the Fund.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, until the winding-up or dissolution of the Fund. The Management Agreement can be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager, and (ii) upon an event of default by the Manager, and (iii) in the event that Mr. Drimmer no longer controls the Manager.

The Management Agreement contains indemnification provisions whereby the Fund will indemnify the Manager against any loss, expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from unlawful acts, acts outside the Manager's scope of authority, wilful misconduct, bad faith, negligence or material breach of the Manager's obligations under the Management Agreement (including a breach of the standard of care owed under the Management Agreement). In addition, under the Management Agreement, the Manager will indemnify the Fund against any loss, expense, damage or injury suffered as a result of the Manager's unlawful acts, acts outside its scope of authority, wilful misconduct, bad faith, negligence or material breach of its obligations under the Management Agreement (including a breach of the standard of care owed under the Management Agreement).

In consideration for providing specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer, the Fund and NV LP will pay the Manager an aggregate base annual management fee (the "**Asset Management Fee**") equal to 0.35% of Gross Asset Value calculated and payable on a monthly basis in arrears in cash on the first day of each month.

13.3 Potential Conflicts of Interest (Trustees and Executive Officers)

The Manager is owned indirectly and controlled by Daniel Drimmer. Pursuant to the Management Agreement, the Manager will be receiving various fees and payments from the Fund in respect of asset management and other services provided thereunder. The interests in the NV Holdings LP Class B Units are owned indirectly and controlled by Mr. Drimmer. Pursuant to the NV Holdings LP Agreement, the partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer) will be indirectly participating in the profits of NV LP (through NV Holdings LP).

Mr. Drimmer is not in any way limited by the Fund or affected in his ability to carry on other business ventures for his own accounts and for the accounts of others, other than pursuant to any duties he owes to the Fund, in his capacity as Chairman and Trustee of the Fund, and is now, and intends in the future to be, engaged in the development of, investment in and management of other real estate properties. Mr. Drimmer will not have any obligation to account to the Fund or the Unitholders for profits made in such other activities.

The Manager's continuing businesses, including its role in providing asset management services to other issuers other than the Fund, may lead to conflicts of interest between the Manager and the Fund. The Fund may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Fund than if it were dealing with a party that was not a significant holder of an interest in the Fund. The agreement that the Fund entered into with the Manager may be amended upon agreement between the parties, subject to Applicable Laws and approval of the independent Trustees. Because of the proposed significant holdings of the principal of the Manager in the Fund, the Fund may not have the leverage to negotiate any required amendments to these agreements on terms as favourable to the Fund as those the Fund would negotiate with a party that was not a significant holder of an interest in the Fund.

In addition, the Trustees and executive officers of the Fund and the Manager may be involved in other ventures in the Canadian multi-residential sector with similar investment objectives to the Fund that also target the Secondary Markets that may lead to conflicts of interest between such Trustees, officers, the Manager and the Fund. As a result, the Fund may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Fund than if it were dealing with an arm's length third party. The Declaration of Trust contains provisions respecting potential conflicts of interest that may arise with Trustees. See "Description of the Securities Distributed – Units – Distributions". Additionally, the Board will comprise a majority of independent Trustees.

14. EXECUTIVE COMPENSATION

14.1 Executive and Trustee Compensation

The Fund is a recently established entity and has not completed a financial year. For the period from formation on April 14, 2020 to the date of the Prospectus, no compensation was paid by the Fund to the Trustees or to the executive officers. The Fund intends to pay each non-management Trustee (other than the nominees of the Retained Interest Holders where applicable) an annual retainer of $40,000 per annum. Each Trustee will be reimbursed for all reasonable travel and ancillary expenses incurred for attending meetings but will not otherwise be paid a meeting fee per meeting attended in person or by phone. The Trustees will not receive any additional remuneration for acting as directors on the boards of any of the Fund's subsidiaries. The chair of the Audit Committee will receive an additional retainer of $10,000 per annum. The Lead Trustee and the chair of the Governance and Nominating Committee will not receive any additional retainers for their respective roles. Trustees who are also members of management and/or nominees of the Retained Interest Holders will not receive any remuneration for their role as a Trustee.

14.2 Equity Incentive Plan

The Fund does not and will not have an equity incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any Trustee or executive officer. The Fund does not and will not have any stock appreciation rights or incentive plans. The Fund has not issued and will not issue any stock options to any executive officer or Trustee.

14.3 Pension Plan Benefits

The Board does not have and will not implement a pension plan for its executive officers or Trustees.

14.4 Termination of Employment, Change in Responsibilities and Employment Contracts

The Fund has not entered into and will not enter into any employment contracts or arrangements with the individuals acting in the capacity of executive officers or the Trustees that provide for any payments in connection with any termination and the Management Agreement will not provide for any incremental payments by the Fund or its Subsidiaries in respect of the Manager's termination of any individuals performing the functions of an executive officer for the Fund.

14.5 Indebtedness of Trustees and Executive Officers

None of the Trustees or executive officers of the Fund are indebted to the Fund.

15. CORPORATE GOVERNANCE AND BOARD COMMITTEES

15.1 Corporate Governance

The Fund has a Board consisting of five Trustees, being Daniel Drimmer, Rob Kumer, Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder, a majority of whom are Canadian residents and a majority of whom are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Board will also designate a Lead Trustee from among the independent Trustees to provide leadership for the independent Trustees in certain circumstances if the Chairman is not independent. Pursuant to NI 58-101, an independent Trustee is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a Trustee's independent judgment. The Fund has determined that Rob Kumer, Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder will be independent under these standards. Mr. Drimmer, Chairman, Trustee and Interim Chief Executive Officer of the Fund, will not be independent under this standard given his current role as Interim Chief Executive Officer and the owner of the Manager. As Mr. Drimmer is not determined to be independent, Lawrence D. Wilder has been initially appointed to act as Lead Trustee. The Lead Trustee will be responsible for acting as the effective leader of the Board in circumstances where it is inappropriate for the Chairman to act in that role as a result of a conflict of interest.

The Declaration of Trust will provide that, subject to certain conditions, the Trustees will have absolute and exclusive power, control and authority over the Fund's assets and operations, as if the Trustees were the sole absolute legal and beneficial owners of the Fund's assets. The governance practices and the Investment Restrictions and Operating Policy of the Fund will be overseen by a Board of Trustees consisting of five Trustees, a majority of whom will be Canadian residents. The Fund must, at all times after the Offering, have a majority of Trustees who are independent within the meaning of NI 58-101; provided, however, that if at any time a majority of Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as "independent" to comply with this requirement.

The mandate of the Board, substantially in the form set out under "Schedule B", is one of stewardship and oversight of the Fund and its business. In fulfilling its mandate, the Board will adopt a written charter setting out its responsibility, among other things, for (i) supervising the activities and managing the investments and affairs of the Fund, (ii) approving major decisions regarding the Fund, (iii) overseeing the Manager and the fulfillment of its responsibilities under the Management Agreement, (iv) identifying and managing risk exposure, (v) ensuring the integrity and adequacy of the Fund's internal controls and management information systems, (vi) succession planning, (vii) maintaining records and providing reports to Unitholders, (viii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public, (ix) determining the amount and timing of distributions to Unitholders, and (x) acting for, voting on behalf of and representing the Fund as a holder of NV Holdings LP Units.

The Board will adopt a written position description for the Chairman of the Board, which will set out the Chairman's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, Trustee development and communicating with Unitholders and regulators, as well as a position description for the Lead Trustee, which will set out the Lead Trustee's duties with respect to board leadership, relationship with management, information flow and meetings. The Board will also adopt a written position description for each of the committee chairs which will set out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

All newly elected Trustees will be provided with a comprehensive orientation as to the nature and operation of the business and affairs of the Fund and as to the role of the Board and its committees. The orientation program will be designed to assist the Trustees in fully understanding the nature and operation of the Fund's business, the role of the Board and its committees and the contributions that individual Trustees are expected to make.

The Fund will adopt a written code of business conduct and ethics (the "**Code of Conduct**") that applies to all Trustees, officers, and the Manager and its employees. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Fund and its Subsidiaries. The Code of Conduct will address honest and ethical conduct, conflicts of interest, confidentiality, protection and proper use of the Fund's assets, compliance with laws and reporting any illegal or unethical behavior, prompt internal reporting of any violations of the Code of Conduct and accountability for adherence under the Code of Conduct. As part of the Code of Conduct, any person subject to the Code of Conduct will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Fund's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Code of Conduct will also address matters concerning public disclosure and ensure that communications with the public concerning the Fund are timely, consistent and credible, and in accordance with the disclosure requirements under applicable securities laws. The Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct will also be filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

The Fund will also adopt an insider trading policy (the "**Insider Trading Policy**") which will apply to, among others, all Trustees, officers, and the Manager and its employees. The objective of the Insider Trading Policy is to ensure that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. The Insider Trading Policy will provide for "blackout" periods during which insiders and other persons who are subject to the policy are prohibited from trading in securities of the Fund. The Insider Trading Policy will also prohibit insiders and other persons who are subject to the policy from trading in securities of the Fund during the period commencing on the first day following the last month of each fiscal quarter and ending 24 hours following the issue of a press release in respect of the Fund's interim or annual financial statements. Additional black-out periods may also be prescribed from time to time by the Fund's administrators of the Insider Trading Policy at any time at which it is determined there may be undisclosed inside information concerning the Fund that makes it inappropriate for personnel to be trading. In such circumstances, the administrators of the Insider Trading Policy will issue a notice instructing these individuals not to trade in securities of the Fund until further notice. This notice will contain a reminder that the fact there is a restriction on trading may itself constitute inside information or information that may lead to rumours and must be kept confidential.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent director would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee is entitled to indemnification from the Fund in respect of the exercise of the Trustee's powers and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Fund or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Other than Trustees appointed prior to the closing of the Offering, which Trustees will hold office for a term expiring at the close of the next annual meeting of Unitholders or until a successor is appointed, Trustees will be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed, and will be eligible for re-election. The Board intends to adopt a majority voting policy consistent with Exchange requirements prior to the first uncontested meeting of Unitholders at which Trustees are to be elected. Other than each Retained Interest Holder's respective nominees nominated by the Retained Interest Holders in connection with their respective nomination rights described herein, nominees will be nominated by the Governance and Nominating Committee, in each case for the election by Unitholders as Trustees in accordance with the provisions of the Declaration of Trust and will be included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the Board, except a vacancy resulting from an increase in the number of Trustees other than in accordance with the provision regarding the appointment of trustees in the Declaration of Trust, from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from an increase in the number of Trustees other than in accordance with the provision regarding the appointment of trustees in the Declaration of Trust or from a failure of the Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign upon 30 days' written notice to the Fund, unless such resignation would cause the number of remaining Trustees to be less than a quorum, and may be removed by an Ordinary Resolution passed by a majority of the votes cast at a meeting of Unitholders.

As described under "Retained Interest", each of Starlight and KingSett Group will have the right to nominate one Trustee. Starlight was granted a nomination right in connection with the Manager's role as manager of the Fund. Pursuant to the Declaration of Trust, for so long as Daniel Drimmer controls the Manager, he is expected to be Starlight's nominee. KingSett Group's nomination right is subject to it holding at least 5% of the Fund's equity. On the Closing Date, it is anticipated that Mr. Drimmer will serve on the Board and act as the Chairman pursuant to Starlight's nomination right and Rob Kumer will serve on the Board pursuant to KingSett Group's nomination right. See "Retained Interest – Investor Rights Agreement / Nomination Rights – Nomination Rights".

If and when a Trustee resigns or is unwilling to stand for re-election as a Trustee, the remaining Trustees will identify potential candidates for nomination to the Board, with a view to ensuring overall diversity of experience and skill.

The Board does not have a compensation committee. The Board has no committees other than the Audit Committee. The Trustees will be regularly assessed with respect to their effectiveness and contribution.

15.2 Audit Committee

The Audit Committee of the Board comprises Harry Rosenbaum (Chair), Rob Kumer and Lawrence D. Wilder, each of whom is considered "independent" and "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). For the education and experience relevant to the performance by each such person of the responsibilities as a member of the Audit Committee following completion of the Offering, see "Trustees and Executive Officers – Name, Address, Occupation and Security Holdings – Personal Profiles".

The Audit Committee will assist the Fund in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the Audit Committee will be responsible for directing the auditors' examination of specific areas, for the selection of the Fund's independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

The Board has adopted a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Fund and public disclosure documents containing financial information and reporting on such review to the Board, review of the Fund's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the Audit Committee charter is attached to this Prospectus as "Schedule C".

At no time since the establishment of the Fund has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Trustees. The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services.

The Fund is recently established and has not yet had a fiscal year end. As a result, there have been no fees billed to the Fund by its auditors, KPMG LLP, in respect of the Fund's last two fiscal years.

15.3 Governance and Nominating Committee

The Governance and Nominating Committee will comprise three Trustees, all of whom will be persons determined by the Fund to be independent Trustees and a majority of whom will be residents of Canada, and will be charged with reviewing, overseeing and evaluating the corporate governance and nominating policies of the Fund. The Governance and Nominating Committee will comprise Graham Rosenberg, who will act as chair of this committee, Harry Rosenbaum and Lawrence D. Wilder, each of whom have been determined by the Fund to be independent. The Board believes that the members of the Governance and Nominating Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the committee's mandate. All members of the Governance and Nominating Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and on the boards of other publicly traded entities. See the biographies of Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder above under "Trustees and Executive Officers – Name, Address, Occupation and Security Holdings – Personal Profiles" for a description of the experience that is relevant to the performance of their responsibilities members of the Governance and Nominating Committee.

The Board will adopt a written charter for the Governance and Nominating Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board, each of its committees and individual Trustees; (ii) overseeing the recruitment and selection of candidates as Trustees of the Fund, other than the Chief Executive Officer or the Chief Financial Officer of the Fund; (iii) organizing an orientation and education program for new Trustees; (iv) considering and approving proposals by the Trustees to engage outside advisors on behalf of the Board as a whole or on behalf of the independent Trustees; (v) considering questions of management succession; (vi) assessing the performance of management of the Fund; (vii) as required, reviewing and approving the compensation paid by the Fund, if any, to consultants of the Fund; and (viii) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Trustees.

See "Executive Compensation – Executive and Trustee Compensation".

Nomination of Trustees

Other than the Retained Interest Holders' nomination rights (see "Retained Interest"), and subject to the requirement in the Declaration of Trust, all board nominees are nominated by the Governance and Nominating Committee, who make such nominations after considering the mix of skills and experience it believes are necessary to further the Fund's goals. Trustees elected at an annual meeting will be elected for a term expiring at the close of the subsequent annual meeting and will be eligible for re-election. Trustees appointed by the Trustees between meetings of Unitholders in accordance with the Declaration of Trust shall be appointed for a term expiring at the close of the next annual meeting and will be eligible for election or re-election, as the case may be.

Orientation and Continuing Education

New Trustees

When new Trustees are elected to the Board, they can be expected to participate in a comprehensive orientation program. The orientation program will familiarize new Trustees with the Fund's business and operations, including structure, operations, and risks. They will be briefed on the role of the Board, its committees and the contributions individual trustees are expected to make. New Trustees can also be expected to receive an orientation package containing all Trustees' committee mandates and charters, copies of the Fund's policies and other background information on the Fund's business, operations and risks.

Continuing Education

The Fund's continuing education program for its Trustees will involve the ongoing evaluation by the Governance and Nominating Committee of the skills and competencies of existing Trustees. The Board currently comprises highly qualified and experienced Trustees with impressive levels of skill and knowledge. Many of the Trustees are seasoned business executives, directors or professionals with considerable experience, including as directors of other significant public companies. The Governance and Nominating Committee will continually monitor the composition of the Board and will recommend the adoption of a formal continuing education program should it be determined to be necessary.

As part of the Fund's continuing education program, Trustees will:

(a) receive a comprehensive electronic package of information prior to each board and committee meeting;

(b) obtain a quarterly report on the Fund's operations and markets from senior management;

(c) receive updates from management and third parties (including advisors) on regulatory developments and trends and issues related to the Fund's business;

(d) receive reports on the work of board committees following committee meetings;

(e) participate in periodic tours with management of certain Fund properties; and

(f) be encouraged to attend industry conferences and events, with the reasonable cost of such events being reimbursed by the Fund.

Board Assessments

The Governance and Nominating Committee will conduct an annual assessment of the Board, its committees and of each individual Trustee, which will include an assessment of each Trustee's experience, financial literacy, independence and other factors. The assessment process will require each Trustee to complete a questionnaire addressing (i) a review of the effectiveness of the Board and each committee, (ii) a peer review of each other Trustee, and (iii) a self-evaluation of such Trustee's own performance. The Chair of the Governance and Nominating Committee will report the results of the assessments to the Board. This process is used (i) as an assessment tool, (ii) as a component of the regular review process of Board members' participation, and (iii) to assist with the Board's succession planning.

Diversity

The Fund is committed to fostering an open and inclusive workplace culture. The Fund endorses the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the business. In furtherance of the Fund's commitment to diversity at the Board level, following closing of the Offering, the Board will adopt a diversity policy (the "**Diversity Policy**"). In accordance with the Diversity Policy, the Governance and Nominating Committee will consider a number of factors, including gender, ethnic and geographic diversity, as well as age, business experience, professional expertise, personal skills and perspectives, when seeking and considering new Trustees for nomination or evaluating Trustee nominees for re-election. The Board will ensure compliance with the Diversity Policy by requiring that the Governance and Nominating Committee conduct annual assessments to consider the level of representation on the Board of the various attributes enumerated in the Diversity Policy, including the number of women on the Board among other factors. Notwithstanding the foregoing, recommendations concerning Trustee nominees are, foremost, based on merit and performance, with due regard to the overall effectiveness of the Board, with diversity being taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

The Diversity Policy will not specify a numerical target for women Trustees on the Board, nor will the Fund maintain a specific numerical target in making executive officer appointments, as the Board believes its evaluation and nomination process is robust and, in practice, does consider and will result in gender diversity on the Board. The Governance and Nominating Committee reviews the structure and diversity of the Board annually and may set diversity, including gender diversity, aspirations regarding the Board's optimum composition as part of the identification and nomination of Trustees.

Similarly, the level of representation of women will continue to be considered by the Fund, the Board and the Governance and Nominating Committee, among other factors, in the making of executive officer appointments. In searches for new executive officers, the Governance and Nominating Committee will consider the level of diversity in management as one of several factors used in its search process. Notwithstanding the foregoing, all executive officer appointments will always be based on merit, having regard to the requirements of the Fund and will be subject to the Manager's selection of the Chief Executive Officer and Chief Financial Officer of the Fund.

Conflicts of Interest

The Declaration of Trust will contain "conflict of interest" provisions to protect Unitholders without creating undue limitations on the Fund. As the Trustees will be engaged in a wide range of real estate and other activities, the Declaration of Trust will contain provisions, similar to those contained in the CBCA, that will require each Trustee to disclose to the Fund, at the first meeting of Trustees at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the Fund or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee will be required to disclose in writing to the Fund, or request to have entered into the minutes of meetings of Trustees, the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the Declaration of Trust or liability insurance.

16. PLAN OF DISTRIBUTION

16.1 Maximum Offering

The Agents, by this Prospectus, are offering to sell to the public in each of the provinces and territories of Canada, up to a maximum of $430,000,000 of Offered Units at the Offering Price. The terms of the Offering were determined by negotiation between the Agents and the Manager, on behalf of the Fund. The Fund may issue additional Units, by way of additional private placements concurrent with the closing of the Offering at the Offering Price, the proceeds of which will be included in calculating the Maximum Offering size. The minimum subscription amount is $1,250 in respect of the Offered Units. See "Retained Interest".

The Offering size is inclusive of the Pre-Prospectus Contributions. The aggregate amount of the Pre-Prospectus Contributions will be approximately $176,979,387.50, representing the aggregate value deemed to be contributed by existing NV1 Unitholders who elected to receive Class C Units pursuant to the Plan of Arrangement that are not redeemed pursuant to the Plan of Arrangement, plus the sum of the Starlight Base Contribution, the KingSett and AIMCo Base Contribution and the Lead Order pursuant to which Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of $35,000,000 of Class C Units by way of a concurrent private placement. See "Retained Interest".

There is currently no market through which the Offered Units may be sold, and such a market may not develop, and Purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing and liquidity of the securities in the secondary market, the transparency and availability of trading prices, and the extent of issuer regulation. The Exchange has conditionally approved the listing of the Class A Units distributed under the Offering on the Exchange under the symbol "NHF". Listing is subject to the Fund fulfilling all of the requirements of the Exchange on or before December 15, 2020, including distribution of the Class A Units to a minimum number of public unitholders.

The Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any states in the U.S. and, subject to certain exceptions, may not be offered or sold in the U.S. The Agents have agreed that they will not offer or sell the Units within the U.S. except to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) or to a limited number of institutional accredited investors (as defined in the U.S. Securities Act). In addition, until 40 days after Closing Date, an offer or sale of Units within the U.S. by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made in compliance with Rule 144A or another exemption under the U.S. Securities Act.

The Fund and the Manager have agreed to indemnify the Agents and their directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under Canadian securities legislation, and to contribute to any payments the Agents may be required to make in respect thereof.

16.2 Timing of Distribution

The closing of the Offering will not proceed unless all closing conditions of the Proposed Transaction (other than payment of the Cash Amount) have been satisfied or waived, and which is currently expected to be on November 2, 2020. The minimum subscription amount is $1,250 in respect of the Offered Units. The distribution under the Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for the Final Prospectus. If one or more amendments to the Final Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for the Final Prospectus. If the closing of the Proposed Transaction is not achieved during the 90 day period or the up to 180 day period, as applicable, subscription funds received by the Agents will be returned to subscribers without any deductions, unless the subscribers have otherwise instructed the Agents.

16.3 Agency Agreement

Pursuant to an Agency Agreement made as of September 29, 2020, the Agents have agreed to conditionally offer the Offered Units on a best efforts basis, subject to prior sale, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement, in consideration of the Agents' Fee equal to the aggregate of 5.25% of the aggregate purchase price of Class A Units, and 2.25% of the aggregate purchase price of the Class F Units, sold under the Offering. The Agents' Fee for the Class A Units includes a selling concession of 3%. The Class F Units are designed for fee-based accounts and are not required to pay a selling concession. No Agents' Fee or other commissions are payable in connection with the issuance of Class C Units.

The obligations of the Agents under the Agency Agreement may be terminated at any time at the Lead Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events.

Currently, the Agents do not beneficially own, directly or indirectly, any securities of the Fund. Other than as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with this Offering.

Subscriptions for the Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering will be conducted under the NCI system. Units registered in the name of CDS or its nominee will be deposited electronically with CDS on an NCI basis at the Closing Date. A subscriber who purchases Offered Units will receive only a customer confirmation from the registered dealer from or through whom Offered Units are purchased and who is a CDS participant.

Registration and transfers of Units will be effected by TSX Trust Company as transfer agent.

16.4 Relationship Between the Fund and the Lead Agent

Pursuant to the Proposed Transaction, the Fund, as indirect beneficial owner of the Initial Portfolio, will indirectly assume the aggregate of the existing debt over the Initial Portfolio, which as of June 30, 2020 amounted to approximately $786,636,000, of which approximately $3,434,000 comprises a Mortgage Loan with a Canadian chartered bank affiliate of the Lead Agent. In addition, the Canadian chartered bank affiliate of the Lead Agent (and a syndicate of financial institutions and other lenders arranged in consultation with the Fund) have agreed to provide three credit facilities secured by the Initial Portfolio and subordinated to the existing financing assumed by the Fund in connection with the Proposed Transaction, in an aggregate principal amount of up to $747,000,000. See “Capitalization – Long-Term Debt”.

The decision to issue the Offered Units and the determination of the terms of the Offering were made through negotiation between the Lead Agent and the Manager, on behalf of the Fund. The Canadian chartered bank that is an affiliate of the Lead Agent did not have any involvement in such decision or determination. As a consequence of the Offering, the Lead Agent will receive its proportionate share of the Agents’ Fee. See “Use of Proceeds”. The Lead Agent may also receive amounts in respect of any concurrent private placement.

The Retained Interest Holders have retained the Lead Agent to act as their financial advisor in connection with the Proposed Transaction and also retained the Lead Agent to solicit elections by NV1 Unitholders for Class C Units of the Fund in connection with the Proposed Transaction. The Lead Agent, or its direct or indirect wholly-owned or majority-owned subsidiaries or affiliates, has provided, and may provide in the future, financial, advisory, investment banking and other services to the Retained Interest Holders, the Fund and their affiliates for which they have received or will receive customary compensation. The Lead Agent, or its direct or indirect wholly-owned or majority-owned subsidiaries or affiliates, currently serves as (a) financial advisor to the Retained Interest Holders, (b) a proposed lender for the Fund, and (c) Lead Agent in respect of the Offering, for which they have received or will receive customary compensation in connection with such services, including, with respect to its services as financial advisor to the Retained Interest Holders, a success-based fee for completion of the Proposed Transaction.

The Lead Agent did not receive any benefit in connection with the solicitation of elections by NV1 Unitholders for Class C Units of the Fund in connection with the Proposed Transaction and was not paid a fee for its services as soliciting dealer in connection with such solicitation. The Retained Interest Holders agreed to indemnify the Lead Agent and its affiliates against certain liabilities in connection with its services, including liabilities under securities laws and expenses in connection therewith.

17. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Offered Units by a Unitholder who acquires Offered Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, (i) is or is deemed to be resident in Canada, (ii) deals at arm’s length with the Fund and each of the Agents and is not affiliated with the Fund or any of the Agents, and (iii) acquires and holds their Units as capital property (a “**Holder**”). Generally, Offered Units will be considered to be capital property to a Holder provided that the Holder does not hold such Offered Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A Holder whose Offered Units might not otherwise be considered to be capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Offered Units, and any other “Canadian security”, as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made or any subsequent taxation year, deemed to be capital property. Holders who do not hold their Offered Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not apply to a Holder who holds more than one class of Units at any particular time. Holders who intend to hold more than one class of Units should consult their own tax advisors.

This summary is not applicable to a holder (i) that is a “financial institution” for purposes of the “mark-to-market rules” in the Tax Act, (ii) an interest in which is a “tax shelter investment”, (iii) that has elected to report its “Canadian tax results” in a currency other than Canadian currency, or (iv) that has entered or will enter into a “derivative forward agreement” with respect to Offered Units (in each case within the meaning of the Tax Act). Such holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Offered Units. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money to acquire Offered Units under the Offering.

This summary is based on the facts set out in this Prospectus, certificates as to certain factual matters from an officer of the Fund, from an officer of NV1 and from one of the Agents, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available in writing prior to the date hereof. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or changes in CRA's administrative policies and assessing practices, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that CRA will not change its administrative policies or assessing practices.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Offered Units. The income and other tax consequences of acquiring, holding or disposing of Offered Units will vary depending on a Holder's particular status and circumstances, including the province or territory in which the Holder resides or carries on business. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder. Prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences of an investment in Offered Units in their particular circumstances.

For the purposes of this summary, a reference to the Fund is a reference to Northview Canadian High Yield Residential Fund only and is not a reference to any subsidiary entity, including NV Holdings LP or NV LP (together, the "**Partnerships**").

Status of the Fund

Qualification as a "Mutual Fund Trust"

This summary assumes that the Fund will, at all relevant times, qualify as a "mutual fund trust" for the purposes of the Tax Act and that the Fund will validly elect under the Tax Act to be a mutual fund trust from the date it was established. Counsel has been advised that the Fund intends to ensure that it will meet the requirements necessary for it to qualify as a mutual fund trust for the purposes of the Tax Act no later than the closing of the Offering and at all times thereafter, and to file the necessary election pursuant to subsection 132(6.1) of the Tax Act so that the Fund will qualify as a mutual fund trust throughout its first taxation year. If the Fund were not to qualify as a mutual fund trust at any particular time, the tax considerations for the Fund and Holders would, in some respects, be materially and adversely different from those described herein.

Qualification as a "Real Estate Investment Trust"

The Tax Act contains rules (the "**SIFT Rules**") which tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and which treat certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation.

The SIFT Rules apply to any trust or partnership that is a "SIFT trust" or "SIFT partnership" (each as defined in the Tax Act) and its investors. A SIFT trust is defined as a Canadian resident trust if "investments" (as defined in the Tax Act for purposes of the SIFT Rules) in the trust are listed or traded on a stock exchange or other "public market" (as defined in the Tax Act for purposes of the SIFT Rules), and the trust holds one or more "non-portfolio properties" (as defined in the Tax Act). Non-portfolio properties include (i) certain investments in real properties situated in Canada, (ii) certain investments in corporations and trusts resident in Canada, (iii) certain investments in corporations, trusts and partnerships with other specified connections to Canada, and (iv) certain property used in the course of carrying on a business in Canada.

Pursuant to the SIFT Rules, a SIFT trust is not permitted to deduct any amount that it pays or makes payable to its beneficiaries in respect of its aggregate (i) net income from businesses it carries on in Canada; (ii) net income (other than taxable dividends received by the SIFT trust) from its non-portfolio properties; and (iii) net taxable capital gains from its disposition of non-portfolio properties. Distributions which a SIFT trust is unable to deduct will be taxed in the SIFT trust at rates of tax which approximate the combined federal and provincial corporate income tax rates. Distributions of a SIFT trust's income that are not deductible to the SIFT trust will be treated as taxable dividends received from a taxable Canadian corporation. A Holder that receives such a distribution will be required to include the distribution in income as a dividend, subject to the enhanced gross-up and dividend tax credit rules normally applicable to "eligible dividends" received from a taxable Canadian corporation. In general, distributions that are paid as returns of capital will not be subject to the SIFT Rules.

The SIFT Rules do not apply 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**"). The REIT Exception contains a number of technical tests and the determination as to whether the Fund qualifies for the REIT Exception for any particular taxation year can only be made at the end of the taxation year. Counsel has been advised that the Fund intends to manage its affairs so that the Fund will qualify for the REIT Exception for its first taxation year and each subsequent year. There is no assurance that the Fund will qualify for the REIT Exception for any particular year. There can be no assurance that investments or activities undertaken by the Fund or any of its subsidiary entities will not result in the Fund failing to qualify as a real estate investment trust under the REIT Exception. The Declaration of Trust includes certain provisions intended to reduce the risk of the Fund being a SIFT trust. Counsel has not reviewed and will not review the Fund's compliance with the conditions for the REIT Exception.

The SIFT Rules also do not apply to a partnership or trust for a particular taxation year if the partnership or trust is an "excluded subsidiary entity" for the year. A partnership or trust will qualify as an excluded subsidiary entity for a taxation year if none of the partnership's or trust's equity (as defined in the Tax Act for purposes of the SIFT Rules) is at any time in the year either (a) listed or traded on a stock exchange or other public market or (b) held by any person other than a real estate investment trust, a taxable Canadian corporation, a SIFT trust or SIFT partnership or an entity that is itself an excluded subsidiary entity.

The balance of this summary assumes that the Fund will qualify for the REIT Exception, and that each Partnership will qualify as an excluded subsidiary entity, at all relevant times. Should these assumptions not be correct, the income tax consequences for Holders may be materially and adversely different from those described in this summary—among other differences, the Fund or a Partnership may be subject to tax which approximates federal and provincial corporate income taxation, and amounts distributed by the Fund may be included in the income of Holders for purposes of the Tax Act as taxable dividends.

Taxation of the Fund

The Fund will be subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains in the year and its allocated share of income of NV Holdings LP for NV Holdings LP's fiscal period ending on or before the Fund's taxation year-end, less the portion thereof that it deducts in respect of amounts paid or payable, or deemed to be paid or payable, to Unitholders in the year. An amount will not be considered to be payable to a Unitholder in a taxation year unless the Fund pays it to the Unitholder in the year or the Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Fund is the calendar year.

Generally, distributions from NV Holdings LP to the Fund in excess of its allocated share of the income of NV Holdings LP for a fiscal year will result in a reduction in the adjusted cost base to the Fund of its NV Holdings LP Class A Units by the amount of such excess. If, as a result, the adjusted cost base to the Fund of its NV Holdings LP Class A Units at the end of a fiscal year of NV Holdings LP would otherwise be a negative amount, the Fund would be deemed to realize a capital gain at NV Holdings LP's fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to the Fund of its NV Holdings LP Class A Units would then be increased to nil.

A distribution by the Fund of its property upon a redemption of Units will be treated as a disposition by the Fund of such property for proceeds of disposition equal to the fair market value thereof. The Fund will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

Pursuant to the Proposed Transaction, the Fund will acquire its interest in NV Holdings LP in a transaction intended to qualify as a "qualifying disposition" for purposes of the Tax Act. As a result, it is expected that the adjusted cost base to the Fund of its interest in NV Holdings LP will be less than if the Fund had acquired such interest at a cost equal to the fair market value of such interest at the time of acquisition. This may result in a larger portion of the Fund's distributions being treated as income or capital gains as compared to returns of capital.

In computing its income or loss for purposes of the Tax Act, the Fund may generally deduct reasonable administrative costs, interest and other expenses of a current nature that it incurs for the purpose of earning income. Generally, the Fund may also deduct, on a five-year straight-line basis (subject to pro-ration for short taxation years), reasonable expenses incurred by it in the course of issuing Units.

Generally, under the Declaration of Trust, unless the Trustees otherwise determine, an amount equal to all of the net income (including taxable capital gains) of the Fund for a taxation year (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), together with the non-taxable portion of any net capital gains realized by the Fund, but excluding capital gains arising in connection with a distribution in specie on the redemption of Units which are designated by the Fund to redeeming Unitholders will be payable in the year to Unitholders by way of cash distributions, subject to any available non-capital losses or net capital losses, the capital gains refund (as discussed below) and the following exception. Where such income of the Fund in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to Unitholders in the form of additional Units. Income of the Fund payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Fund in computing its income.

Losses incurred by the Fund (including losses allocated to the Fund by NV Holdings LP and capable of being deducted by the Fund) cannot be allocated to Unitholders, but may be carried forward and deducted by the Fund in computing its taxable income in future years in accordance with the detailed rules and limitations in the Tax Act.

The Fund will be entitled in each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**capital gains refund**"). In certain circumstances, the Fund's capital gains refund in a particular taxation year may not completely offset its tax liability for that taxation year arising from its net realized taxable capital gains.

The Declaration of Trust provides that all or a portion of any taxable capital gains realized by the Fund as a result of a redemption of Units may, at the discretion of the Trustees, be treated as income paid or payable to the redeeming Unitholder in the applicable year. However, pursuant to Tax Proposals released on July 30, 2019 (the "**July 2019 Proposals**"), the Fund generally will not be entitled to a deduction in computing its income in respect of amounts allocated to redeeming Unitholders in respect of such taxable capital gains to the extent that it is greater than the taxable capital gain that would otherwise have been realized by the redeeming Unitholder on the redemption (as determined by the Trustees using reasonable efforts to obtain the information required to determine the Unitholder's cost amount). As a result, the taxable component of distributions by the Fund to non-redeeming Unitholders may be adversely affected. Counsel has been advised that the Fund intends, to the extent possible, to administer the redemption of Units in such a manner that no deduction by the Fund should be denied under this provision, if enacted.

Counsel has been advised that the Fund intends to make sufficient distributions in each year of its net income for tax purposes and net realized capital gains so that the Fund will not be liable in the year for any tax under Part I of the Tax Act (after taking into account any entitlement to the capital gains refund and non-capital losses or net capital losses, if any, that may be carried forward from prior years).

Taxation of the Partnerships

Subject to the SIFT Rules, the Partnerships are generally not subject to tax under the Tax Act. However, NV Holdings LP will be required to include in computing its income for each of its fiscal periods its share of the income (or loss, subject to the "at risk" rules described below) of NV LP for NV LP's fiscal periods ending in, or coincidentally with, NV Holdings LP's fiscal period, and the Fund will be required to include in computing its income for each of its taxation years its share of the income (or loss, subject to the "at risk" rules described below) of NV Holdings LP (including income or loss allocated to NV Holdings LP by NV LP) for NV Holdings LP's fiscal periods ending in, or coincidentally with, the Fund's taxation year, whether or not any such income is actually distributed to NV Holdings LP or the Fund in such taxation year or fiscal period.

For this purpose, the income or loss of each Partnership will be computed for each fiscal year as if the Partnership was a separate person resident in Canada. A Partnership's income will include rent in respect of the Partnership's properties, any taxable capital gains and recapture of capital cost allowance ("**CCA**") arising on the disposition of capital property owned by the Partnership, and any income allocated to the Partnership by partnerships of which it is a partner. In computing the income or loss of a Partnership, reasonable deductions may generally be claimed in respect of available CCA, interest in respect of the Partnership's debts, and administrative and other expenses incurred for the purpose of earning income from a business or property to the extent the outlays are not capital in nature. Deductibility of losses allocated to a limited partner of a Partnership may be restricted by the "at-risk rules", as described below.

The characterization of gains and losses from dispositions of properties as being on capital or income account will depend on the specific facts and circumstances relating to each such property. Accordingly, no assurances can be given as to the nature of such gains and losses. However, counsel has been advised that the Fund expects that it and its subsidiaries will generally take the position that the Properties will be held as capital property.

Certain properties were or may be acquired by the Partnerships on a tax-deferred basis, such that the tax cost of these properties is less than their fair market value at the time of acquisition by the relevant Partnership. For the purposes of claiming CCA, the additions to the undepreciated capital cost balances of the Partnerships of classes of depreciable property to which such properties belong may be less than the fair market value of such properties. As a result, the CCA that the Partnership may claim in respect of such properties may be less than it would have been if such properties had been acquired with a tax cost equal to their fair market values at the time of acquisition. In addition, if one or more of such properties are disposed of, the gain realized by the Partnership for tax purposes (including any income inclusions resulting from the recapture of previously claimed CCA) will be in excess of that which the Partnership would have realized if it had acquired the properties at a tax cost equal to their fair market values.

Counsel has been advised that in computing income for the purposes of the Tax Act, and except as the Trustees otherwise determine, each Partnership shall claim the maximum discretionary deductions (including in respect of CCA) that are available to it under the Tax Act, except that NV LP shall in no case claim any discretionary deductions to the extent that such claims would result in, or increase the amount of, the denial of any deductions for NV Holdings LP pursuant to the at-risk rules.

The income or loss of a Partnership for a fiscal year will be allocated to the partners of the Partnership (including the Fund, in respect of NV Holdings LP, and NV Holdings LP, in respect of NV LP) on the basis of their respective share of such income or loss as provided in the limited partnership agreement governing the Partnership, subject to the detailed rules in the Tax Act, including the "at-risk rules" described below.

Generally, distributions to a partner in excess of its allocated share of the income of a Partnership for a fiscal year will result in a reduction of the adjusted cost base of the partner's units in the Partnership by the amount of such excess, as described above. If, as a result, the adjusted cost base to NV Holdings LP of its NV LP Units at the end of a fiscal period of NV LP would otherwise be a negative amount, NV Holdings LP would be deemed to realize a capital gain at NV LP's fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to NV Holdings LP of its NV LP Units would then be increased to nil.

At-risk rules

The Tax Act contains rules (the "**at-risk rules**") which, in general, limit the amount of the losses (other than capital losses) of a limited partnership (such as a Partnership) for a fiscal period that a limited partner of the partnership may deduct to an amount not greater than the partner's "at-risk amount" in respect of the partnership at the end of the fiscal period. A limited partner's at-risk amount in respect of a limited partnership will generally be equal to the adjusted cost base to the partner of its interest in the partnership at the end of the partnership's fiscal period plus the partner's share of any income of the partnership for the fiscal period (including, for this purpose, the whole amount of any net capital gains), less any amount owing by the partner (or by a person or partnership that does not deal at arm's length with the partner for purposes of the Tax Act) to the partnership (or to a person or partnership not dealing at arm's length with the partnership for purposes of the Tax Act), and less the amount of the partner's investment in the partnership that may reasonably be regarded as protected against loss. The share of any loss of the partnership that is not deductible by a partner (other than a partner that is itself a partnership) as a result of the application of the "at-risk" rules is considered to be a "limited partnership loss" in respect of the partnership for that year.

A limited partnership loss of the Fund in respect of NV Holdings LP may generally be carried forward and deducted by the Fund in a subsequent taxation year against income for that year to the extent that the Fund's at-risk amount at the end of NV Holdings LP's last fiscal period ending in that year exceeds the Fund's share of any loss of NV Holdings LP for that fiscal period, subject to and in accordance with the provisions of the Tax Act. Any loss of NV LP that is not deductible by NV Holdings LP as a result of the application of the "at-risk rules" generally may not be carried forward and deducted in future years.

Taxation of Holders

Fund Distributions

A Holder will generally be required to include in computing income for a particular taxation year that portion of the Fund's net income for a taxation year ending on or before the taxation year-end of the Holder, including net realized taxable capital gains, that the Fund pays or makes payable to the Holder in the taxation year of the Fund, whether the Holder receives such portion in cash, additional Units or otherwise. Distributions that are made through the issuance of additional Units may give rise to a taxable income inclusion for the Holder even though no cash has been distributed to such Holder.

Provided that the Fund makes appropriate designations under the Tax Act, the portion of its net taxable capital gains, if any, in a taxation year which is paid or payable, or deemed to be paid or payable, to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. See the discussion under "Taxation of Capital Gains and Capital Losses" below.

The non-taxable portion of the Fund's net realized capital gains that are paid or payable to a Holder in a taxation year will not be included in computing the Holder's income for the year and, where the taxable portion has been designated to the Holder, will not reduce the adjusted cost base of Offered Units held by the Holder. Any other amount in excess of the net income and net taxable capital gains of the Fund that is paid or payable, or deemed to be paid or payable, by the Fund to a Holder in that year will generally not be included in the Holder's income for the taxation year. However, where such an amount is paid or payable to a Holder (other than as proceeds of disposition or deemed disposition of Offered Units or any part thereof), the Holder will generally be required to reduce the adjusted cost base of the Holder's Offered Units by that amount. To the extent that the adjusted cost base of an Offered Unit would otherwise be a negative amount, the absolute value of such negative amount will be deemed to be a capital gain realized by the Holder and the adjusted cost base of the Offered Unit to the Holder will immediately thereafter be increased to nil. See the discussion under "Taxation of Capital Gains and Capital Losses" below.

Disposition of Offered Units

In general, a disposition or deemed disposition of an Offered Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the Holder's proceeds of disposition of the Offered Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Offered Unit to the Holder and any reasonable costs of disposition. The Holder's proceeds of disposition will not include an amount payable by the Fund that the Holder is otherwise required to include in income, including any capital gain realized by the Fund in connection with a redemption which the Fund has allocated to the redeeming Holder. See the discussion under "Taxation of Capital Gains and Capital Losses" below.

The adjusted cost base of an Offered Unit to a Holder will include all amounts paid by the Holder for the Offered Unit, subject to certain adjustments. The cost to a Holder of additional Units received in lieu of a cash distribution of income (including net capital gains) will generally be equal to the amount of the distribution. For the purpose of determining the adjusted cost base to a Holder, when a Unit is acquired as capital property, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units of the same class owned by the Holder as capital property immediately before the acquisition.

Where the Fund redeems Offered Units by distributing notes or other property of the Fund to a Holder, the Holder will also be required to include in income any taxable capital gains that the Fund realizes on or in connection with such *in specie* distribution of property and designates to such Holder. The proceeds of disposition to the redeeming Holder will be equal to the fair market value of the notes or other property of the Fund so distributed less any income or capital gain realized by the Fund in connection with such redemption. The cost of any property distributed *in specie* by the Fund to a Holder upon redemption of Offered Units will be equal to the fair market value of that property at the time of distribution. The Holder will thereafter be required to include in income interest or other income derived from the property in accordance with the provisions of the Tax Act.

The consolidation of Offered Units of the Fund will not result in a disposition of Offered Units by Holders. The aggregate adjusted cost base to a Holder of all of the Holder's Offered Units will not change as a result of a consolidation of Offered Units; however, the adjusted cost base per Offered Unit will increase.

A conversion of Offered Units into Units of another class of the Fund should not, in itself, result in a disposition for tax purposes and should not change the aggregate adjusted cost base of the Holder's Units.

Taxation of Capital Gains and Capital Losses

A Holder must include in income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by the Holder on a disposition or deemed disposition of an Offered Unit in the year, and the amount of any net taxable capital gains designated by the Fund to the Holder in the year. The Holder generally must deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year against the Holder's taxable capital gains for the year. Allowable capital losses in excess of taxable capital gains realized by the Holder in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted against net taxable capital gains in any subsequent taxation year, subject to the detailed provisions of the Tax Act.

A Holder that is, throughout its taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be subject to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of taxable capital gains.

Alternative Minimum Tax

In general terms, in the case of a Holder that is an individual or trust (other than certain specified types of trusts), the Holder's liability for alternative minimum tax may be increased if the Fund designates a portion of its income that it pays or makes payable to the Holder as net taxable capital gains, or if the Holder realizes a capital gain on the disposition or deemed disposition of Offered Units.

18. RISK FACTORS

The purchase of Units hereunder involves a number of risks. The risks described below are not the only risks involved with an investment in the Units. If any of the following risks occur, or if others occur, the Fund's business, operating results and financial condition could be seriously harmed and Purchasers may lose all of their investment. Risks affecting the Fund will affect its ability to make distributions on the Units. There is no assurance that the Fund will be able to achieve any of its investment objectives. In addition to the risk factors set forth elsewhere in this Prospectus, prospective Purchasers should consider the following risks associated with a purchase of Units:

18.1 Risks Related to the Offering

Limited Liquidity of Offered Units

Prior to the closing of the Offering, no public market will exist for the Offered Units. An active and liquid market for the Offered Units may not develop following the completion of the Offering or, if developed, may not be maintained. If an active public market does not develop or is not maintained, investors may have difficulty selling their Offered Units. The Offering Price of the Offered Units was determined by negotiation among the Manager, on behalf of the Fund, and the Agents and may not be indicative of the price at which the Class A Units will trade following the completion of the Offering. The Fund cannot assure investors that the market price of Class A Units will not materially decline below the Offering Price. As a result, the liquidity of the Class A Units will be limited, and the Class C Units and Class F Units will not be liquid as they will not be listed on the Exchange. Although the Fund intends to complete a Recapitalization Event by the Target Recapitalization Date, the Target Recapitalization Date may also be extended (including following the exercise of the two one-year extensions by the Board at the Board's sole discretion) by Special Resolution of the Unitholders, subject to approval by the Board.

Volatile Market Price for 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 the Fund's control, including the following: (i) actual or anticipated fluctuations in the Fund's quarterly results of operations; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Fund; (iii) addition or departure of the Trustees, the Chief Executive Officer or Chief Financial Officer as provided by the Manager and other key Fund personnel; (iv) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Fund or its competitors; (v) news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Fund'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 equity 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 the Fund'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 the Fund'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, the Fund's operations could be materially adversely impacted and the trading price of the Units may be materially adversely affected.

Appraisal

The Manager retained the Appraiser to provide an independent estimate of the aggregate value of the Initial Portfolio, as a portfolio (see "Description of the Activities of the Fund – The Initial Portfolio – Independent Appraisal of the Initial Portfolio"). 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 such as the Appraisal represent only the analysis and opinion of qualified experts as of the effective date of such appraisal and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised value of the Initial Portfolio is correct as of the date of the Prospectus or that such valuations actually reflect an amount that would be realized upon a current or future sale of any of the Properties or that any projections included in the Appraisal will be attainable. In addition, the Appraisal has an effective date as at May 1, 2020. As prices in the real estate market fluctuate over time in response to numerous factors, the estimate of the aggregate value of the Initial Portfolio shown on the Appraisal may be an unreliable indication of the current market value of the Properties comprising the Initial Portfolio. For example, due to the dynamic nature of the COVID-19 pandemic and given the ultimate impact of the pandemic is currently unknown and largely dependent on both the scale and longevity of the pandemic, in preparing the Appraisal, the Appraiser made certain assumptions regarding the impact and potential prolonged effect of the COVID-19 pandemic on macroeconomic conditions and the perceived impact of the COVID-19 pandemic on real estate, based only on the information available to the Appraiser as of the date of the Appraisal.

A publicly traded real estate investment vehicle will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the Appraisal.

18.2 Risks Related to the Fund

An investment in Units is an investment in real estate in Secondary Markets through the Fund'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 the Fund.

General Real Estate Ownership Risks

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 the Fund's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Fund 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. The Fund 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 the Fund 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 the Fund due to internal and external limitations on its ability to charge these new market-based rents in the short-term.

Public Health Crises and Disease Outbreaks

Public health crises, including the ongoing health crisis related to the coronavirus (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 the Fund'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 the Fund 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 the Fund's properties. Contagion in a property or market in which the Fund operates could negatively impact its occupancy, reputation or attractiveness. All of these occurrences may have a material adverse effect on the Fund's business, cash flows, financial condition and 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 the Fund'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 the Fund to raise rent or the ability of the Fund to evict tenants for non-payment of rent, among other potential adverse impacts, that could have a material adverse effect on the Fund's business, cash flows, financial condition and 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 the Fund's business, financial condition, cash flows and/or results of operations for 2020 and beyond, cannot be fully estimated at this time, but may be material. Such impacts (for the third quarter of 2020 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 the Fund's efforts to mitigate the impact of COVID-19; (iv) deterioration of worldwide credit and financial markets that could limit the Fund's ability to obtain external financing to fund operations and capital expenditures, result in losses on the Fund's investments due to failures of financial institutions and other parties, and result in a higher rate of losses on the Fund'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 the Fund's underlying business. The size of the impact will depend on future developments.

The federal government's Canada Emergency Response Benefit (CERB) has been extended to October 3, 2020, which provides temporary income support to workers who have stopped working related to COVID-19. Additionally, the Canadian government has increased the flexibility of Employment Insurance benefits as well as extended the Canada Emergency Wage Subsidy until November 21, 2020, which will enable those employers who have experienced a considerable decline in revenue to continue paying wages to their employees. 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 the Fund's cash flow from operating activities remains uncertain. In addition, the Fund'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 the Fund's investment properties.

Even after the COVID-19 pandemic has subsided, the Fund 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 the Fund's suppliers, third-party service providers and/or tenants. The Fund and 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. The Fund 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

The Fund 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:

(a) the possibility that such co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with the Fund's or take actions contrary to the Board's or the Manager's instructions, requests, policies or objectives with respect to the Properties;

(b) the co-venturer/partner may have control over all of the day to day and fundamental decisions relating to a Property;

(c) 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 the Fund or its Subsidiaries or for which the Fund or its Subsidiaries will be liable and/or result in the Fund suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions;

(d) 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 the Fund or its Subsidiaries to liability; and

(e) 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 the Fund'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 the Fund may not wish to sell its interest in a Property, but the Fund 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 the Fund's ability to lease suites in the Properties and on the rents charged.

Government Regulation

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

In addition to limiting the Fund'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, the Fund 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 the Fund to maintain the historical level of earnings of the Properties.

See "Description of the Activities of the Fund – The Initial Portfolio – Overview of Rent Control Regulation".

Changes in Applicable Laws

The Fund'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 the Fund to liability. Lower revenue growth or significant unanticipated expenditures may result from the Fund'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 the Fund's Properties, including changes to building codes and fire and life-safety codes.

Financing Risks

The Fund is expected to have outstanding Mortgage Loans of approximately $786.7 million and expects to draw approximately $518.1 million of its credit facilities following closing of the Offering. A portion of the cash flow generated by the Fund's properties is required for principal and interest payments on such debt and there can be no assurance that the Fund will continue to generate sufficient cash flow from operations to meet required payments. The future development of the Fund's business may require additional financing. There are no assurances that such financing will be available, or if available, available upon terms acceptable to the Fund.

The Fund is subject to the risks associated with debt financing, including the risk that the existing Mortgage Loans secured by the 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, the Fund will attempt to appropriately structure the timing of the renewal of significant tenant leases on the Properties in relation to the time at which Mortgage Loans 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

The Fund will acquire Properties that may be subject to existing liabilities, some of which may be unknown at the time of the acquisition or which the Fund 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 the Fund may, indirectly have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the Fund may not have recourse to the vendor of the Properties for any of these liabilities.

No Recourse Against Property Vendors

Purchasers under this Prospectus will not have a direct statutory right or any other rights against NV1 or the NV1 Unitholders in respect of the Fund's acquisition of the Properties comprising the Initial Portfolio, and their securityholders. The Fund and its Subsidiaries will not have any remedies against NV1 and any of their respective securityholders with respect to the Fund's acquisition of the Initial Portfolio. In addition, NV1 has not made any representation to the Fund, and is not making any representation to investors in the Offering, as to the disclosure in this Prospectus constituting full, true and plain disclosure of all material facts related to the Properties comprising the Initial Portfolio, or that this Prospectus does not contain a misrepresentation with respect to such Properties. Accordingly, NV1 will not have any liability to investors in the Offering if the Prospectus disclosure relating to the Properties comprising the Initial Portfolio does not meet such standard or contains a misrepresentation.

Environmental Matters

The Fund is subject to various other requirements (including federal, provincial, territorial and municipal laws, as applicable) relating to environmental matters. Such requirements provide that the Fund 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 the Fund with respect to the release of such substances from the Fund's Properties to properties owned by third parties, including properties adjacent to the Fund'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 the Fund'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 the Fund. It is the Fund's Operating Policy to obtain or be entitled to rely on an environmental site assessment prior to acquiring a Property (other than the Properties comprising the Initial Portfolio). The Fund did not obtain environmental site assessments for the Properties comprising the Initial Portfolio. Where an environmental site assessment warrants further investigation, it is the Fund's Operating Policy to conduct further environmental assessments. Although such environmental assessments provide the Fund with some level of assurance about the condition of the Properties, the Fund may become subject to liability for undetected contamination or other environmental conditions of its Properties against which it cannot have insurance, or against which the Fund 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 the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. Environmental laws and other requirements can change and the Fund 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 the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. As the Fund did not obtain updated environmental site assessments of the Properties comprising the Initial Portfolio, there may be undisclosed liabilities associated with such Properties.

Uninsured Losses

The Fund 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 the Fund 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, the Fund 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 the Fund's or its Subsidiaries' current insurance policies expire, the Fund 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 the Fund is able to renew its policies at levels and with limitations consistent with its current policies, the Fund 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, the Fund may determine to gradually increase deductible and self-insured retention amounts. If the Fund or its Subsidiaries are unable to obtain adequate insurance on their properties for certain risks, it could cause the Fund 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 the Fund or its Subsidiaries to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur, or if the Fund 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 the Fund'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 the Fund. Such competition could have an impact on the Fund'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, the Fund'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 the Fund 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, the Fund'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 the Fund'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 the Fund's business is currently conducted through its Subsidiaries, and the Fund expects this to continue.

Revenue Shortfalls

Revenues from the Properties may not increase sufficiently to meet increases in Operating Expenses or debt service payments under any Mortgage Loans 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 the Fund

Prospective Purchasers assessing the risks and rewards of this investment 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 the Fund's operational team. In particular, prospective Purchasers 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 the Fund, which the Fund intends to mitigate through succession planning. The ability of the Manager to successfully implement the Fund's investment strategy will depend in large part on the continued employment of Mr. Drimmer, the Fund's Chief Executive Officer and/or the Fund's Chief Financial Officer. If the Manager loses the services of Mr. Drimmer, the Fund's Chief Executive Officer and/or the Fund's Chief Financial Officer, the business, financial condition and results of operations of the Fund may be materially adversely affected. See "Trustees and Executive Officers" and "The Manager and the Management Agreement".

A Recapitalization Event May Not Occur

The Manager intends to complete a Recapitalization Event on or prior to the Target Recapitalization Date. However, there can be no assurances that the Fund 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 the Fund's intention to complete a Recapitalization Event as described herein, intervening circumstances may result in the Fund being the subject of an Alternative Liquidity Event.

Distributions May be Reduced or Suspended

Although the Fund intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended. The ability of the Fund to pay Unitholders a targeted annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for Class C Units issued under the Proposed Transaction) 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 (see "Description of the Securities Distributed – Units"), and will depend on the ability of the Fund 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 the 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. See "Description of the Securities Distributed – NV Holdings LP – Distributions".

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 the Fund's business, cash flows, financial condition and 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 the Fund 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. The Fund is also subject to utility and property tax risk relating to increased costs that the Fund 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 the Fund cannot charge back to the tenant may have a material adverse effect on the Fund'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 the Fund will affect the amount of cash available for distributions to holders of Units. Distributions may be reduced, or even eliminated, at times when the Fund deems it necessary to make significant capital or other expenditures.

Trust Unitholder Liability

Recourse for any liability of the Fund is intended to be limited to the assets of the Fund. 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 the Fund or of the Trustees.

The Trustees intend to cause the Fund'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 the Fund contain an express disavowal of liability against the Unitholders.

In conducting its affairs, the Fund 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, the Fund may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by the Fund, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of the Fund where the liability is not disavowed as described above. See "Description of the Securities Distributed – Units – Transfer of Units".

Historical Financial Information and Pro Forma Financial Information

The historical financial information relating to the Initial Portfolio included in this Prospectus has been derived from historical accounting records. The Manager believes that the assumptions underlying the financial statements are reasonable. However, the financial statements may not reflect what the Fund's financial position, results of operations or cash flows would have been had the Fund been a standalone entity during the historical periods presented or what the Fund's financial position, results of operations or cash flows will be in the future. The Fund has not made adjustments to its historical financial information to reflect changes that may occur in its cost structure, financing and operations as a result of its acquisition of the Initial Portfolio. In preparing the *pro forma* financial information in this Prospectus, the Fund has given effect to, among other items, the Offering. The estimates used in the *pro forma* financial information may not be similar to the Fund's actual experience as a stand-alone public entity.

Non-IFRS Measures

The *pro forma* financial information set out in this Prospectus includes certain measures which do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. There are no directly comparable measures calculated in accordance with GAAP, as such measures are based on investments that are external to the Fund. The measures used are meaningful to the investors as they are based on the average investor's individual investment in the entities mentioned.

Reliance on Assumptions

The Fund'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 Subscription Proceeds (or implied gross proceeds for Class C Units issued under the Proposed Transaction) across all Unit classes.

Timing of the Proposed Transaction

There will be no closing of the Offering unless all closing conditions of the Proposed Transaction (other than payment of the Cash Amount) have been satisfied or waived. The completion of the Proposed Transaction, and accordingly the acquisition by the Fund of the Initial Portfolio, is subject to the satisfaction of certain conditions, including requisite approval of NV1 Unitholders, approval of the Alberta Court of Queen's Bench, regulatory approvals, and consents and approvals from CMHC and certain of NV1's lenders. The requisite approval of NV1 Unitholders was obtained on May 25, 2020 and final court approval of the Alberta Court of Queen's Bench was obtained on May 29, 2020. Anticipated timing of the Proposed Transaction may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Proposed Transaction. There is no guarantee that the Proposed Transaction will close at the anticipated time or at all.

Timing and Completion of the Lead Order

The completion of the Lead Order is subject to the satisfaction of certain conditions. Anticipated timing of the Lead Order may change for a number of reasons, including unforeseen delays relating to the Proposed Transaction or the need for additional time to satisfy the conditions to the completion of the Lead Order. There is no guarantee that the Lead Order will be completed or that the Lead Order will close at its anticipated time or at all.

Potential Conflict of Interest

The Fund 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 the Fund may be dealing. The interest of these persons could conflict with those of the Fund. 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 the Fund. See "The Manager and the Management – Potential Conflicts of Interest" and "Retained Interest".

Same Management Group for Various Entities

While the Manager is providing certain specified services to the Fund, the services of the Manager as manager of the Fund are not exclusive to the Fund. 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 the Fund invests. Accordingly, the Manager may face conflicts of interest in performing its services to the Fund. While the Manager owes fiduciary, legal and financial duties to the Fund 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

The Fund's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the Fund's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general fund purposes, making the Fund more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, total indebtedness of the Fund can be no more than 70% of Gross Book Value, provided that, if approved by the Board, the appraised value of the Properties may be used instead of Gross Book Value 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 the Fund or its Subsidiaries in relation to activities that took place prior to the Fund'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 the Fund's efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Fund 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 Risks

In the normal course of the Fund'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 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 the Fund and as a result, could have a material adverse effect of the Fund's assets, liabilities, business, financial condition and results of operations. Even if the Fund 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 the Fund's business operations, which could have a material adverse effect on the Fund's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders.

Asset Class Diversification

The Fund will make a relatively limited number of real estate investments and the Fund's investments will not be widely diversified by asset class. A majority of the Fund's investments will be in multi-residential real estate properties. A lack of asset class diversification increases risk because residential real estate, including multifamily 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 the Fund's Portfolio

The Initial Portfolio is a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites located in the Secondary Markets. As such, the Fund 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, the Fund'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 the Fund'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 the Fund 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 the Fund's properties could decline and its ability to execute its business plan may be adversely affected, which could adversely affect the Fund'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 represent approximately 48% of the total multi-residential suites in the Initial Portfolio, continue to face lower occupancy and lower AMRs. 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 the Fund's financial performance.

Unitholders' Legal Rights

The Units represent a fractional interest in the Fund. Corporate law does not govern the Fund 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. See "Description of the Securities Distributed – Units – Rights of Unitholders".

18.3 Risks Related to Redemptions

Use of Available Cash

The payment in cash by the Fund of the redemption price of Units will reduce the amount of cash available to the Fund 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 the Fund, and/or unsecured subordinated notes of the Fund, 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. 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.

18.4 Risk Factors Relating 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 CRA will not be changed in a manner that adversely affects the Fund or Unitholders, including with respect to the Fund's qualification as a "mutual fund trust" and qualification for the REIT Exception. Any such change could increase the amount of tax payable by the Fund 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

The Fund 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 the Fund 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, the Fund were to lose mutual fund trust status in this manner, the Fund would permanently cease to be a mutual fund trust. The Fund may also cease to qualify as a "mutual fund trust" for purposes of the Tax Act if a sufficient number of Unitholders of the Fund were to redeem their Units.

Restrictions on Non-Resident 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 the Fund to Non-Residents may negatively affect the Fund'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 the Fund will be able to meet the requirements of the REIT Exception throughout 2020 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 the Fund and the Partnerships will be able to qualify for the REIT Exception and as "excluded subsidiary entities", respectively, in order for the Fund, the

Partnerships, and Unitholders not to be subject to the tax imposed by the SIFT Rules in 2020 or future years. Please refer to the discussion under "Certain Canadian Federal Income Tax Considerations – Status of the Fund". In the event that the SIFT Rules were to apply to the Fund 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 the Fund or Partnership, as applicable, and, in the case of the Fund, on the amount of income distributed which would not be deductible by the Fund in computing its income in a particular year and what portions of the Fund'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 the Fund or a Partnership, the SIFT Rules may have an adverse impact on the Fund and the Unitholders, on the value of the Units, and on the ability of the Fund to undertake financings and acquisitions; and the distributable cash of the Fund may be materially reduced. The effect of the SIFT Rules on the market for the Units is uncertain.

Qualifying Disposition

The Fund intends to take the position that its indirect acquisition of a 100% interest in the Initial Portfolio as part of the Proposed Transaction 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 the Fund may be subject to successor liability under the Tax Act in respect of certain tax liabilities of NV1. Should the acquisition of the Initial Portfolio not constitute a qualifying disposition, or should any such successor liability arise, there may be materially adverse effects on the Fund or the value of the Units.

Taxable Income Exceeding Cash Distributions

Whether or not a Fund pays cash distributions in a particular year, it is expected that the Fund will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that the Fund 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 the Fund'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 the Fund 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. In addition, this Prospectus does not describe the tax consequences under the Tax Act to Non-Residents of acquiring, holding or disposing of Units, which may be worse than the consequences to Canadian resident Unitholders. Prospective purchasers who are Non-Residents should consult their own tax advisors.

Loss Restriction Event

Pursuant to rules in the Tax Act, if the Fund 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 the Fund 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, the Fund 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 the Fund, 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.

19. PROMOTER

Starlight Group may be considered to be the promoter of the Fund by reason of its initiative in organizing the business of the Fund and taking the steps necessary for the public distribution of the Units. As at the date hereof, neither Starlight Group nor any of its directors, officers or shareholders beneficially owns, controls or directs, directly or indirectly, any securities of the Fund other than one Class C Unit issued to Starlight Group on the formation of the Fund. However, following the Closing Date, Mr. Drimmer (the principal of Starlight Group) is expected to initially indirectly own, or have control or direction over, approximately $115,000,000 of Class C Units, (or approximately 38.09% of the Class C Units then outstanding, assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus, and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders). The Manager, a wholly-owned Subsidiary of Starlight Group, will receive payment from the Fund and NV LP for services provided to the Fund and NV LP in respect of the ongoing management of the Properties and NV LP. Starlight Group will receive the Carried Interest through its indirect ownership of NV Holdings LP Class B Units.

20. LEGAL PROCEEDINGS

There are no outstanding legal proceedings to which the Fund is a party, nor are any such proceedings known to be contemplated.

21. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Fund was only recently formed and has not carried on any business to date. Other than as disclosed below, none of (i) the Manager, or the directors, executive officers or principal shareholder of the Manager, (ii) the Trustees, executive officers or principal securityholders of the Fund, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has a material interest in any transaction carried out by the Fund or its Subsidiaries within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Fund or any of its Subsidiaries. As disclosed herein:

(a) the Fund issued an initial Class C Unit to Starlight Group (a corporation controlled by Daniel Drimmer) on the formation of the Fund pursuant to the Declaration of Trust (see “Prior Sales” and “Description of the Securities Distributed – Units”), which initial Class C Unit will be transferred to NV1 and dealt with in accordance with step 2.4(q) of the Plan of Arrangement;

(b) upon closing of the Offering, Mr. Drimmer (the principal of Starlight Group) is expected to indirectly own, or have control or direction over, approximately $125,000,000 of Class C Units, assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders (see “Principal Securityholders”);

(c) upon closing of the Offering, the KingSett and AIMCo Investors are expected to directly or indirectly own $125,000,000 of Class C Units, assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to $176,979,387.50 (based on elections by NV1 Unitholders to receive an aggregate of $36,949,012.50 of Class C Units under the Proposed Transaction), that $80,672,125 of Class A Units and $47,378,862.50 of Class F Units are distributed under this Prospectus and that an additional $124,979,625 of Class C Units are issued to the Retained Interest Holders (see “Principal Securityholders”);

(d) the Fund will be managed by the Manager pursuant to the Management Agreement (see “The Manager and the Management Agreement” and “Trustees and Executive Officers”); and

(e) the Carried Interest holders, being entities controlled by Mr. Drimmer, through Starlight West LP’s direct interest in NV Holdings LP, will be entitled to the Carried Interest, being 20% of the amounts calculated as being distributable above the Minimum Return in respect of each class of Units, subject to a catch-up wherein the relative amounts calculated as being distributable in excess of the Minimum Return will be split 50/50 as between Unitholders and the Carried Interest holders until the relative amounts calculated as being distributable in excess of the Investors Capital Return Base are 80% as to Unitholders of such class and 20% as to the Carried Interest holders (see “Description of the Securities Distributed –NV Holdings LP – Distributions” and “Description of the Securities Distributed – NV Holdings LP – Distributions upon Wind-up, etc.”).

22. AUDITORS

The auditors of the Fund are KPMG LLP, 205 5th Street SW, Suite 3100, Calgary, Alberta.

23. REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Units is TSX Trust Company at its principal office in Toronto. Registration and transfers of Units will be effected only through the NCI system administered by CDS. Beneficial owners of Units will not, except in certain limited circumstances, be entitled to receive certificates evidencing their ownership of Units that are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities. See “Plan of Distribution” and “Description of the Securities Distributed – Units”.

24. EXEMPTIONS FROM CERTAIN DISCLOSURE REQUIREMENTS

Pursuant to an application made to the Ontario Securities Commission, as principal regulator, the Fund has applied for an exemption as contemplated by Part 19 of National Instrument 41-101 — *General Prospectus Requirements*, from the requirements in Item 32.2(1) of Form 41-101F1 so that the Fund does not need to include historical financial disclosure which is unavailable for certain of the Properties comprising the Initial Portfolio being acquired by the Fund; specifically, the Properties located at 101 Rue Sunset, 7 Murphy Ave, 25 Flanders Court, 40 Flanders Court, 1212 Mountain Road, 1309 Mountain Road, 747 Coverdale Road, 1313 & 1315 Mountain Road, 201 Utsingi Drive and Building 903 Kivalliq Drive, all of which were acquired by NV1 subsequent to January 1, 2017 (collectively, the “**Recently Acquired Properties**”), for periods prior to their date of acquisition by NV1. Pursuant to this exemptive relief, this prospectus does not include financial statements for the Recently Acquired Properties for periods prior to the date on which they were acquired by NV1. The exemption requested is evidenced by the issuance of a receipt for this Prospectus.

In the application, the Fund made the following submissions:

- Prior to acquisition by NV1, the Recently Acquired Properties were owned and managed by different arm’s length vendors. The Fund does not possess, does not have access to and is not entitled to obtain access to, sufficient financial information for the Recently Acquired Properties for any period prior to acquisition by NV1.

- Audited historical financial statements of the Recently Acquired Properties were not relevant to NV1’s decision to acquire the Recently Acquired Properties. Given that such audited financial statements were not considered relevant to the investment decision made to acquire the Recently Acquired Properties, the Fund does not believe that such financial statements are material to the investment decision to be made by a potential investor in the Offering, particularly when considered in light of the other financial information the Fund is providing in this prospectus.

- In determining that the missing financial information for the Recently Acquired Properties is not material to the investment decision to be made by a potential investor in the Offering, the Fund considered the period of time for which such financial information is not included in this prospectus, and the percentage of missing information weighted by fair value of investment properties, NOI, revenue and appraised value, as well as the fact that the Recently Acquired Properties represent an immaterial proportion of the overall (a) number of suites; (b) aggregate appraised value, (c) net operating income; and (d) gross revenues, of the Initial Portfolio.

- Based on the foregoing, the Fund does not believe that the financial statements for the Recently Acquired Properties for the time periods prior to ownership by NV1 are necessary or required for this prospectus to contain full, true and plain disclosure of all material facts with respect to the securities being offered.

25. MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, which the Fund and/or its Subsidiaries have or expect to enter into on or before the Closing Date. **Copies of these agreements are, or will be, available for inspection during regular business hours at the offices of the Manager, located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3 during the period of distribution of the Units and will be available following the Closing Date at www.sedar.com.**

1. Declaration of Trust – described in “Description of the Securities Distributed – Units”.
2. NV Holdings LP Agreement – described in “Description of the Securities Distributed – NV Holdings LP”.

3. Management Agreement – described in “The Manager and the Management Agreement”.

4. Investor Rights Agreement – described in “Retained Interests – Investor Rights Agreement / Nomination Rights”.

5. Agency Agreement – described in “Plan of Distribution – Agency Agreement”.

6. Arrangement Agreement – described in “Description of the Activities of the Fund – The Initial Portfolio – Acquisition of the Initial Portfolio”.

26. EXPERTS

No professional person providing an opinion in this Prospectus expects to be elected, appointed or employed as a Trustee, senior officer or employee of the Fund or of an associate of the Fund, or is a promoter of the Fund or of any associate of the Fund.

Certain information relating to the Appraisal has been based upon reports by the Appraiser. As at the date of this Prospectus, the “designated professionals” of the Appraiser beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Fund, its associates or its Affiliates and no interests in property of the Fund, its associates or its Affiliates.

Certain legal matters in connection with this Offering will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Fund, and by McCarthy Tétrault LLP, on behalf of the Agents. As at the date of this Prospectus, partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Fund, its associates or its affiliates and no interests in property of the Fund, its associates or its affiliates. As at the date of this Prospectus, partners and associates of McCarthy Tétrault LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Fund, its associates or its affiliates and no interests in property of the Fund, its associates or its affiliates.

KPMG LLP are the auditors of the Initial Portfolio and the Fund and has confirmed with respect to the Initial Portfolio and the Fund that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulations.

27. PURCHASERS’ STATUTORY RIGHTS AND OTHER CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides Purchasers with the right to withdraw from an agreement to purchase securities within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a Purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the Purchaser, provided that such remedies for rescission or damages are exercised by the Purchaser within the time limit prescribed by the securities legislation of the applicable province or territory. The Purchaser should refer to the securities legislation in the province or territory in which the Purchaser resides for the particulars of these rights or consult with a legal advisor.

Original Canadian purchasers of Convertible Offered Units (“**Original Purchasers**”) will have a contractual right of rescission against the Fund following the issuance of the Class A Units or Class F Units, as applicable, to such Original Purchasers upon the conversion of such Convertible Offered Units. The contractual right of rescission will entitle such Original Purchasers to receive the amount paid for the applicable Convertible Offered Unit upon surrender of the Class A Unit or Class F Unit issued upon the conversion of the applicable Convertible Offered Unit, in the event the Prospectus or any amendment thereto contains a misrepresentation (within the meaning of the Securities Act), provided that: (i) the conversion takes place within 180 days of the date of the purchase under the Prospectus of the applicable Convertible Offered Unit; and (ii) the right of rescission is exercised within 180 days of the date of the purchase under the Prospectus of the applicable Convertible Offered Unit. This contractual right of rescission shall be subject to the defences, limitations and other provisions described under part XXIII of the Securities Act, and is in addition to any other right or remedy available to Original Purchasers under section 130 of the Securities Act or otherwise at law. Original Purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the applicable Convertible Offered Unit that was purchased under a prospectus.

INDEX TO FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Financial Statements as at July 31, 2020 and for the period from April 14, 2020 (date of formation) to July 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Trustees of Northview Canadian High Yield Residential Fund

Opinion

We have audited the financial statements of Northview Canadian High Yield Residential Fund (the "Fund"), which comprise:

- the statement of financial position as at July 31, 2020
- the statement of changes in unitholder's equity for the period from April 14, 2020 (date of formation) to July 31, 2020
- the statement of cash flows for the period from April 14, 2020 (date of formation) to July 31, 2020
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statement").

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Fund as at July 31, 2020 and its cash flows for the period from April 14, 2020 to July 31, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Alberta
September 16, 2020

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

STATEMENT OF FINANCIAL POSITION

As at July 31, 2020

(In Canadian dollars)

Assets	
Cash	$12.50
Net Assets attributable to Unitholders	
Net Assets attributable to Unitholders	$12.50

See accompanying notes to financial statements.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

STATEMENT OF CHANGES IN UNITHOLDER'S EQUITY

Period from April 14, 2020 (date of formation) to July 31, 2020

(In Canadian dollars)

Unitholder's equity, beginning of period	$ -
Issuance of units on formation	$12.50
Unitholder's equity, end of period	$12.50

See accompanying notes to financial statements

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

STATEMENT OF CASH FLOWS

Period from April 14, 2020 (date of formation) to July 31, 2020

(In Canadian dollars)

Financing activity	
Issuance of units on formation	$12.50
Increase in cash	12.50
Cash, beginning of period	—
Cash, end of period	$12.50

See accompanying notes to financial statements

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

NOTES TO FINANCIAL STATEMENTS

As at July 31, 2020

(In Canadian dollars)

1. ORGANIZATION

Northview Canadian High Yield Residential Fund (the "Fund") is a "closed-end fund" established pursuant to an initial declaration of trust dated April 14, 2020, where one Class C trust unit of the Fund ("Class C Unit") was issued to Starlight Group Property Holdings Inc. ("Starlight Group" and together with its affiliates "Starlight") for $12.50 in cash. The Fund was established under the laws of the Province of Ontario. The head and registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3.

The Fund has been formed to acquire, own and operate, through an Ontario limited partnership, a geographically diversified portfolio (the "Initial Portfolio") comprised of income-producing multi-residential suites, commercial real estate and execusuites located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut. As at July 31, 2020, the Initial Portfolio is owned and operated by Northview Apartment Real Estate Investment Trust ("NV1").

2. BASIS OF PRESENTATION

These financial statements of the Fund have been prepared by management in accordance with International Financial Reporting Standards. These financial statements were approved by the Board of Trustees of the Fund and authorized for issue on September 16, 2020.

As there have been no operations during the period, a statement of income and comprehensive income has not been prepared. Certain costs have been incurred by Starlight associated with the offering, pursuant to the final prospectus of the Fund, of a maximum of $430,000,000 of units of the Fund at a price of $12.50 per Class A Unit and Class F Unit, which such maximum will be inclusive of any Class C Units issued at a price of $12.50 per Class C Unit, (the "Offering") which will become liabilities of the Fund upon the successful completion of the Offering.

These financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand.

(b) Net Assets attributable to Unitholders

Units of the Fund are redeemable at the holder's option and therefore are considered a puttable instrument in accordance with International Accounting Standard 32, "Financial Instruments: Presentation" ("IAS 32"), subject to certain limitations and restrictions. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as Net Assets attributable to Unitholders. Class C Units meet the necessary conditions and have therefore been presented as Net Assets attributable to Unitholders.

4. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The beneficial interests in the Fund are divided into three classes of units: Class A trust units ("Class A Units"); Class C Units; and Class F trust units ("Class F Units"), each of which is denominated in Canadian dollars. The Fund is authorized to issue an unlimited number of units of each class.

4. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

Each holder of a unit is entitled to one vote per unit held and votes of the holders of units will be conducted with holders of Class A Units, Class C Units and Class F Units voting together as a single class. Notwithstanding the foregoing, if the Board of Trustees of the Fund determines that the nature of the business to be transacted at a meeting affects holders of one class of units in a manner materially different from its effect on holders of another class of units, the units of such affected class will be voted separately as a class.

5. COMMITMENTS

Management Agreement

The Fund has committed to enter into a management agreement ("Management Agreement") with Starlight Investments CDN AM Group LP (the "Manager"), a wholly-owned subsidiary of Starlight Group, and Northview Canadian HY Properties LP ("NV LP"), a limited partnership that will be established by NV1 (or a subsidiary of NV1) and Northview Canadian HY Properties GP Inc. or Northview Canadian HY Properties GP Trust under the laws of the Province of Ontario. The Manager will provide the Fund with specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer.

The services to be provided by the Manager under the terms of the Management Agreement are expected to include, without limitation: (i) the structuring of the Offering and the Fund, (ii) liaising with legal and tax counsel, (iii) maintaining ongoing relationships with the lenders in respect of the mortgage loans for the Fund's properties, if any, (iv) conducting continuous analysis of market conditions to monitor the Fund's indirect investment in its properties, (v) advising the Fund and/or NV LP with respect to any recapitalization event or any alternative liquidity event, as applicable, (vi) providing investor communication and reporting services to the Fund as required, and (vii) doing all such other acts or things and entering into agreements or documents on behalf of the Fund and/or NV LP to seek to achieve the investment objectives of the Fund.

In consideration for providing specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer, the Fund and NV LP will pay the Manager an aggregate base annual management fee equal to 0.35% of the greater of (A) the value of the assets of the Fund and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with International Financial Reporting Standards; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations, calculated and payable on a monthly basis in arrears in cash on the first day of each month.

Carried Interest

The partners of Starlight West LP (currently being entities wholly-owned by the Chief Executive Officer of the Manager), through Starlight West LP's direct interest in NV Holdings LP, are entitled to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class if all Distributable Cash of NV LP were received by the Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts distributable by the Fund (including Distributable Cash generated by investees of the Fund not held through NV LP, if any), and distributed by the Fund to Unitholders of the Fund in accordance with the Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly-owned by Daniel Drimmer), through Starlight West LP's direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to KingSett Capital and its third-party co-investors.

Pro Forma Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

As at June 30, 2020 and for the six months ended June 30, 2020
and for the year ended December 31, 2019
(Unaudited)

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Pro Forma Consolidated Statement of Financial Position
(Expressed in thousands of Canadian dollars)
As at June 30, 2020 (Unaudited)

	The Fund	The Portfolio	*Pro forma* adjustments	Notes	**Total**
Assets					
Non-current assets:					
Investment properties	$ –	$ 1,623,828	$ 38,379	3(b)	**$ 1,662,207**
Property, plant and equipment	–	31,391	16,587	3(b)	**47,978**
Investment in joint ventures	–	8,087	368	3(b)	**8,455**
Other long-term assets	–	6,083	–		**6,083**
Total non-current assets	–	1,669,389	55,334		**1,724,723**
Current assets:					
Accounts receivable	–	5,292	–	3(b)	**5,292**
Prepaid expenses and other assets	–	5,262	–	3(b)	**5,262**
Cash	–	–	430,000	3(a)	
			(5,301)	3(a)	
			(1,720)	3(a)	
			(1,674,283)	3(d)	
			(28,696)	3(b)	
			1,294,741	3(d)	**14,741**
Total current assets	–	10,554	14,741		**25,295**
Total assets	$ –	$ 1,679,943	$ 70,075		**$ 1,750,018**
Liabilities					
Non-current liabilities:					
Mortgages payable	$ –	$ 639,290	$ 71,410	3(b)(c)	**$ 710,700**
Credit Facility	–	–	510,466	3(c)	**510,466**
Total non-current liabilities	–	639,290	581,876		**1,221,166**
Current liabilities:					
Mortgages payable	–	202,071	(129,335)	3(b)(c)	**72,736**
Trade and other payables	–	32,352	–	3(b)	**32,352**
Total current liabilities	–	234,423	(129,335)		**105,088**
Total liabilities (excluding net assets attributable to Unitholders)		873,713	452,541		**1,326,254**
Owners' Equity/Partners' Equity/Net Asset attributable to Unitholders:					
Net assets attributable to Unitholders	–	–	430,000	3(a),4	**422,979**
			(5,301)	3(a),4	
			(1,720)	3(a),4	
Owner's/Partners' equity	–	805,156	(805,156)	3(b),4	–
Non-controlling interest	–	1,074	(1,074)	3(b)	**785**
			785		
Total Liabilities and Net Assets Attributable to Unitholders	$ –	$ 1,679,943	$70,075		**$ 1,750,018**

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Pro Forma Consolidated Statement of Net Income and Comprehensive Income
(Expressed in thousands of Canadian dollars)

For the six months ended June 30, 2020
(Unaudited)

	The Fund	The Portfolio	*Pro forma* adjustments	Notes	**Total**
Total revenue	$ –	$ 95,659	$ 495	3(e)	**$ 96,154**
Property operating costs	–	40,857	–		**40,857**
Income from operations	–	54,802	495		**55,297**
Finance costs	–	13,975	10,444	3(g)	**46,582**
			(412)	3(g)	
			22,575	3(f)	
Asset management fees / Fund and trust expenses	–	3,859	(3,859)	3(h)	**4,100**
			1,041	3(h)	
			3,059	3(h)	
Fair value (gain) / loss on investment properties	–	6,345	(6,345)	3(i)	**–**
Depreciation / amortization	–	2,450	–		**2,450**
Income from joint ventures	–	(234)	–		**(234)**
Net income and comprehensive income	$ –	$ 28,407	$ (26,008)		**$ 2,399**

Net income and comprehensive income attributable to:					
Unitholders	–	28,331	(26,008)		**2,323**
Non-controlling interest	–	76	–		**76**
Net income and comprehensive income	$ –	$ 28,407	$ (26,008)		**$ 2,399**

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Pro Forma Consolidated Statement of Net Income (Loss) and Comprehensive Income (Loss)
(Expressed in thousands of Canadian dollars)

For the year ended December 31, 2019
(Unaudited)

	The Fund	The Portfolio	*Pro forma* adjustments	Notes	**Total**
Total revenue	$ –	$ 194,001	$ 990	3(e)	**$ 194,991**
Property operating costs	–	79,261	–		**79,261**
Income from operations	–	114,740	990		**115,730**
Finance costs	–	29,064	27,047	3(g)	**100,162**
			(1,099)	3(g)	
			45,150	3(f)	
Asset management fees / Fund and trust expenses	–	7,899	(7,899)	3(h)	**8,196**
			2,081	3(h)	
			6,115	3(h)	
Transaction costs	–	–	28,696	3(b)	**28,696**
Fair value (gain) / loss on investment properties	–	36,250	(36,250)	3(i)	**–**
Depreciation / amortization	–	4,937	–		**4,937**
Income from joint ventures	–	(588)	–		**(588)**
Proceeds from insurance settlement	–	(3,009)	–		**(3,009)**
Net income (loss) and comprehensive income (loss)	$ –	$ 40,187	$ (62,851)		**$ (22,664)**
Net income (loss) and comprehensive income (loss) attributable to:					
Unitholders	–	40,074	(62,851)		**(22,777)**
Non-controlling interest	–	113	–		**113**
Net income (loss) and comprehensive income (loss)	$ –	$ 40,187	$ (62,851)		**$ (22,664)**

1. Nature of operations and basis of presentation:

(a) Nature of operations:

On February 19, 2020, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, D.D. Acquisitions Partnership, an affiliate of Starlight Group Property Holdings Inc. (“Starlight Group” and, together with its affiliates “Starlight”), KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP, affiliates of KingSett Capital (together with its affiliates, “KingSett” and together with its third-party co-investors, the “KingSett Investors”) entered into an arrangement agreement with Northview Apartment Real Estate Investment Trust (“NV1”) and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) pursuant to which D.D. Acquisitions Partnership and the KingSett Investors (together, the “Retained Interest Holders”) agreed to acquire NV1, subject to the satisfaction of certain conditions (the “Proposed Transaction”). Under the terms of the Proposed Transaction, each unitholder of NV1 (the “NV1 Unitholders”) will receive cash in the amount of $36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in Class C trust units (“Class C Units”) of the Fund on a fully or partially tax-deferred basis.

Northview Canadian High Yield Residential Fund (the “Fund”) has been formed to acquire, own and operate, through an Ontario limited partnership, a geographically diversified portfolio (the “Portfolio”) comprised of income-producing multi-residential suites, commercial real estate and execusuites located primarily in secondary markets in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut (the “Secondary Markets”). The Portfolio is currently owned and operated by NV1 and will be acquired by the Fund pursuant to the Proposed Transaction.

(b) Basis of presentation:

The accompanying unaudited *pro forma* consolidated financial statements of the Fund have been prepared from information derived from, and should be read in conjunction with, the following financial statements:

- The audited financial statements of the Fund as at and for the period ended July 31, 2020, prepared in accordance with International Financial Reporting Standards (“IFRS”);
- The unaudited combined carve-out interim financial statements of the Portfolio as at and for the six months ended June 30, 2020, prepared in accordance with IFRS; and
- The audited combined carve-out financial statements of the Portfolio for the year ended December 31, 2019, prepared in accordance with IFRS.

The accompanying *pro forma* consolidated financial statements give effect to the following anticipated transactions:

(i) the completion of the Proposed Transaction and the initial public offering of the Fund (the “Offering”) for assumed aggregate gross subscription proceeds of $430,000;

1. Nature of operations and basis of presentation (continued):

(b) Basis of presentation (continued):

(ii) the issuance of Class A trust units (“Class A Units”) and/or Class C Units and/or Class F trust units (“Class F Units”) by way of the Proposed Transaction and/or the Offering; and

(iii) the acquisition of the Portfolio in connection with the Proposed Transaction.

The unaudited pro forma consolidated statement of financial position gives effect to the transactions in note 3 as if they had occurred on June 30, 2020. The unaudited pro forma consolidated statements of net income (loss) and comprehensive income (loss) for the six months ended June 30, 2020 and for the year ended December 31, 2019 give effect to the transactions in note 3 as if they had occurred on January 1, 2019.

The *pro forma* adjustments have been determined based on estimates and judgments from information currently available. Accordingly, the unaudited *pro forma* consolidated financial statements are not necessarily indicative of the results that would have actually occurred had the transactions been consummated at the dates indicated nor are they necessarily indicative of future operating results or the financial position of the Fund.

Certain accounts in the Portfolio’s audited combined carve-out financial statements were reclassified or combined in these unaudited *pro forma* consolidated financial statements to conform to the Fund’s financial statement presentation.

2. Significant accounting policies:

The Fund’s unaudited *pro forma* consolidated financial statements reflect the consolidation of the Portfolio. All intercompany balances and transactions have been eliminated upon consolidation.

As the Fund has no pre-existing operations, the Fund has applied the accounting policies of the Portfolio as disclosed in the Portfolio’s audited combined carve-out financial statements in the preparation of these unaudited *pro forma* consolidated financial statements.

At the time of acquisition of investment property, the Fund considers whether the acquisition represents the acquisition of a business. The Fund accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired. If no significant processes, or only insignificant processes, are acquired, the acquisition is treated as an asset acquisition rather than a business combination.

The cost of a business combination is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred to acquire a business are expensed as incurred.

2. Significant accounting policies (continued):

The difference between the purchase price and the fair value of the acquired identifiable net assets and liabilities is goodwill or a bargain purchase gain. On the date of acquisition, goodwill is recorded as an asset. A bargain purchase gain is recognized immediately in the statements of net income (loss) and comprehensive income (loss).

3. *Pro forma* adjustments:

The *pro forma* adjustments to the unaudited *pro forma* consolidated financial statements have been prepared to account for the closing of the Offering and the acquisition of the Portfolio, as outlined in the prospectus of the Fund, as described below:

(a) The Offering:

The Offering of the Fund includes the proposed issuance of various unit classes including Class A Units and/or Class C Units and/or Class F Units at a price or deemed price of $12.50 CDN per Class A Unit, Class C Unit, and Class F Unit. The total proceeds from the Offering for all unit classes for the maximum raise is $430,000.

The unaudited *pro forma* consolidated financial statements have assumed a raise of gross subscription proceeds of $430,000 and costs related to the issuance include the agent's commission of $5,301 and additional issuance costs in relation to the Offering of $1,720.

(Expressed in thousands of Canadian dollars)

3. *Pro forma* adjustments (continued):

(b) Acquisition of the Portfolio:

The acquisition of the net assets of the Portfolio by the Fund will be funded by proceeds from the Offering described in Note 3(a) and the assumed indebtedness and draws on new facilities described in Note 3(c). The transaction has been accounted for as a business combination using the acquisition method. Under the acquisition method, the estimated fair values of the identifiable assets and liabilities to be acquired are as follows:

	The Portfolio	*Pro forma* adjustments	Net assets acquired
Investment properties[1]	$ 1,623,828	$ 38,379	$ 1,662,207
Property, plant and equipment[1]	31,391	16,587	47,978
Investment in joint ventures[2]	8,087	368	8,455
Other long-term assets	6,083	-	6,083
Accounts receivable	5,292	-	5,292
Prepaid expenses and other assets	5,262	-	5,262
Cash[6]	-	14,741	14,741
	1,679,943	70,075	1,750,018
Mortgages payable[3]	(841,361)	57,925	(783,436)
Trade and other payables	(32,352)	-	(32,352)
Non-controlling interest[4]	(1,074)	289	(785)
Net assets acquired	**$ 805,156**	**$ 128,289**	**$ 933,445**

Consideration used to acquire net assets:	
Net Equity offering proceeds[5]	$ 422,979
Credit facility[3]	510,466
	$ 933,445

1. Adjustments to investment properties, and property, plant and equipment reflect the Fund's estimate of fair value of the respective underlying properties.
2. Adjustments to the investment in joint ventures relates to the Fund's estimate of the proportionate share of the fair value of underlying net assets.
3. Please refer to a description of the *pro forma* adjustments relating to loans payable and the credit facility of the Fund which are included in Note 3(c) as well as further adjustments impacting cash of the Fund.
4. Non-controlling interest value represents the net asset value, purchase price of the underlying property of $4,935 less the mortgages payable attributable to such property of $3,191 at a 45% ownership interest.
5. Net equity offering proceeds include $430,000 contributed or deemed to be contributed to the Fund from the Proposed Transaction and the Offering less agents' fees of $5,301 and offering costs of $1,720.
6. Upon completion of the Proposed Transaction, it is anticipated that the Fund will have excess cash of $14,741, which includes the anticipated draw downs on the Credit Facility at closing (Note 3(d)).

3. *Pro forma* adjustments (continued):

(b) Acquisition of Portfolio (continued):

Acquisition-related costs of $28,696 are anticipated to be incurred in conjunction with the Proposed Transaction and such amounts have been expensed during the year ended December 31, 2019, with an offsetting reduction in cash. The actual identifiable assets and liabilities acquired for the transactions outlined above and the determination of their respective fair values will be based on the effective date of the acquisition and other information available at that date. Accordingly, the actual amounts for each of these assets and liabilities will vary from the *pro forma* amounts and the variation may be material.

(c) Mortgages Payable and Credit Facility:

A Canadian chartered bank affiliate of CIBC World Markets Inc. has agreed to provide three credit facilities that will be secured by the investment properties of the Portfolio and subordinated to the existing financing assumed by the Fund in connection with the Proposed Transaction, in an aggregate principal amount of up to $747,000, made up as follows:

(A) a non-revolving term loan credit facility in an aggregate amount of up to $498,000 to partially finance the acquisition of the Portfolio;

(B) a non-revolving capital expenditure loan facility in an aggregate amount of up to $52,000 to partially finance capital expenditures in respect of the Portfolio; and

(C) a non-revolving mortgage backstop loan facility in an aggregate amount of up to $197,000, available to repay and cancel existing mortgage loans where the existing lender's consent to assumption of the debt is not obtained, or where the mortgage loans are due to mature within six months of the closing of the Proposed Transaction (collectively, the "Credit Facility").

Starlight Investments CDN AM Group LP (the "Manager") anticipates the Credit Facility will have $518,077 in aggregate proceeds drawn across the three facilities ($510,466 net of financing costs of $7,611, reflected as a *pro forma* adjustment) at the data of acquisition pursuant to the Proposed Transaction.

The Manager anticipates the Fund's mortgages payable will total approximately $785,797 ($783,436 net of financing costs of $2,361, reflected as a *pro forma* adjustment) following closing of the Offering which comprises the indebtedness assumed pursuant to the Proposed Transaction. Mortgages payable excludes the mortgages attributable to the investment in join ventures, which are netted with the investment property value of the joint ventures. The *pro forma* consolidated statement of financial position includes an adjustment to increase non-current mortgages payable by $71,410 and decrease current mortgages payable by $129,335 to reflect the final mortgages payable within the current and non-current classifications anticipated to be outstanding upon completion of the Proposed Transaction. The current portion of mortgages payable included in the *pro forma* consolidated statement of financial position include amounts that would be maturing within 12 months of the date of the Proposed Transaction.

(Expressed in thousands of Canadian dollars)

3. *Pro forma* adjustments (continued):

(c) Mortgages Payable and Credit Facility (continued):

The Fund has assumed that finance costs have been replaced with the expected interest costs related to the indebtedness assumed and aggregate Credit Facility amounts drawn discussed above, based on the following factors: (i) average prevailing CDOR throughout 2019; (ii) outstanding principal of mortgages of the Fund; (iii) expected outstanding term loan Credit Facility; and (iv) credit spread of 3.65% for each applicable mortgage. As a result, *pro forma* adjustments have been included to this extent under Note 3(g).

(d) Reconciliation of excess cash in the Fund:

The Fund's sources and uses of cash after the completion of the contemplated acquisition of the Portfolio are as follows:

Sources:		
Proceeds from the Offering	$	430,000
Proceeds from Credit Facility (Note 3(c))		518,077
Proceeds from assumed mortgage financing (Note 3 (c))		786,636
		1,734,713
Uses:		
Purchase of the Portfolio		(1,674,283)
Transaction costs		(28,696)
Offering costs		(1,720)
Agent fees		(5,301)
Financing costs – new mortgages and Credit Facility		(9,972)
		(1,719,972)
Excess cash in the Fund	$	14,741

1. Mortgages payable includes the assumed mortgages payable by the Fund as a result of the Proposed Transaction based on the Fund's proportionate share of such mortgage, regardless of if such mortgage has been included in the investment in joint venture classification or relates to a property which is not wholly owned with such non-owned amounts presented as a non-controlling interest.
2. Total debt as a source of cash to the Fund is $1,294,741, including $786,636 of assumed mortgages and $518,636, net of combined financing costs of $9,972.

(e) Revenue:

The Fund will provide, through its own employees, customary property management services in respect of certain properties located in Québec being acquired by Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, respectively, pursuant to the Proposed Transaction. The Fund will receive a property management fee with a range of 3.25% to 3.75% of the effective gross income for such properties. The term of the property management agreement in respect of each property will be one year, subject to automatic renewal for successive periods of one year each, unless a notice of non-renewal is delivered by Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, as applicable, at least 60 days prior to the termination date of the agreement. Notwithstanding the foregoing, either the Fund or Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, as applicable, may terminate the property management agreements within 60 days written notice at any time and for any reason whatsoever. The agreements shall also terminate upon (i) an event of insolvency of the Fund, (ii) an event of default by the

3. *Pro forma* adjustments (continued):

(e) Revenue (continued):

Fund that is not cured to the reasonable satisfaction of Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, as applicable, within 30 days or, if unable to be cured within 30 days, the Fund fails to take reasonable steps to do so, (iii) the sale of the subject property, or (iv) any damage or destruction of the subject property which is sufficient to detrimentally affect the ongoing operation of such property. In connection with a termination of a property management agreement, the Fund shall be paid all unpaid and earned fees up to the date of termination of the agreement.

Revenue has been increased by $495 and $990 for the six months ended June 30, 2020 and for the year ended December 31, 2019, respectively, to reflect expected property management fees in relation to the customary property management services described above.

(f) Distributions to Unitholders:

As the Fund units are not expected to qualify for equity classification under IFRS, distributions to the Fund unitholders ("Unitholders") are recognized as Finance costs in the *Pro Forma* consolidated statement of Net Income (Loss) and Comprehensive Income (Loss). The Fund has estimated distributions to Unitholders for the six months ended June 30, 2020 and for the year ended December 31, 2019 to be $22,575 and $45,150, respectively.

The distributions were calculated based on estimating the number of units per class to be issued to affect the gross subscription proceeds of $430,000 at a yield of 10.5% on the gross subscription proceeds annually. The distributions were calculated assuming that the maximum offering of $430,000 has been achieved.

(g) Finance costs:

Finance costs have been increased by $9,708 and $25,569 for the six months ended June 30, 2020 and the year ended December 31, 2019, respectively, to reflect changes in interest expense, related to the indebtedness assumed and aggregate Credit Facility amounts drawn based on interest rates outlined in Note 3(c), and differences in amortization of financing costs on the Portfolio for an increase of $736 and $1,478, totalling an increase of $10,444 and $27,047 to finance costs, respectively. Additionally, interest expense was reduced by $412 and $1,099, representing the amount of mortgage interest that is capitalized to the investment property value for the six months ended June 30, 2020 and the year December 31, 2019, for a net finance costs, excluding distributions to Unitholders, increase of $10,032 and $25,948, respectively.

(h) Fund expenses and asset management fees:

Fund expenses have been adjusted to remove the current expenses incurred in the Portfolio. Unlike the Portfolio that incurred administrative costs as an allocation from NV1, the Fund will only incur direct costs and an asset management fee. Accordingly, Fund expenses have been adjusted to remove the current

3. *Pro forma* adjustments (continued):

(h) Fund expenses and asset management fees (continued):

expenses incurred in the Portfolio of $3,859 for the six months ended June 30, 2020 and $7,899 for the year ended December 31, 2019.

General and administrative costs within fund and trust expenses are expected to consist of legal fees, audit fees, tax fees, board trustee fees, annual report costs, travel costs, and other miscellaneous costs. Fund and trust expenses have been adjusted to include an estimate of direct general and administrative expenses amounting to $1,041 for the six months ended June 30, 2020 and $2,081 for the year ended December 31, 2019.

Pursuant to a management agreement to be entered into between the Fund and the Manager, the Manager will provide asset management services to the Fund. The Manager will be entitled to an asset management fee of 35 basis points on the Gross Asset Value, defined as the greater of (A) the value of the assets of the Fund and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations. The asset management fees included in Fund and trust expenses for the six months ended June 30, 2020 were increased to $3,059 and for the year ended December 31, 2019 were increased to $6,115 based on the value of the assets of the Fund as shown on the *Pro Forma* Consolidated Statement of Financial Position as at June 30, 2020 and December 31, 2019, respectively.

Total fund and trust expenses of $4,100 for the six months ended June 30, 2020 and $8,196 for the year ended December 31, 2019 reflect the best estimates of the general and administrative expenses and asset management fees for the Fund for the respective periods.

(i) Fair value adjustment of investment properties:

As the Portfolio is accounted for using the fair value method of accounting for investment properties, the Portfolio will be adjusted to fair value on an ongoing basis, with any fair value adjustments being included in the statement of net income (loss) and comprehensive income (loss). As a *pro forma* assumption of such fair value change is a prediction rather than an objectively determinable *pro forma* adjustment, these unaudited *pro forma* consolidated financial statements assume no change in the fair value of the investment properties during the six months ended June 30, 2020 and the year ended December 31, 2019 and have been adjusted to remove the impact of historical fair value changes on investment properties. However, the actual Fund consolidated financial statements will include fair value changes and such changes could be material.

3. *Pro forma* adjustments (continued):

(j) Income taxes:

Management expects that the Fund will qualify as a mutual fund trust and a real estate investment trust under the Income Tax Act and therefore will not be subject to income tax provided that all of its taxable income is distributed to unitholders.

4. Unitholders' equity:

The Fund is authorized to issue an unlimited number of units:

	Units (000's)		Amount
Balance, beginning of period	-		-
Class A, C, and F units (Offering)	34,400	$	430,000
Unit issuance costs (Agent fees)	-		(5,301)
Unit issuance costs (other)	-		(1,720)
Balance, end of period	34,400	$	422,979

The beneficial interests in the Fund are divided into three classes of Units: Class A Units; Class C Units; and Class F Units, each of which is denominated in Canadian dollars. The Fund is authorized to issue an unlimited number of units of each class.

The Class A Units are convertible into Class F Units; the Class C Units are convertible into Class A Units or Class F Units; and the Class F Units and Class C Units are convertible into Class A Units. The Class A Units will have coattail provisions such that if a formal take-over bid is made for units of a class other than the Class A Units, the Class A Units will be convertible into such unlisted class of units for purposes of participating in the take-over bid.

The Class F Units are designed for fee based accounts and differ from the Class A Units in that the Class F Units (i) are not required to pay the selling concession, (ii) will not be listed on the Toronto Stock Exchange, and (iii) are convertible into Class A Units.

The Class C Units are designed for NV1 Unitholders electing to receive and retain Class C Units in connection with the Proposed Transaction (including any top-up election), if any, the Retained Interest Holders, and any investors subscribing pursuant to a concurrent private placement and differ from the Class A Units in that the Class C Units (i) are not required to pay any agents' fees or any selling concession, (ii) will not be listed on the Toronto Stock Exchange, (iii) are convertible into Class F Units, and (iv) are convertible into Class A Units.

The units are also subject to certain redemption privileges at the option of Unitholders which are outlined in the prospectus of the Fund.

The units have been recognized under net assets attributable to Unitholders on the unaudited *pro forma* consolidated statement of financial position.

5. Risk management:

On March 11, 2020, the World Health Organization characterized the outbreak of the novel coronavirus ("COVID-19") as a global pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The spread of the COVID-19 coronavirus pandemic has had a material and substantial impact on the Canadian and Global economy. In response to the spread in Canada, provincial governments have limited a landlord's ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings, and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Fund operates in and may materially and adversely impact net operating income, the impact of which is currently unknown.

Actions have been taken to mitigate the effect of COVID-19 on the operations of the Portfolio, with established responses to COVID-19 including various preventative measures and ongoing coordination with residents, vendors and other stakeholders to manage safety and mitigate the spread of the virus during this period of disruption.

Northview Canadian High Yield Residential Fund Portfolio

Unaudited Condensed Combined Carve-Out Financial Statements and Notes

For the three and six months ended June 30, 2020 and 2019

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
UNAUDITED CONDENSED COMBINED CARVE-OUT STATEMENTS OF FINANCIAL POSITION
(thousands of Canadian dollars)

	Note	June 30, 2020	December 31, 2019
Assets			
Non-current assets			
Investment properties	3	**1,623,828**	1,619,697
Property, plant and equipment		**31,391**	33,528
Investment in joint ventures		**8,087**	7,937
Other long-term assets		**6,083**	6,516
		1,669,389	1,667,678
Current assets			
Accounts receivable	6	**5,292**	6,233
Prepaid expenses and other assets		**5,262**	2,987
		10,554	9,220
Total Assets		**1,679,943**	1,676,898
Liabilities			
Non-current liabilities			
Mortgages payable	4	**639,290**	699,304
		639,290	699,304
Current liabilities			
Mortgages payable	4	**202,071**	148,682
Trade and other payables		**32,352**	31,315
		234,423	179,997
Total Liabilities		**873,713**	879,301
Equity			
Net Parent investment		**805,156**	796,575
Non-controlling interests		**1,074**	1,022
Total Equity		**806,230**	797,597
Total Liabilities and Equity		**1,679,943**	1,676,898

See accompanying notes to the condensed combined carve-out financial statements.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
UNAUDITED CONDENSED COMBINED CARVE-OUT STATEMENTS OF NET AND COMPREHENSIVE INCOME
Three and six months ended June 30
(thousands of Canadian dollars)

		Three months ended		Six months ended	
	Note	**2020**	**2019**	**2020**	2019
Revenue	**9**	**47,153**	48,262	**95,659**	96,626
Operating expenses		**18,832**	19,480	**40,857**	41,505
Net operating income		**28,321**	28,782	**54,802**	55,121
Other expense (income)					
Financing costs from operations	**10**	**6,936**	7,289	**13,975**	14,376
Administration		**1,913**	2,015	**3,859**	3,715
Depreciation and amortization		**1,218**	1,145	**2,450**	2,363
Equity income from joint ventures		**(106)**	(287)	**(234)**	(541)
Fair value loss	**3**	**2,580**	7,692	**6,345**	11,473
Proceeds on insurance settlement	**11**	**-**	(2,169)	**-**	(2,845)
		12,541	15,685	**26,395**	28,541
Net and comprehensive income		**15,780**	13,097	**28,407**	26,580
Net and comprehensive income attributable to:					
Net Parent investment		**15,750**	13,042	**28,331**	26,495
Non-controlling interests		**30**	55	**76**	85
Net and comprehensive income		**15,780**	13,097	**28,407**	26,580

See accompanying notes to the condensed combined carve-out financial statements.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
UNAUDITED CONDENSED COMBINED CARVE-OUT STATEMENTS OF CHANGES IN EQUITY
Six months ended June 30
(thousands of Canadian dollars)

NET PARENT INVESTMENT	Note	2020	2019
Balance, January 1		**796,575**	806,419
Net and comprehensive income		**28,331**	26,495
Net change in net Parent investment	**13**	**(19,750)**	(33,485)
Balance, June 30		**805,156**	799,429

NON-CONTROLLING INTEREST		
Balance, January 1	**1,022**	1,052
Net and comprehensive income attributable to non-controlling interest	**76**	85
Distributions to non-controlling interest	**(24)**	(120)
Balance, June 30	**1,074**	1,017

See accompanying notes to the condensed combined carve-out financial statements.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
UNAUDITED CONDENSED COMBINED CARVE-OUT STATEMENTS OF CASH FLOWS
Three and six months ended June 30
(thousands of Canadian dollars)

	Note	Three months ended		Six months ended	
		2020	2019	**2020**	2019
Operating activities:					
Net and comprehensive income		**15,780**	13,097	**28,407**	26,580
Adjustments:					
Fair value loss	**3**	**2,580**	7,692	**6,345**	11,473
Financing costs from operations	**10**	**6,936**	7,289	**13,975**	14,376
Interest paid		**(6,936)**	(7,289)	**(13,975)**	(14,376)
Depreciation and amortization		**1,218**	1,145	**2,450**	2,363
Equity income from joint ventures		**(106)**	(287)	**(234)**	(541)
Changes in non-cash working capital	**12**	**(256)**	(5,782)	**122**	(9,986)
Cash provided by operating activities		**19,216**	15,865	**37,090**	29,889
Financing activities:					
Net proceeds from mortgages	**4**	**29,094**	48,646	**39,547**	59,621
Repayment of mortgages	**4**	**(31,567)**	(30,990)	**(46,172)**	(43,459)
Distributions to non-controlling interests		**(12)**	(104)	**(24)**	(120)
Net change in net Parent investment		**(11,491)**	(28,803)	**(19,750)**	(33,485)
Cash provided by financing activities		**(13,976)**	(11,251)	**(26,399)**	(17,443)
Investing activities:					
Capital expenditures on investment properties under development	**3**	**(967)**	1,484	**(2,589)**	(1,288)
Capital expenditures on investment properties	**3**	**(4,181)**	(5,861)	**(7,887)**	(10,792)
Acquisition of property, plant and equipment		**(126)**	(288)	**(299)**	(467)
Distributions received from equity investees		**34**	51	**84**	101
Cash used in investing activities		**(5,240)**	(4,614)	**(10,691)**	(12,446)
Net decrease in cash and cash equivalents		**-**	-	**-**	-
Cash and cash equivalents, January 1		**-**	-	**-**	-
Cash and cash equivalents, June 30		**-**	-	**-**	-

See accompanying notes to the condensed combined carve-out financial statements.

1. DESCRIPTION OF THE REPORTING ENTITY

The Northview Canadian High Yield Residential Fund Portfolio (the "Portfolio") as presented in these combined carve-out financial statements is not a legal entity nor an operating business. The Portfolio was owned, among other assets, by Northview Apartment Real Estate Investment Trust ("Northview" or "Parent") for all periods presented.

On February 19, 2020, D.D. Acquisitions Partnership (together with its affiliates "Starlight") and KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP (together with its affiliates, "KingSett", and together with Starlight, the "Purchasers") entered into an agreement, together with Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, to acquire all the assets and liabilities of Northview (the "Transaction"). As part of the Transaction, Starlight has formed Northview Canadian High Yield Residential Fund (the "Fund"), which anticipates filing a prospectus in respect of an initial public offering of trust units of the Fund. The Fund has been formed to acquire the Portfolio, a geographically diversified portfolio of approximately 10,900 multi-residential suites, 1.1 million square feet of commercial space and 340 execusuites, located in the provinces of British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, and Newfoundland and Labrador, as well as the territories of Nunavut and the Northwest Territories. These financial statements have been prepared for inclusion in the Fund's prospectus.

The principal business office of the Portfolio and Northview is located at 200, 6131 6th Street SE, Calgary, Alberta.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation and statement of compliance

These condensed combined carve-out financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), on a going concern basis and are presented in Canadian dollars rounded to the nearest thousand except where indicated.

These financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Portfolio's annual financial statements for the year ended December 31, 2019, prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements follow the same accounting policies and methods of application as the financial statements for the year ended December 31, 2019, except for the impact of adopting amendments to IFRS 3 – Business Combinations ("IFRS 3") on January 1, 2020, as outlined in Note 2c.

These financial statements have been prepared on a "carve-out basis" from the historic annual audited and quarterly unaudited consolidated financial statements of Northview. These financial statements present the combined carve-out financial position, financial performance, and cash flows of the Portfolio for the periods presented and have been prepared based on the historical books and records of Northview as if the Portfolio had been accounted for on a standalone basis, with estimates used, when necessary, for certain allocations. Because the properties included in the Portfolio were part of a larger portfolio and were not operating in a separate entity, these combined carve-out financial statements depict the net assets representing the amount associated specifically with these properties.

Due to the inherent limitations of carving out the assets, liabilities, operations, and cash flows of the Portfolio from legal entities controlled by Northview, the financial statements are not necessarily indicative of the results that would have been attained if the Portfolio had been operated as a separate legal entity during the periods presented and therefore are not necessarily indicative of future operating results. All transactions and balances between properties within the Portfolio have been eliminated upon combination.

As the Portfolio is not a taxable entity, current and deferred income taxes have not been provided for in the financial statements.

The financial statements were approved and authorized for issuance on September 14, 2020.

b) Critical accounting estimates and judgments and COVID-19

The preparation of these financial statements requires management to make estimates and judgements. The critical accounting estimates and assumptions disclosed in the Portfolio's annual financial statements for the year ended December 31, 2019 have been consistently applied in the preparation of these financial statements.

i) Measurement uncertainty

On March 11, 2020, the World Health Organization declared coronavirus ("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 landlords' ability to evict tenants for non-payment of rent, and restricted landlords' ability 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 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.

During the first six months of 2020, 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-family business segment. COVID-19 related expenses include incremental cleaning costs, an employee recognition program and the purchase of personal protective equipment to manage the safety of residents, execusuite guests, and employees, and to contain the spread of COVID-19. The financial impact from the COVID-19 pandemic is expected to continue in the second half of 2020.

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 reduction or elimination of previous restrictions, many businesses have not returned to pre-COVID-19 level 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 level. In future periods, the COVID-19 pandemic could result in lower demand for the Portfolio's properties and a higher credit risk for collection of rent. Increased government regulations may restrict the Portfolio's ability to enforce provisions under its leases, including the collection of rent, eviction of tenants for payment related matters and the Portfolio's ability to apply market-based increases to rent.

A decrease in crude oil demand due to the COVID-19 pandemic, coupled with excess global crude oil supply resulted in a significant oil price decline during the first six months of 2020. Although there was a partial recovery in the price of oil, and provinces and territories started re-opening their economies with less restrictions related to COVID-19 in the second quarter, the lower oil price and the COVID-19 pandemic may continue to have a negative impact on net operating income ("NOI") in resource-based markets in future periods. The resource-based markets represent approximately 20% of overall NOI in the second quarter of 2020.

The Portfolio carries its investment properties at fair value. Significant estimates used in determining the fair value of the Portfolio's investment properties include capitalization rates ("Cap Rates") and projected stabilized NOI. A change to any of these estimates could significantly alter the fair value of an investment property. The COVID-19 pandemic and oil price decline have created an uncertain economic outlook which has resulted in a temporarily higher degree of uncertainty for investment property values.

Components of NOI that could be impacted by the increased economic uncertainty described above include market rents, occupancy rates and operating expenses such as property taxes and bad debt expenses. As at June 30, 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 the increased economic uncertainty may have on Cap Rates and NOI will depend on the duration of physical distancing requirements, the extent and effectiveness of government stimulus and regulations that impact the Portfolio's operations and tenants, unemployment rates and market demand for multi-family and commercial properties. Refer to Note 3 for information relating to the sensitivity fair value models have to changes in Cap Rates and NOI.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

In light of the increased economic uncertainty, management closely monitors the fair value of investment properties (refer to Note 3), the expected credit losses associated with accounts receivable (refer to Note 6), liquidity and capital management (refer to Notes 7 and 8).

c) New accounting standards and interpretations

The Portfolio has applied revised IFRSs issued by IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2020. Accordingly, the Portfolio adopted Amendments to IFRS 3, Business Combinations, which revises the definition of a business. As the Portfolio had no transactions that required consideration under this amended standard on adoption and during the quarter, there was no impact to these financial statements. The amendments will be applied prospectively.

3. INVESTMENT PROPERTIES

	June 30, 2020	December 31, 2019
Investment properties	**1,605,046**	1,594,163
Investment properties under development	**4,831**	11,583
Land held for development	**13,951**	13,951
Balance, end of period	**1,623,828**	1,619,697

Changes to investment properties:

	Six months ended June 30, 2020	Year ended December 31, 2019
Balance, beginning of period	**1,619,697**	1,620,628
Acquisitions of investment properties	**-**	862
Transfers to property, plant and equipment	**-**	(432)
Capital expenditures on investment properties under development	**2,589**	9,703
Capital expenditures on investment properties	**7,887**	25,186
Fair value loss	**(6,345)**	(36,250)
Balance, end of period	**1,623,828**	1,619,697

During the six months ended June 30, 2020, the Portfolio transferred $9,343 (December 31, 2019 – $8,709) from investment properties under development to investment properties for development projects completed during the period.

During the six months ended June 30, 2020, the Portfolio capitalized borrowing costs of $92 (December 31, 2019 – $146) to investment properties under development.

Specific investment properties of the Portfolio with total fair value of $201.0 million (December 31, 2019 – $198.0 million) have been pledged as part of the collateral security for the Parent's operating facility.

There were no investment property and land acquisitions for the six months ended June 30, 2020.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Acquisitions for the year ended December 31, 2019:

Regions	Date	Transaction costs	Purchase price	Assumed mortgage	Total cost
Northern Canada	Q3 2019	20	842	-	862
Total		20	842	-	862

The Portfolio uses the Cap Rate method to value investment properties. As at June 30, 2020, Cap Rates ranging from 5.00% to 13.00% (December 31, 2019 – 5.00% to 13.00%) were applied to a projected stabilized NOI. The weighted average cap rate used to fair value the Portfolio's investment properties as at June 30, 2020 was 7.88% (December 31, 2019 – 7.88%).

A summary of the Cap Rates used for valuations (Minimum "Min.", Maximum "Max." and Weighted Average "W.A."):

	June 30, 2020			December 31, 2019		
Regions	**Min.**	**Max.**	**W.A.**	**Min.**	**Max.**	**W.A.**
Western Canada	**5.00%**	**11.00%**	**7.02%**	5.00%	11.00%	7.02%
Atlantic Canada	**5.50%**	**9.50%**	**6.98%**	5.50%	9.50%	7.00%
Northern Canada	**6.86%**	**13.00%**	**9.16%**	6.86%	13.00%	9.17%
Overall	**5.00%**	**13.00%**	**7.88%**	5.00%	13.00%	7.88%

The impact of a 25-basis point change in Cap Rates would affect the fair value of investment properties (Increase "Inc", Decrease "Dec"):

	June 30, 2020			December 31, 2019		
Regions	**W.A.**	**Inc**	**Dec**	**W.A.**	**Inc**	**Dec**
Western Canada	**7.02%**	**(22,405)**	**24,059**	7.02%	(22,289)	23,934
Atlantic Canada	**6.98%**	**(11,454)**	**12,306**	7.00%	(11,446)	12,294
Northern Canada	**9.16%**	**(17,319)**	**18,291**	9.17%	(17,269)	18,236
Overall	**7.88%**	**(51,178)**	**54,656**	7.88%	(51,004)	54,464

The impact of a 2.5% change in stabilized NOI would increase or decrease fair value of investment properties:

Regions	**June 30, 2020**	December 31, 2019
Western Canada	**16,297**	16,213
Atlantic Canada	**8,279**	8,295
Northern Canada	**16,304**	16,275
Overall	**40,880**	40,783

4. MORTGAGES PAYABLE

	June 30, 2020	December 31, 2019
Mortgages payable	**859,947**	866,424
Fair value adjustment upon assumption	**183**	240
Deferred financing costs	**(18,769)**	(18,678)
Total	**841,361**	847,986
Current	**202,071**	148,682
Non-current	**639,290**	699,304
Total	**841,361**	847,986

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Mortgages payable bear interest at rates ranging from 1.42% to 6.48% (December 31, 2019 – 1.70% to 6.48%) and have a weighted average rate of 3.02% as at June 30, 2020 (December 31, 2019 – 3.09%). The mortgages mature between 2020 and 2030 (December 31, 2019 – 2020 and 2030) and are secured by charges against specific properties. Land and buildings with a carrying value of $1.4 billion (December 31, 2019 – $1.4 billion) have been pledged to secure the mortgages payable of the Portfolio. Deferred financing costs are amortized over the mortgage term or the amortization term of the mortgage through the combined carve-out statement of net and comprehensive income.

The fair value of mortgages payable at June 30, 2020, is approximately $848.2 million (December 31, 2019 – $856.6 million). The fair value is determined by discounting the future cash payments by the current market borrowing rate. The majority of the mortgages on the Portfolio's investment properties are insured by Canada Mortgage and Housing Corporation ("CMHC"). Pursuant to standard mortgage terms, mortgagees have security interest in the specified property. In addition, certain investment properties are cross-securitized providing the lender with security rights to those properties.

The following table summarizes the Portfolio's mortgages as at June 30, 2020:

(thousands of dollars)	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2020	14,454	80,843	95,297	11.1%	3.01%
2021	25,645	100,261	125,906	14.6%	3.26%
2022	23,738	71,409	95,147	11.1%	2.82%
2023	19,846	106,163	126,009	14.7%	3.44%
2024	14,992	127,964	142,956	16.6%	2.83%
Thereafter	21,267	253,365	274,632	31.9%	2.90%
Total	**119,942**	**740,005**	**859,947**	**100.0%**	**3.02%**

The following table summarizes the change in the mortgages payable:

	June 30, 2020	December 31, 2019
Mortgages payable, January 1	**847,986**	836,394
Proceeds from new mortgages	**39,695**	97,496
Prepaid mortgage fees	**(148)**	(1,970)
Repayment of mortgages	**(46,172)**	(83,934)
Mortgages payable, end of period	**841,361**	847,986

5. GUARANTEES, COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Portfolio may provide indemnification commitments to counterparties in transactions such as leasing transactions, service arrangements, director and officer indemnification agreements, and sales of assets. These indemnification agreements may require the Portfolio to compensate the counterparties for costs incurred as a result of changes in laws and regulations (including tax legislation) or as a result of litigation claims or statutory sanctions that may be suffered by counterparties as a consequence of the transaction. The terms of these indemnification agreements vary based on the contract and may not provide any limit on the maximum potential liability. To date, the Portfolio has not made any payments under such indemnifications and no amount has been accrued in the financial statements with respect to these indemnification commitments.

In the normal course of operations, the Portfolio is and may become subject to various legal and other claims. Management and its legal counsel evaluate these claims and, where required, accrue the best estimate of costs. Management believes the outcome of claims of this nature at June 30, 2020, will not have a material impact on the Portfolio.

In the normal course of operations, the Portfolio provides guarantees for mortgages payable relating to investments in corporations and joint ventures where the Portfolio owns less than 100%. The mortgages payable are secured by specific charges against the properties owned by the corporations and joint ventures. In the event of a default of the corporation or joint venture, the Portfolio may be liable for up to 100% of the outstanding balances of these mortgages payable.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

As at June 30, 2020, the Portfolio has provided guarantees on mortgages secured by investment properties totaling $6.2 million (December 31, 2019 – $6.6 million) of its equity accounted joint ventures, Inuvik Commercial Properties Zheh Gwizu' Limited Partnership ("ICP") and Inuvik Capital Suites Zheh Gwizuh Limited Partnership ("ICS"). These mortgages bear interest at rates ranging from 3.01% to 5.50% (December 31, 2019 – 3.01% to 5.50%) and mature between 2020 and 2024 (December 31, 2019 – 2020 and 2024). As at June 30, 2020, land and buildings with a carrying value of $20.1 million have been pledged to secure these mortgages payable (December 31, 2019 – $20.1 million). Due to the equity accounting of ICP and ICS, the mortgage balances have not been recorded in the Portfolio's financial statements.

6. ACCOUNTS RECEIVABLE

Accounts receivable consist mainly of amounts owed by tenants, goods and services tax rebates, mortgage holdbacks and miscellaneous receivables.

	June 30, 2020	December 31, 2019
0-30 days	**683**	1,054
31-60 days	**262**	316
61-90 days	**308**	127
Over 90 days	**803**	1,892
Resident receivables	**2,056**	3,389
Other receivables	**3,236**	2,844
Balance, end of period	**5,292**	6,233

Included in the tenant receivables balance as at June 30, 2020 is expected credit loss of $1.9 million (December 31, 2019 – $1.5 million).

7. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value measures

As at June 30, 2020 and December 31, 2019, the only recurring fair value measure in these financial statements relates to the Portfolio's investment properties. For each period presented, the fair value of the investment properties is classified as Level 3 in the fair value hierarchy and there were no transfers between levels.

The following summarizes the significant methods and assumptions used in estimating fair values of the Portfolio's investment properties as well as other fair value disclosures in these financial statements:

(i) Investment properties

The Portfolio determined the fair value of each investment property using the valuation methodology and key assumptions described in Note 2(B) of the combined financial statements for the years ended December 31, 2019, 2018 and 2017. Refer to Note 3 for a reconciliation of the fair value of investment properties between June 30, 2020 and December 31, 2019. Refer to Note 2(b) for details on the impact that uncertainties created by COVID-19 may have on the valuation of the Portfolio's investment properties.

(ii) Mortgages payable

The fair value of mortgages payable is estimated based on the present value of future payments, discounted at the yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage or the yield of a comparable mortgage. The spread rates used at June 30, 2020, ranged from 1.02% to 2.48% (December 31, 2019 – 0.73% to 2.12%), depending on the nature and terms of the respective mortgages.

(iii) Other financial assets and financial liabilities

The fair value of the Portfolio's other financial assets and liabilities approximate their recorded values due to their short-term nature. These include accounts receivable, other long-term assets, and trade and other payables.

b) Risk management related to financial instruments

The Portfolio is exposed to utility cost, credit, interest rate, and liquidity risks associated with its financial assets and liabilities. The Portfolio followed the overall risk management policies as established by the Trustees of Northview during the periods presented. Management performs ongoing assessments so that all significant risks related to financial instruments are reviewed and addressed in light of changes to market conditions and the Portfolio's operating activities.

(i) Utility cost risk

Utility cost risk is the potential financial loss the Portfolio may experience as a result of higher resource prices or lack of supply. The Portfolio is exposed to utility cost risk from the fluctuation in retail prices for fuel oil, natural gas, and electricity, the primary utilities used to heat its properties. The exposure to utility cost risk is restricted primarily to the multi-family rental and execusuites portfolios. The leases in the commercial the Portfolio provide for recovery of operating costs from tenants, including utilities. Due to the northern locations of a portion of the Portfolio's portfolio, the exposure to utility price fluctuations is more pronounced in the first and last fiscal quarters of the year. The Portfolio manages its exposure to utility risk through a number of measures, including energy efficient appliances, fixtures, and windows. The Portfolio utilizes fixed price hedges to manage exposure to utility cost risk.

Heating oil and wood pellets are the primary sources of fuel for heating properties located in Nunavut and Yellowknife, NT.

Natural gas is the main source of fuel for heating properties located in Alberta, parts of British Columbia, New Brunswick, Saskatchewan, and Inuvik, NT. Natural gas prices in Alberta and British Columbia are not subject to regulated price control. The Portfolio used fixed price hedges to manage the exposure to the utility cost risk in Alberta.

Management prepared a sensitivity analysis of the impact of price changes in the cost of heating oil and natural gas. A 10% change in the combined average price of heating oil and natural gas would impact the Portfolio's annualized net income by approximately $0.8 million (December 31, 2019 – $0.8 million).

Electricity is the primary source for heating properties located in Quebec, Newfoundland and Labrador, as well as parts of British Columbia. In Quebec, Newfoundland and Labrador, and British Columbia, electricity is purchased from the provincially regulated utilities and is directly paid by the residents for a significant portion of the Portfolio's multi-family rental suites. As a result, there is no significant risk to the Portfolio regarding the price of electricity in Newfoundland and Labrador and British Columbia.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Portfolio's credit risk primarily arises from the possibility that residents may not be able to fulfill their lease commitments. Given the Portfolio's collection history and the nature of these tenants, credit risk is assessed as low. Accounts receivable consists mainly of resident receivables. Resident receivables are comprised of residents spread across the geographic areas in which the Portfolio operates. There are no significant exposures to single residents with the exception of the Governments of Canada and Nunavut, which lease a large number of residential suites and commercial space in the Northwest Territories and Nunavut.

The Portfolio mitigates credit risk through conducting thorough credit checks on prospective residents, requiring rental payments on the first of the month, obtaining security deposits approximating one month's rent from residents where legislation permits, and geographic diversification in its portfolio. The Portfolio records an estimate of expected credit losses for receivables from past and current tenants as an allowance. The aging of current residents and resident receivables is net of the allowance for credit losses.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Refer to Note 2(b) for details on the impact of COVID-19 on credit risk.

(iii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Portfolio may not be able to renew mortgage loans with interest rates at the same rate as those currently in place. The Portfolio utilizes both fixed and floating rate debt. Management mitigates interest rate risk by utilizing fixed rate mortgages, ensuring access to a number of sources of funding, and staggering mortgage maturities.

A sensitivity analysis on floating rate debt has been completed based on the exposure to interest rates at the statement of financial position date. Floating rate debt includes all mortgages payable which are not subject to fixed interest rates. Based on the floating rate debt instruments outstanding at June 30, 2020, of $2.7 million (December 31, 2019 - $2.7 million), 0.5% change in interest rates, keeping all other variables constant, would not materially change the Portfolio's net income.

(iv) Liquidity risk

Northview has managed the liquidity and capital resources of the Portfolio during the period of ownership to ensure adequate liquidity for operating, capital, and investment activities. Northview funded the Portfolio's obligations with cash flow from operating activities, operating facilities, construction financing, mortgage debt secured by investment properties, and equity issuances.

As at June 30, 2020, the Portfolio had a working capital deficiency of $223.9 million. In the normal course of business, a portion of borrowings under mortgages with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. Of the total deficiency, $202.1 million is related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages. The remaining working capital deficiency is expected to be managed through cash flow generated from operating activities and continued access to capital from Northview. During the second quarter of 2020, COVID-19 did not have an impact on the Portfolio's access to capital for planned financing activities.

Liquidity risk is the risk that the Portfolio is not able to meet its financial obligations as they become due or can only do so at excessive cost. The Portfolio manages liquidity risk by balancing the maturity profile of mortgages. Mortgage maturities normally enable replacement financing with funds available for other purposes. The Portfolio utilizes CMHC insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-family property. The Portfolio 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. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities.

Contractual maturity for non-derivative financial liabilities at June 30, 2020:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	**841,361**	**942,997**	**214,582**	**560,373**	**168,042**
Trade and other payables (1)	**32,352**	**32,352**	**32,352**	**-**	**-**

Contractual maturity for non-derivative financial liabilities at December 31, 2019:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	847,986	959,310	173,799	542,437	243,074
Trade and other payables (1)	31,315	31,315	31,315	-	-

(1) Security deposits payable are included in trade and other payables.

Management believes that future cash flows from operations and mortgage refinancing provide sufficient funds to support these financial liabilities.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

8. CAPITAL MANAGEMENT

The Portfolio's capital consists of net assets and mortgages payable. As the Portfolio does not have the ability to separately draw on or repay Northview's credit facilities, the outstanding balance and terms of Northview's credit facilities have not been presented. Northview has managed the Portfolio's capital during the period of ownership to meet its objectives of safeguarding its assets while maximizing the growth of its business, returns to its unitholders, and maintaining the sustainability of cash distributions. Northview is subject to certain financial covenants and was in compliance with these covenants as at June 30, 2020 and December 31, 2019.

The level and type of future financings to fund the Portfolio's capital will be determined based on prevailing interest rates, various costs of debt and equity capital, capital market conditions and management's general view of the appropriate leverage in the business. The Portfolio had no changes in its approach to capital management during the periods presented.

9. REVENUE

Revenue from contracts with customers and revenue from other sources for the three and six months ended June 30, 2020 and 2019:

	Three months ended June 30		Six months ended June 30	
	2020	2019	**2020**	2019
Rental revenue	**33,844**	33,129	**65,303**	62,843
Revenue from contracts with customers:				
Commercial common area maintenance services and execusuites	**3,130**	4,366	**7,338**	9,068
Residential service components	**9,866**	10,426	**22,384**	24,037
Other revenue	**313**	341	**634**	678
Total revenue	**47,153**	48,262	**95,659**	96,626

10. FINANCING COSTS FROM OPERATIONS

	Three months ended June 30		Six months ended June 30	
	2020	2019	**2020**	2019
Mortgage interest	**6,460**	6,820	**13,049**	13,421
Amortization of deferred financing cost	**505**	537	**983**	1,092
Amortization of fair value of debt	**(29)**	(68)	**(57)**	(137)
Total financing costs	**6,936**	7,289	**13,975**	14,376

11. PROCEEDS ON INSURANCE SETTLEMENT

For the three and six months ended June 30, 2020, the Portfolio received $nil of insurance proceeds (June 30, 2019 - $2.2 million and $2.8 million, respectively). For the three and six months ended June 30, 2019, the amount represents funds received or receivable from insurance providers for a building located in Lethbridge, AB, that was lost to a fire during 2017.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

12. CHANGES IN NON-CASH WORKING CAPITAL

	Three months ended June 30		Six months ended June 30	
	2020	2019	**2020**	2019
Accounts receivable	**2,380**	493	**941**	(1,330)
Prepaid expenses and other assets	**(2,554)**	(3,443)	**(2,275)**	(3,344)
Other long-term assets	**264**	173	**433**	258
Trade and other payables	**(346)**	(3,005)	**1,023**	(5,570)
Changes in non-cash working capital from operating activities	**(256)**	(5,782)	**122**	(9,986)

For the three and six months ended June 30, 2020, the changes in non-cash working capital from investing activities was $nil (June 30, 2019 – $nil) and $nil cash outflow (June 30, 2019 − $ nil), respectively.

13. RELATED PARTIES

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

a) Net change in net Parent investment

The net change in net Parent investment represents the cumulative impact of operating cash flow, working capital, and corporate allocations that are managed at Northview's consolidated level but have been reflected in the financial results of the Portfolio. Northview administers the day-to-day activities of the Portfolio through a centralized property management and banking structure, including collection of rent proceeds and payment of expenses. In addition, Northview proportionately allocated to the Portfolio's financial results property management and administrative services that supported the Portfolio's operations, and are included in the combined carved-out statements of net and comprehensive income, as follows:

	Three months ended June 30		Six months ended June 30	
	2020	2019	**2020**	2019
Operating expenses	**271**	320	**706**	575
Administration	**1,910**	1,998	**3,848**	3,673
	2,181	2,318	**4,554**	4,248

Operating expenses and administration have been proportionately allocated to the Portfolio based on multi-family residential suites.

b) Joint venture investments

ICP and ICS are related parties as the Portfolio has a 50% interest in ICP and a 50% interest in ICS. For the three and six months ended June 30, 2020, revenue from ICP and ICS related to management fees was $0.1 million and $0.1 million, respectively (June 30, 2019 − $0.1 million and $0.2 million, respectively). The balance outstanding and payable to the Portfolio from ICP and ICS related to management fees is $0.1 million (December 31, 2019 − $0.1 million) and is included in accounts receivable.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

14. SEGMENTED INFORMATION

Management uses geographic segments (i.e., groups of provinces and territories) to manage the properties. The geographic segments consist of Atlantic Canada (Newfoundland and Labrador, New Brunswick, and Quebec), Northern Canada (Northwest Territories and Nunavut), and Western Canada (Alberta, British Columbia, and Saskatchewan). In addition, due to the differences between the commercial and execusuites and the residential markets, management also reviews operations by market segment.

The Portfolio's residential portfolio is comprised of a multi-family segment: apartments, town homes, and single-family rental suites, where the rental period ranges from six to twelve months. The commercial and execusuites segment is comprised of office, industrial, and retail properties primarily in areas where the Portfolio has residential operations and execusuite properties that offer apartment style accommodation. Commercial leases terms are generally five years and execusuite rental periods range from several days to several months.

a) Geographic segments

	Atlantic Canada	**Northern Canada**	**Western Canada**	**Total**
Three months ended June 30, 2020				
Revenue	**9,947**	**22,790**	**14,416**	**47,153**
Operating expense	**4,523**	**7,867**	**6,442**	**18,832**
Net operating income	**5,424**	**14,923**	**7,974**	**28,321**
Six months ended June 30, 2020				
Revenue	**20,153**	**46,185**	**29,321**	**95,659**
Operating expense	**9,791**	**17,815**	**13,251**	**40,857**
Net operating income	**10,362**	**28,370**	**16,070**	**54,802**
As at June 30, 2020				
Total assets	**261,297**	**958,262**	**460,384**	**1,679,943**
Investment properties	**329,860**	**655,506**	**638,462**	**1,623,828**
Total liabilities	**194,122**	**321,295**	**358,296**	**873,713**

	Atlantic Canada	**Northern Canada**	**Western Canada**	**Total**
Three months ended June 30, 2019				
Revenue	10,265	23,318	14,679	48,262
Operating expense	4,586	8,665	6,229	19,480
Net operating income	5,679	14,653	8,450	28,782
Six months ended June 30, 2019				
Revenue	20,341	46,829	29,456	96,626
Operating expense	9,919	18,689	12,897	41,505
Net operating income	10,422	28,140	16,559	55,121
As at December 31, 2019				
Total assets	263,236	947,907	465,755	1,676,898
Investment properties	329,847	651,595	638,255	1,619,697
Total liabilities	193,260	326,905	359,136	879,301

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

b) Market segments

	Multi-family	Commercial & Execusuites	Total
Three months ended June 30, 2020			
Revenue	**37,697**	**9,456**	**47,153**
Operating expense	**14,480**	**4,352**	**18,832**
Net operating income	**23,217**	**5,104**	**28,321**
Six months ended June 30, 2020			
Revenue	**75,635**	**20,024**	**95,659**
Operating expense	**31,444**	**9,413**	**40,857**
Net operating income	**44,191**	**10,611**	**54,802**
As at June 30, 2020			
Total assets	**1,355,343**	**324,600**	**1,679,943**
Investment properties	**1,403,485**	**220,343**	**1,623,828**
Total liabilities	**741,356**	**132,357**	**873,713**

	Multi-family	Commercial & Execusuites	Total
Three months ended June 30, 2019			
Revenue	37,627	10,635	48,262
Operating expense	14,943	4,537	19,480
Net operating income	22,684	6,098	28,782
Six months ended June 30, 2019			
Revenue	74,977	21,649	96,626
Operating expense	31,885	9,620	41,505
Net operating income	43,092	12,029	55,121
As at December 31, 2019			
Total assets	1,354,061	322,837	1,676,898
Investment properties	1,389,024	230,673	1,619,697
Total liabilities	735,251	144,050	879,301

Northview Canadian High Yield Residential Fund Portfolio

Combined Carve-Out Financial Statements and Notes

For the years ended December 31, 2019, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the owners of the Northview Canadian High Yield Residential Fund Portfolio

Opinion

We have audited the accompanying combined carve-out financial statements of the Northview Canadian High Yield Residential Fund Portfolio ("the Entity") which comprise:

- the combined carve-out statements of financial position as at December 31, 2019, 2018 and 2017 and as at January 1, 2017
- the combined carve-out statements of net and comprehensive income for the years ended December 31, 2019, 2018 and 2017
- the combined carve-out statements of changes in equity for the years ended December 31, 2019, 2018 and 2017
- the combined carve-out statements of cash flows for the years ended December 31, 2019, 2018 and 2017
- and notes to the combined carve-out financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "combined carve-out financial statements").

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, 2018, 2017 and January 1, 2017, and its financial performance and its cash flows for each of the years in the three year period ended December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Combined Carve-out Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the carve-out financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Notes 1 and 2 to the combined carve-out financial statements which describe the basis of preparation used in these combined carve-out financial statements and the purpose of the combined carve-out financial statements.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the information circular.

Our opinion on the combined carved-out financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the combined carve-out financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the combined carve-out financial statements and the auditors' report thereon, included in information circular as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Combined Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of the combined carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Combined Carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
April 21, 2020

COMBINED CARVE-OUT STATEMENTS OF FINANCIAL POSITION

(thousands of Canadian dollars)

	Note	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
Assets					
Non-current assets					
Investment properties	5	**1,619,697**	1,620,628	1,563,266	1,528,614
Property, plant and equipment	6	**33,528**	36,220	39,791	38,443
Investment in joint ventures	7	**7,937**	7,549	6,920	6,274
Other long-term assets		**6,516**	5,050	4,968	6,841
		1,667,678	1,669,447	1,614,945	1,580,172
Current assets					
Accounts receivable	10	**6,233**	5,616	6,709	4,284
Prepaid expenses and other assets		**2,987**	1,722	2,300	2,322
		9,220	7,338	9,009	6,606
Total Assets		**1,676,898**	1,676,785	1,623,954	1,586,778
Liabilities					
Non-current liabilities					
Mortgages payable	8	**699,304**	707,271	696,632	749,346
		699,304	707,271	696,632	749,346
Current liabilities					
Mortgages payable	8	**148,682**	129,123	129,188	61,154
Trade and other payables		**31,315**	32,920	26,967	23,239
		179,997	162,043	156,155	84,393
Total Liabilities		**879,301**	869,314	852,787	833,739
Equity					
Net Parent investment		**796,575**	806,419	770,043	751,829
Non-controlling interests		**1,022**	1,052	1,124	1,210
Total Equity		**797,597**	807,471	771,167	753,039
Total Liabilities and Equity		**1,676,898**	1,676,785	1,623,954	1,586,778

See accompanying notes to the combined carve-out financial statements.

COMBINED CARVE-OUT STATEMENTS OF NET AND COMPREHENSIVE INCOME
Years ended December 31
(thousands of Canadian dollars)

	Note	2019	2018	2017
Revenue	**4**	**194,001**	189,151	179,473
Operating expenses		**79,261**	76,536	71,922
Net operating income		**114,740**	112,615	107,551
Other expense (income)				
Financing costs from operations	**14**	**29,064**	27,798	27,908
Administration		**7,899**	6,954	6,204
Depreciation and amortization		**4,937**	4,681	4,817
Equity income from joint ventures	**7**	**(588)**	(829)	(847)
Fair value loss (gain)	**5**	**36,250**	(14,065)	37,611
Proceeds on insurance settlement	**15**	**(3,009)**	(2,723)	(916)
		74,553	21,816	74,777
Net and comprehensive income		**40,187**	90,799	32,774
Net and comprehensive income attributable to:				
Net Parent investment		**40,074**	90,711	32,628
Non-controlling interests		**113**	88	146
Net and comprehensive income		**40,187**	90,799	32,774

See accompanying notes to the combined carve-out financial statements.

COMBINED CARVE-OUT STATEMENTS OF CHANGES IN EQUITY
Years ended December 31
(thousands of Canadian dollars)

NET PARENT INVESTMENT	Note	Total
Balance, January 1, 2017		**751,829**
Net and comprehensive income		32,628
Net change in net Parent investment	**18**	(14,414)
Balance, December 31, 2017		**770,043**
Net and comprehensive income		90,711
IFRS 9 adoption adjustment	**3**	(1,222)
Net change in net Parent investment	**18**	(53,113)
Balance, December 31, 2018		**806,419**
Net and comprehensive income		40,074
Net change in net Parent investment	**18**	(49,918)
Balance, December 31, 2019		**796,575**

NON-CONTROLLING INTEREST	
Balance, January 1, 2017	**1,210**
Net and comprehensive income attributable to non-controlling interest	146
Distributions to non-controlling interest	(232)
Balance, December 31, 2017	**1,124**
Net and comprehensive income attributable to non-controlling interest	88
Distributions to non-controlling interest	(160)
Balance, December 31, 2018	**1,052**
Net and comprehensive income attributable to non-controlling interest	113
Distributions to non-controlling interest	(143)
Balance, December 31, 2019	**1,022**

See accompanying notes to the combined carve-out financial statements.

COMBINED CARVE-OUT STATEMENTS OF CASH FLOWS
Years ended December 31
(thousands of Canadian dollars)

	Note	2019	2018	2017
Operating activities:				
Net and comprehensive income		**40,187**	90,799	32,774
Adjustments:				
Fair value (gain) loss	**5**	**36,250**	(14,065)	37,611
Financing costs from operations	**14**	**29,064**	27,798	27,908
Interest paid	**8**	**(28,572)**	(27,959)	(27,289)
Depreciation and amortization		**4,937**	4,681	4,817
Equity income from joint ventures	**7**	**(588)**	(829)	(847)
Changes in non-cash working capital	**16**	**(5,552)**	6,391	2,535
Cash provided by operating activities		**75,726**	86,816	77,509
Financing activities:				
Proceeds from mortgages	**8**	**95,526**	98,574	42,536
Repayment of mortgages	**8**	**(83,934)**	(88,000)	(46,075)
Distributions to non-controlling interests		**(143)**	(160)	(232)
Net change in net Parent investment		**(49,918)**	(53,113)	(14,414)
Cash used in financing activities		**(38,469)**	(42,699)	(18,185)
Investing activities:				
Acquisition of investment properties and land	**5**	**(862)**	(8,750)	(15,153)
Capital expenditures on investment properties under development	**5**	**(9,703)**	(15,210)	(24,150)
Capital expenditures on investment properties	**5**	**(25,186)**	(19,337)	(15,691)
Acquisition of property, plant and equipment	**6**	**(1,706)**	(1,087)	(4,549)
Distributions received from equity investees		**200**	200	201
Changes in non-cash working capital	**16**	**-**	67	18
Cash used in investing activities		**(37,257)**	(44,117)	(59,324)
Net decrease in cash and cash equivalents		**-**	-	-
Cash and cash equivalents, January 1		**-**	-	-
Cash and cash equivalents, December 31		**-**	-	-

See accompanying notes to the combined carve-out financial statements.

1. DESCRIPTION OF THE REPORTING ENTITY

The Northview Canadian High Yield Residential Fund Portfolio (the "Portfolio") as presented in these combined carve-out financial statements is not a legal entity nor an operating business. The Portfolio was owned, among other assets, by Northview Apartment Real Estate Investment Trust ("Northview" or "Parent") for all periods presented.

On February 19, 2020, D.D. Acquisitions Partnership (together with its affiliates "Starlight") and KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP (together with its affiliates, "KingSett", and together with Starlight, the "Purchasers") entered into an agreement, together with Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, to acquire all the assets and liabilities of Northview (the "Transaction"). As part of the Transaction, Starlight has formed Northview Canadian High Yield Residential Fund (the "Fund"), which anticipates filing a prospectus in respect of an initial public offering of trust units of the Fund. The Fund has been formed to acquire the Portfolio, a geographically diversified portfolio of approximately 10,900 multi-residential suites, 1.1 million square feet of commercial space and 340 execusuites, located in the provinces of British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, and Newfoundland and Labrador, as well as the territories of Nunavut and the Northwest Territories. <u>These financial statements have been prepared for inclusion in Northview's Information Circular that outlines the Transaction to Northview Unitholders and the Fund's prospectus.</u>

The principal business office of the Portfolio and Northview is located at 200, 6131 6th Street SE, Calgary, Alberta.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation and statement of compliance

The combined carve-out financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), on a going concern basis and are presented in Canadian dollars rounded to the nearest thousand except where indicated.

The financial statements have been prepared on a ″carve-out basis″ from the historic audited consolidated financial statements of Northview. The financial statements present the combined carve-out financial position, financial performance, and cash flows of the Portfolio for the years presented and have been prepared based on the historical books and records of Northview as if the Portfolio had been accounted for on a standalone basis, with estimates used, when necessary, for certain allocations. Because the properties included in the Portfolio were part of a larger portfolio and were not operating in a separate entity, these combined carve-out financial statements depict the net assets representing the amount associated specifically with these properties.

Due to the inherent limitations of carving out the assets, liabilities, operations, and cash flows of the Portfolio from legal entities controlled by Northview, the financial statements are not necessarily indicative of the results that would have been attained if the Portfolio had been operated as a separate legal entity during the periods presented and therefore are not necessarily indicative of future operating results. All transactions and balances between properties within the Portfolio have been eliminated upon combination.

As the Portfolio and Northview are not taxable entities, current and deferred income taxes have not been provided for in the financial statements.

The Portfolio′s initial presentation of financial statements in accordance with IFRS is as at January 1, 2017, which has been presented herein. The requirements of IFRS 1, ′′First-time Adoption of International Financial Reporting Standards ′′ (′′IFRS 1′′), to present a reconciliation of the transitional impact to the financial statements has not been presented as the Portfolio did not prepare financial statements prior to the date of adoption.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the impact of adopting of new accounting standards and amendments to standards as outlined in Note 3.

The financial statements were approved and authorized for issuance on April 23. 2020.

B. Investment properties

Investment properties include residential and commercial properties held to earn rental income, held for capital appreciation, and properties that are being constructed, developed, or redeveloped for future use as investment properties.

Investment properties are measured initially at cost, including transaction costs, unless the acquisition is part of a business combination. No investment properties were acquired in a business combination during the periods presented herein. Subsequent to initial recognition, investment properties are measured at fair value, in accordance with International Accounting Standard ("IAS") 40 – Investment Property.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of investment properties, the highest and best use of the investment properties is their current use. The fair value of its investment properties is reviewed by management each reporting period and revisions to carrying values are made when market circumstances change the underlying variables used to fair value investment properties.

The fair value of investment properties is based on valuations by a combination of management estimates and independent appraisers, who hold recognized and relevant professional qualification and have recent experience in the location and category of the investment properties being valued. External appraisals of investment property are performed throughout each year and continue to be used to verify certain variables used in the internal calculation of investment property values. Management uses the external investment property appraisals to verify its assessment of regional vacancy, management overhead, and capitalization rate ("Cap Rate") information, which is then applied to the stabilized annual net operating income to calculate the fair value of the remainder of the Portfolio's investment properties within the region. Fair value gains and losses arising from changes in the fair value of investment properties are included in the combined carve-out statements of net and comprehensive income in the period in which they arise. There has been no change to the valuation technique during the year.

Investment properties are segregated into two categories: (i) residential (apartments, townhouses, duplexes, single family, and mixed use) and (ii) commercial (office, industrial, and retail) and execusuites.

Residential investment properties include prepaid land equity leases ranging in terms from 15 to 30 years, asset acquisition costs, furniture and fixtures, and capital expenditures.

Land held for development is measured initially at cost, including transaction costs and subsequently measured at fair value.

Capital expenditures include value enhancing capital expenditures ("value enhancing capex") and maintenance capital expenditures ("maintenance capex"). Value enhancing capex are expected to increase the net operating income ("NOI") or value of the properties and are discretionary in nature. Maintenance capex focus on maintaining the existing condition and financial operating efficiency of the properties.

Transaction costs that are directly attributable to investment properties under development or redevelopment are capitalized. These costs include direct development costs, realty taxes, borrowing costs directly attributable to the development, and upgrading and extending the economic life of the existing facilities, other than ordinary repairs and maintenance.

C. Borrowing costs

Borrowing costs associated with direct expenditures on investment properties under development are capitalized. Borrowing costs are also capitalized on the purchase cost of a site or property acquired specifically for redevelopment in the short-term but only where activities necessary to prepare the asset for development or redevelopment are in progress. The amount of borrowing costs capitalized is determined first by reference to borrowings specific to the project, where relevant, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Borrowing costs are capitalized from the commencement of the development until the date of substantial completion, normally the receipt of an occupancy permit. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

D. Property, plant and equipment

Land and buildings used as administrative offices and warehouse properties, as well as the execusuites, are classified as property, plant and equipment ("PP&E") in accordance with IAS 16 – Property, Plant and Equipment. PP&E is initially measured using the cost model. PP&E is measured and carried at cost less accumulated depreciation and any accumulated impairment losses. PP&E is recorded at cost and depreciated using the following annual rates and methods:

Buildings	50 years	straight-line basis
Parking lot	20 years	straight-line basis
Roof	15 years	straight-line basis
HVAC	15 years	straight-line basis
Capital expenditures ("CAPEX")	5 years	straight-line basis
Furniture, fixtures and equipment	5 years	straight-line basis
Automotive	5 years	straight-line basis
Computer	4 years	straight-line basis

Costs include expenditures that are directly attributable to the acquisition of the asset. The cost initially recognized with respect to a building is further allocated amongst its significant component parts with each part being depreciated separately. Management's judgement is used to determine components constituting significant costs 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. Significant components of a building include the parking lot, roof, HVAC, and CAPEX which is defined as interior finishing including wallpaper, paint, flooring or carpeting, cabinets, and bathroom fixtures.

The cost of replacing a major component of a building is recognized in the carrying amount of the building if it is probable that the future economic benefits embodied within the component will flow to the Portfolio and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of ongoing repairs and maintenance of the properties are recognized in profit or loss as incurred.

The depreciation methods, estimated economic lives of tangible assets, and PP&E are evaluated annually by management and any changes in these estimates are accounted for on a prospective basis.

Gains and losses on disposal of an item of PP&E, which is the difference between proceeds from disposal and the carrying amount, is presented on a net basis in the combined carve-out statements of net and comprehensive income.

E. Impairment of non-financial assets

The carrying amounts of the Portfolio's PP&E and intangible assets with definite useful lives are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Fair value estimates are based upon current prices for similar assets. In assessing value-in-use, assumptions include estimates of future operating cash flows, the time period over which they will occur, a discount rate and growth rates.

An impairment loss is recognized in the combined carve-out statement of net and comprehensive income for the amount that the carrying amount of the asset exceeds the recoverable amount determined. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income.

Impairment losses are evaluated for potential reversals when events or changes in circumstances warrant such consideration.

F. Financial instruments

The Portfolio adopted IFRS 9 – Financial Instruments ("IFRS 9"), on January 1, 2018 resulting in a transitional adjustment to net Parent investment account of $1.2 million. The financial instrument policy described in Note 2F became effective on the date of adoption of IFRS 9. See Note 3(a) for a description of the policy prior to adopting IFRS 9.

a. Non-derivative financial assets

i) Initial recognition

At initial recognition, the Portfolio measures its accounts receivables arising from contracts with customers that do not have a significant financing component at the transaction price. The Portfolio initially measures other financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of net and comprehensive income.

ii) Subsequent measurement

For subsequent measurement, the Portfolio classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

iii) Impairment

Subsequent to the Portfolio adopting IFRS 9, it assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology generally applied depends on whether there has been a significant increase in credit risk since initial recognition.

Currently, the Portfolio does not have material financial assets subject to this general impairment approach.

For accounts receivables and tenant receivables, the Portfolio applies the expected lifetime losses to be recognized from initial recognition of the receivables. Individual receivables are written off after 180 days post tenant move-out date by reducing the carrying amount directly. Impairment losses are recognized in profit or loss. Subsequent recoveries of amounts previously written off are recorded as credits against losses recognized.

b. Non-derivative financial liabilities

i) Initial recognition

At initial recognition, the Portfolio measures a financial liability at its fair value minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issuance of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

ii) Subsequent recognition

For subsequent measurement, the Portfolio classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortized cost.

Financial liabilities are classified as FVTPL if they are designated as such by management provided certain conditions are met. Financial liabilities designated as FVTPL are measured at fair value with changes in fair value recognized in profit or loss, except for changes due to the effect of credit risk. Such changes in fair value due to the effect of credit risk are recorded in OCI without subsequent recycling to profit or loss.

c. Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. Changes in fair value of derivative instruments not designated as part of a hedging relationship are recorded in profit or loss when such changes occur.

There were no derivatives designated as hedging instruments during the years ended December 31, 2019, 2018 or 2017.

d. Measurement of financial assets and liabilities

	Measurement
Financial assets	
Non-current financial assets	
Other long-term assets	Amortized cost
Current financial assets	
Accounts receivable	Amortized cost
Financial liabilities	
Non-current financial liabilities	
Mortgages payable	Amortized cost
Current financial liabilities	
Mortgages payable	Amortized cost

Trade and other payables	Amortized cost

G. Investment in joint ventures

Under IFRS 11 – Joint Arrangements, there are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangement is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to their respective assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

The Portfolio's existing joint arrangements are joint ventures accounted for using the equity method. Under the equity method, investments in joint ventures are carried in the combined carve-out statement of financial position at cost as adjusted for the Portfolio's proportionate share of post-acquisition changes in the net assets of the joint ventures, or for post-acquisition changes in any excess of the Portfolio's carrying amount over the net assets of the joint ventures, less any identified impairment loss. When the Portfolio's share of losses of a joint venture equals or exceeds its interest in that joint venture, the Portfolio discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Portfolio has incurred legal or constructive obligations to fund the entity or made payments on behalf of that entity.

Where a group entity transacts with a joint venture of the Portfolio, profits and losses are eliminated to the extent of the Portfolio's interest in the relevant joint venture. Balances outstanding between the Portfolio and jointly controlled entities are not eliminated in the combined carve-out statement of financial position.

H. Revenue from contracts with customers

The Portfolio adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"), on January 1, 2018. There was no change in the method of recognizing revenue as a result of adopting this standard. The revenue policy described in Note 2H became effective on the date of adoption of IFRS 15. See Note 3(b) for a description of the policy prior to adopting IFRS 15.

Rental revenue from income producing property is recognized when a tenant commences occupancy of a property and rent is due. All risks and rewards related to the investment properties are retained and therefore accounts for leases with tenants as operating leases. Rental revenue to be received from leases with rental rates varying over the term of the lease is recorded on a straight-line basis over the lease term. Accordingly, differences between the rental revenue recorded on a straight-line basis and the rent that is contractually due from the tenant is recorded as deferred rent receivable for accounting purposes.

Revenue from contracts with customers include revenue from services delivered over time under enforceable customer contracts. For commercial customers, services include cleaning, provision of utilities, snow removal, landscaping, maintenance of common areas, garbage disposal, and other similar miscellaneous services (collectively referred to as "commercial common area maintenance services"). Commercial building insurance and property taxes are included in rental revenue. For residential customers, services include the provision of in-suite utilities, maintenance of common areas, garbage disposal and other similar services ("residential service components"). Residential revenue is allocated to the service components using a cost-based approach. Revenue for commercial leases is allocated to the non-lease service component based on the consideration directly related to it in accordance with the lease agreement. Revenue from commercial common area maintenance services and residential service components are recognized over time as services are performed in the amounts that the Portfolio has the right to invoice. To determine the amounts that the Portfolio has a right to invoice during the year, estimates are made to ensure that the revenue recognized is highly probable of not being reversed in subsequent periods.

Execusuites revenue is recorded as rental revenue and is recognized evenly over each distinct execusuite stay.

The Portfolio does not have contracts with customers where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year, other than rent and security deposits obtained for security purposes rather than financing. As a result, the Portfolio does not adjust any transaction prices for the time value of money.

Tenant inducements for commercial and residential tenants are allocated between rental revenue and commercial common area maintenance services and residential service component revenue on the basis of relative fair value and are recorded on a straight-line basis over the term of the lease.

I. Finance cost and finance income

Interest earned from financial assets is recognized by applying the effective interest rate to the principal outstanding when it is probable that economic benefits will flow to the Portfolio. Mortgage interest are recognized by applying the effective interest rate to the principal outstanding.

J. Fair value measurement

The Portfolio measures investment properties at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

The principal or the most advantageous market must be accessible by the Portfolio.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Portfolio uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Portfolio determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

K. Net Parent Investment

Northview's investment in the Portfolio is presented as net Parent investment in the combined carve-out statements of financial position. Net changes are presented on the combined carve-out statements of changes in equity and statements of cash flows as net change in net Parent investment.

L. Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are 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.

a. Estimates

i) Fair value of investment properties

The Portfolio carries its investment properties at fair value. Significant estimates used in determining the fair value of the Portfolio's investment properties include Cap Rates and net operating income (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.

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 the Portfolio'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.

b. Judgments

i) Purchase of investment properties

The Portfolio reviews its purchases of investment properties 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following new IFRS standards had an impact on the financial statements for the periods noted below:

a. IFRS 9 – Financial Instruments

IFRS 9 replaced IAS 39 – Financial Instruments – Recognition and Measurement ("IAS 39") with new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. In accordance with the transitional provisions, IFRS 9 was adopted and applied prospectively commencing on January 1, 2018. The effect of applying IFRS 9 has been recognized as an adjustment to opening net Parent investment at January 1, 2018. Comparative financial statements for periods prior to January 1, 2018 have not been restated.

IFRS 9 replaced the "incurred loss" model under IAS 39 with the expected credit loss model, which considers the possible impact of future events over the expected life of financial assets. This change in model resulted in an increase to the previously recognized allowance for doubtful accounts by $1.2 million with a corresponding decrease to net Parent investment.

IFRS 9 also established revised principles for the classification and measurement of financial assets and liabilities after initial recognition. Based on the facts and circumstances existing on January 1, 2018, the Portfolio's financial assets and liabilities were evaluated for measurement category classifications in accordance with the provisions of IFRS 9. No changes to the recognition or measurement of financial assets or liabilities were required as a result of adopting the IFRS 9 classifications.

Other long-term assets and accounts receivables were classified as "loans and receivables" under IAS 39. Mortgages and trade payables were classified as "other financial liabilities" under IAS 39. On adoption of IFRS 9, these measurement categories were eliminated. However, these measurement categories all applied the amortized cost measurement methodology, which is aligned with their treatment under IFRS 9.

b. IFRS 15 – Revenue from contracts with customers

IFRS 15 replaced IAS 18 – Revenue ("IAS 18") and related interpretations. IFRS 15 provides a comprehensive framework for the recognition, measurement and disclosure of revenue from contracts with customers. As permitted under the transactional provisions of IFRS 15, the Portfolio adopted IFRS 15 effective January 1, 2018 (the date of initial application) using the modified retrospective method.

At the date of initial application, no cumulative effect adjustments to retained earnings were required as a result of adopting IFRS 15. Had the Portfolio continued to apply IAS 18 during year ended December 31, 2018 and 2019, it would not separately disclose revenue from common area maintenance services for commercial customers and service components for residential customers (see disclosure below). There would be no other material impact as a result of applying IFRS 15 as compared to IAS 18.

c. IFRS 16 – Leases ("IFRS 16")

On January 1, 2019, the Portfolio adopted IFRS 16, which replaced the previous IFRS guidance on the accounting for leases. Under guidance prior to the adoption of IFRS 16, lessees were required to determine if the lease is a finance or operating lease, based on specified criteria. Finance leases were recognized on the balance sheet while operating leases were recognized in income as the expense was incurred. Under IFRS 16, lessees must recognize a lease liability and a right-of-use asset for virtually all lease contracts. The recognition of the present value of minimum lease payments for certain contracts classified as operating leases prior to the adoption of IFRS 16 were recorded, resulting in increases to assets, liabilities, depreciation and amortization, and finance expense, and a decrease to operating expense upon implementation. Optional exemptions to not recognize right-of-use assets and lease liabilities for certain short-term leases or leases of low value were applied. For lessors, the accounting remains essentially unchanged.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

The Portfolio adopted IFRS 16 on the effective date of January 1, 2019 using the modified retrospective transition approach. The implementation of IFRS 16 did not have a material impact on the carve-out balance sheet or carve-out statements of income.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers and revenue from other sources for the years ended December 31, 2019 and 2018:

	December 31, 2019	December 31, 2018
Rental revenue	**129,945**	128,574
Revenue from contracts with customers:		
Commercial common area maintenance services and execusuites	**18,362**	18,136
Residential service components	**44,398**	41,297
Other revenue	**1,296**	1,144
Total revenue	**194,001**	189,151

5. INVESTMENT PROPERTIES

	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
Investment properties	**1,594,163**	1,596,096	1,520,142	1,499,218
Investment properties under development	**11,583**	10,581	29,238	11,944
Land held for development	**13,951**	13,951	13,886	17,452
Balance	**1,619,697**	1,620,628	1,563,266	1,528,614

Changes to investment properties:

	December 31, 2019	December 31, 2018	December 31, 2017
Balance, beginning of period	**1,620,628**	1,563,266	1,528,614
Acquisitions of investment properties	**862**	8,750	34,012
Transfers to property, plant and equipment	**(432)**	-	(1,590)
Capital expenditures on investment properties under development	**9,703**	15,210	24,150
Capital expenditures on investment properties	**25,186**	19,337	15,691
Fair value (loss) gain	**(36,250)**	14,065	(37,611)
Balance, end of period	**1,619,697**	1,620,628	1,563,266

During the year ended December 31, 2019, the Portfolio transferred $8,709 (December 31, 2018 – $33,803 and December 31, 2017 – $10,422) from investment properties under development to investment properties for development projects completed during the period.

During the year ended December 31, 2019, the Portfolio capitalized borrowing costs of $146 (December 31, 2018 – $310 and December 31, 2017 – $376) to investment properties under development.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Specific investment properties of the Portfolio with total fair value of $198.0 million (December 31, 2018 – $203.7 million, December 31, 2017 – $203.5 million, and January 1, 2017 – $199.5 million) have been pledged as part of the collateral security for the Parent's operating facility.

Acquisitions for the year ended December 31, 2019:

Regions	Transaction costs	Purchase price	Assumed mortgage	Total cost
Northern Canada	**20**	**842**	**-**	**862**
Total	**20**	**842**	**-**	**862**

Acquisitions for the year ended December 31, 2018:

Regions	Transaction costs	Purchase price	Assumed mortgage	Total cost
Atlantic Canada	59	3,500	-	3,559
Northern Canada	62	5,129	-	5,191
Total	121	8,629	-	8,750

Acquisitions for the year ended December 31, 2017:

Location	Transaction costs	Purchase price	Assumed mortgage	Total cost
Atlantic Canada	511	14,642	18,859	34,012
Total	511	14,642	18,859	34,012

The Portfolio uses the Cap Rate method to value investment properties. As at December 31, 2019, Cap Rates ranging from 5.00% to 13.00% (December 31, 2018 – 5.00% to 13.00%, December 31, 2017 – 5.25% to 13.00%, and January 1, 2017 – 5.25% to 13.00%) were applied to a projected stabilized NOI. The weighted average cap rate used to fair value the Portfolio's investment properties as at December 31, 2019 is 7.88% (December 31, 2018 – 7.85%, December 31, 2018 – 7.82%, and January 1, 2017 – 7.90%).

A summary of the Cap Rates used for valuations (Minimum "Min.", Maximum "Max." and Weighted Average "W.A."):

	December 31, 2019			December 31, 2018			December 31, 2017			January 1, 2017		
Regions	**Min.**	**Max.**	**W.A.**	**Min.**	**Max.**	**W.A.**	**Min.**	**Max.**	**W.A.**	**Min.**	**Max.**	**W.A.**
Western Canada	**5.00%**	**11.00%**	**7.02%**	5.00%	11.00%	7.05%	5.25%	11.00%	7.22%	5.25%	11.00%	7.30%
Atlantic Canada	**5.50%**	**9.50%**	**7.00%**	5.50%	9.50%	6.92%	5.50%	9.50%	6.94%	5.50%	9.50%	7.06%
Northern Canada	**6.86%**	**13.00%**	**9.17%**	6.86%	13.00%	9.18%	6.86%	13.00%	9.15%	6.86%	13.00%	9.14%
Overall	**5.00%**	**13.00%**	**7.88%**	5.00%	13.00%	7.85%	5.25%	13.00%	7.82%	5.25%	13.00%	7.90%

The impact of a 10-basis point change in Cap Rates would affect the fair value of investment properties (Increase "Inc ", Decrease "Dec"):

	December 31, 2019			December 31, 2018			December 31, 2017			January 1, 2017		
Regions	**W.A.**	**Inc**	**Dec**	**W.A.**	**Inc**	**Dec**	**W.A.**	**Inc**	**Dec**	**W.A.**	**Inc**	**Dec**

Western Canada	**7.02%**	**(9,103)**	**9,366**	7.05%	(9,182)	9,447	7.22%	(8,485)	8,723	7.30%	(8,653)	8,893
Atlantic Canada	**7.00%**	**(4,675)**	**4,811**	6.92%	(4,752)	4,891	6.94%	(4,698)	4,836	7.06%	(4,156)	4,275
Northern Canada	**9.17%**	**(7,020)**	**7,174**	9.18%	(6,779)	6,929	9.15%	(6,656)	6,803	9.14%	(6,409)	6,551
Overall	**7.88%**	**(20,798)**	**21,351**	7.85%	(20,713)	21,267	7.82%	(19,839)	20,362	7.90%	(19,218)	19,719

The impact of a 1% change in stabilized NOI would increase or decrease fair value of investment properties:

Regions	December 31, 2019	December 31, 2018	December 31, 2017
Western Canada	**6,485**	6,566	6,215
Atlantic Canada	**3,318**	3,337	3,307
Northern Canada	**6,510**	6,288	6,158
Overall	**16,313**	16,191	15,680

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Other	Total
Cost or deemed cost				
Balance, January 1, 2017	2,156	50,447	6,602	59,205
Additions for the year	-	4,069	480	4,549
Disposals for the year	-	(31)	(105)	(136)
Transfers from investment property	31	1,559	-	1,590
Balance, December 31, 2017	2,187	56,044	6,977	65,208
Additions for the year	-	372	715	1,087
Disposals for the year	-	-	(145)	(145)
Balance, December 31, 2018	**2,187**	**56,416**	**7,547**	**66,150**
Additions for the year	**-**	**1,185**	**521**	**1,706**
Disposals for the year	**-**	**-**	**(118)**	**(118)**
Transfers from investment property	**9**	**418**	**5**	**432**
Balance, December 31, 2019	**2,196**	**58,019**	**7,955**	**68,170**

	Land	Buildings	Other	Total
Accumulated depreciation				
Balance, January 1, 2017	-	15,594	5,168	20,762
Depreciation for the year	-	4,111	680	4,791
Disposals for the year	-	(31)	(105)	(136)
Balance, December 31, 2017	-	19,674	5,743	25,417
Depreciation for the year	-	4,202	454	4,656
Disposals for the year	-	-	(143)	(143)
Balance, December 31, 2018	**-**	**23,876**	**6,054**	**29,930**
Depreciation for the year	**-**	**4,158**	**578**	**4,736**
Disposals for the year	**-**	**-**	**(24)**	**(24)**
Balance, December 31, 2019	**-**	**28,034**	**6,608**	**34,642**

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

	Land	Buildings	Other	Total
Carrying amounts				
January 1, 2017	2,156	34,853	1,434	38,443
December 31, 2017	2,187	36,370	1,234	39,791
December 31, 2018	2,187	32,540	1,493	36,220
December 31, 2019	**2,196**	**29,985**	**1,347**	**33,528**

7. INVESTMENT IN JOINT VENTURES

The Portfolio has a 50% interest in Inuvik Capital Suites Zheh Gwizuh Limited Partnership ("ICS") and a 50% interest in Inuvik Commercial Properties Zheh Gwizu' Limited Partnership ("ICP"). ICS is owned by Zheh Gwizuh Limited Partnership and NPR Limited Partnership ("NPRLP") for the purpose of investing in an income producing execusuite property in the Northwest Territories. ICP is owned by Zheh Gwizu' Limited Partnership and NPRLP for the purposes of investing in a portfolio of commercial and mixed-use income producing properties in the Northwest Territories. There has been no change in the Portfolio's 50% ownership and voting interests in these joint ventures for the years ended December 31, 2019, 2018, 2017, and January 1, 2017.

	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	The Portfolio share of net assets
December 31, 2019								
ICP	**2,020**	**14,301**	**16,321**	**3,670**	**1,020**	**4,690**	**11,631**	**5,815**
ICS	**1,978**	**4,954**	**6,932**	**544**	**2,144**	**2,688**	**4,244**	**2,122**
Total	**3,998**	**19,255**	**23,253**	**4,214**	**3,164**	**7,378**	**15,875**	**7,937**
December 31, 2018								
ICP	1,959	14,961	16,920	2,515	2,823	5,338	11,582	5,791
ICS	1,386	5,098	6,484	673	2,295	2,968	3,516	1,758
Total	3,345	20,059	23,404	3,188	5,118	8,306	15,098	7,549
December 31, 2017								
ICP	2,654	15,483	18,137	4,205	3,145	7,350	10,787	5,393
ICS	884	5,261	6,145	551	2,540	3,091	3,054	1,527
Total	3,538	20,744	24,282	4,756	5,685	10,441	13,841	6,920
January 1, 2017								
ICP	2,162	15,213	17,375	1,538	6,213	7,751	9,624	4,812
ICS	831	5,407	6,238	3,315	-	3,315	2,923	1,462
Total	2,993	20,620	23,613	4,853	6,213	11,066	12,547	6,274

	Revenue	Expenses	Net Income	The Portfolio share of net income
Year ended December 31, 2019				
ICP	**2,805**	**2,757**	**48**	**24**
ICS	**2,757**	**1,629**	**1,128**	**564**
Total	**5,562**	**4,386**	**1,176**	**588**
Year ended December 31, 2018				
ICP	3,228	2,425	803	402

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

ICS	2,557	1,703	854	427
Total	5,785	4,128	1,657	829
Year ended December 31, 2017				
ICP	3,514	2,353	1,161	581
ICS	1,996	1,464	532	266
Total	5,510	3,817	1,693	847

8. MORTGAGES PAYABLE

	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
Mortgages payable	**866,424**	852,861	841,600	826,578
Fair value adjustment upon assumption	**240**	481	821	1,014
Deferred financing costs	**(18,678)**	(16,948)	(16,601)	(17,092)
Total	**847,986**	836,394	825,820	810,500

Current	**148,682**	129,123	129,188	61,154
Non-current	**699,304**	707,271	696,632	749,346
Total	**847,986**	836,394	825,820	810,500

Mortgages payable bear interest at rates ranging from 1.70% to 6.48% (December 31, 2018 – 1.41% to 6.48%, December 31, 2017 – 1.41% to 6.48%, and January 1, 2017 – 1.41% to 6.48%) and have a weighted average rate of 3.09% as at December 31, 2019 (December 31, 2018 – 3.18%, December 31, 2017 – 3.22%, and January 1, 2017 – 3.23%). The mortgages mature between 2020 and 2030 (December 31, 2018 – 2019 and 2028, December 31, 2017 – 2018 and 2027, and January 1, 2017 – 2017 and 2026) and are secured by charges against specific properties. Land and buildings with a carrying value of $1.4 billion (December 31, 2018 – $1.4 billion, December 31, 2017 – $1.4 billion, and January 1, 2017 – $1.4 billion) have been pledged to secure the mortgages payable of the Portfolio. Deferred financing costs are amortized over the mortgage term or the amortization term of the mortgage through the combined carve-out statement of net and comprehensive income.

The fair value of mortgages payable at December 31, 2019, is approximately $856.6 million (December 31, 2018 – $834.5 million, December 31, 2017 – $825.6 million, and January 1, 2017 – $803.7 million). The fair value is determined by discounting the future cash payments by the current market borrowing rate. The majority of the mortgages on the Portfolio's investment properties are insured by Canada Mortgage and Housing Corporation ("CMHC"). Pursuant to standard mortgage terms, mortgagees have security interest in the specified property. In addition, certain investment properties are cross-securitized providing the lender with security rights to those properties.

The following table summarizes the Portfolio's mortgages as at December 31, 2019:

(thousands of dollars)	**Principal Amount**	**Principal on Maturity**	**Total**	**% of Total**	**Weighted Average Interest Rate**
2020	28,058	121,703	149,761	17.3%	3.13%
2021	24,475	99,961	124,436	14.4%	3.27%
2022	22,735	68,663	91,398	10.5%	2.97%
2023	18,835	106,163	124,998	14.4%	3.44%
2024	13,949	129,891	143,840	16.6%	2.86%
Thereafter	14,750	217,241	231,991	26.8%	2.96%
Total	122,802	743,622	866,424	100.0%	3.09%

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

The following table summarizes the change in the mortgages payable:

	December 31, 2019	December 31, 2018	December 31, 2017
Mortgages payable, beginning of period	**836,394**	825,820	810,500
Proceeds from new mortgages	**97,496**	99,262	42,238
Prepaid mortgage fees	**(1,970)**	(688)	298
Repayment of mortgages	**(83,934)**	(88,000)	(46,075)
Mortgage assumption	**-**	-	18,859
Mortgage interest expense	**28,572**	27,959	27,289
Mortgage interest paid	**(28,572)**	(27,959)	(27,289)
Mortgages payable, end of period	**847,986**	836,394	825,820

9. GUARANTEES, COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Portfolio may provide indemnification commitments to counterparties in transactions such as leasing transactions, service arrangements, director and officer indemnification agreements, and sales of assets. These indemnification agreements may require the Portfolio to compensate the counterparties for costs incurred as a result of changes in laws and regulations (including tax legislation) or as a result of litigation claims or statutory sanctions that may be suffered by counterparties as a consequence of the transaction. The terms of these indemnification agreements vary based on the contract and may not provide any limit on the maximum potential liability. To date, the Portfolio has not made any payments under such indemnifications and no amount has been accrued in the financial statements with respect to these indemnification commitments.

In the normal course of operations, the Portfolio is and may become subject to various legal and other claims. Management and its legal counsel evaluate these claims and, where required, accrue the best estimate of costs. Management believes the outcome of claims of this nature at December 31, 2019, will not have a material impact on the Portfolio.

In the normal course of operations, the Portfolio provides guarantees for mortgages payable relating to investments in corporations and joint ventures where the Portfolio owns less than 100%. The mortgages payable is secured by specific charges against the properties owned by the corporations and joint ventures. In the event of a default of the corporation or joint venture, the Portfolio may be liable for up to 100% of the outstanding balances of these mortgages payable.

At December 31, 2019, the Portfolio has provided guarantees on mortgages secured by investment properties totaling $6.6 million (December 31, 2018 – $7.4 million, December 31, 2017 – $9.8 million, and January 1, 2017 – $10.6 million) of its equity accounted joint ventures, ICP and ICS. These mortgages bear interest at rates ranging from 3.01% to 5.50% (December 31, 2018 – 3.01% to 5.50%, December 31, 2017 – 3.01% to 5.50%, and January 1, 2017 – 3.01% to 5.50%) and mature between 2020 and 2024 (December 31, 2018 – 2019 and 2022, December 31, 2017 – 2018 and 2022, and January 1, 2017 – 2017 and 2020). As at December 31, 2019, land and buildings with a carrying value of $20.1 million have been pledged to secure these mortgages payable (December 31, 2018 – $20.1 million, December 31, 2017 – $23.5 million, and January 1, 2017 – $23.4 million). Due to the equity accounting of ICP and ICS, the mortgage balances have not been recorded in the Portfolio's financial statements.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

10. ACCOUNTS RECEIVABLE

Accounts receivable consist mainly of amounts owed by tenants, goods and services tax rebates, mortgage holdbacks, and miscellaneous receivables.

	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
0-30 days	**1,054**	449	1,202	1,131
31-60 days	**316**	323	369	236
61-90 days	**127**	143	106	122
Over 90 days	**1,892**	1,872	2,085	1,507
Resident receivables	**3,389**	2,787	3,762	2,996
Other receivables	**2,844**	2,829	2,947	1,288
Balance, end of period	**6,233**	5,616	6,709	4,284

11. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value measures

As at December 31, 2019, 2018, 2017, and as at January 1, 2017, the only recurring fair value measure in these financial statements relates to the Portfolio's investment properties. For each period presented, the fair value of the investment properties is classified as Level 3 in the fair value hierarchy and there were no transfers between levels.

The following summarizes the significant methods and assumptions used in estimating fair values of the Portfolio's investment properties as well as other fair value disclosures in these financial statements:

(i) Investment properties

The Portfolio determined the fair value of each investment property using the valuation methodology and key assumptions described in Note 2(B) of the financial statements for the years ended December 31, 2019, 2018, and 2017. Refer to Note 5 for a reconciliation of the fair value of investment properties between December 31, 2019, 2018, and 2017.

(ii) Mortgages payable

The fair value of mortgages payable is estimated based on the present value of future payments, discounted at the yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage or the yield of a comparable mortgage. The spread rates used at December 31, 2019, ranged from 0.73% to 2.12% (December 31, 2018 – 0.95% to 2.28%, December 31, 2017 – 0.79% to 2.18%, and January 1, 2017 – 1.17% to 2.59%), depending on the nature and terms of the respective mortgages.

(iii) Other financial assets and financial liabilities

The fair value of the Portfolio's other financial assets and liabilities approximate their recorded values due to their short-term nature. These include accounts receivable, other long-term assets, and trade and other payables.

b) Risk management related to financial instruments

The Portfolio is exposed to utility cost, credit, interest rate, and liquidity risks associated with its financial assets and liabilities. The Portfolio followed the overall risk management policies as established by the Trustees of Northview during the periods presented. Management performs ongoing assessments so that all significant risks related to financial instruments are reviewed and addressed in light of changes to market conditions and the Portfolio's operating activities.

(i) Utility cost risk

Utility cost risk is the potential financial loss the Portfolio may experience as a result of higher resource prices or lack of supply. The Portfolio is exposed to utility cost risk from the fluctuation in retail prices for fuel oil, natural gas, and electricity, the primary utilities used to heat its properties. The exposure to utility cost risk is restricted primarily to the multi-family rental and execusuites portfolios. The leases in the commercial the Portfolio provide for recovery of operating costs from tenants, including utilities. Due to the northern locations of a portion of the Portfolio's portfolio, the exposure to utility price fluctuations is more pronounced in the first and last fiscal quarters of the year. The Portfolio manages its exposure to utility risk through a number of measures, including energy efficient appliances, fixtures, and windows. The Portfolio utilizes fixed price hedges to manage exposure to utility cost risk.

Heating oil and wood pellets are the primary sources of fuel for heating properties located in Nunavut and Yellowknife, Northwest Territories.

Natural gas is the main source of fuel for heating properties located in Alberta, parts of British Columbia, New Brunswick, Saskatchewan, and Inuvik, Northwest Territories. Natural gas prices in Alberta and British Columbia are not subject to regulated price control. The Portfolio used fixed price hedges to manage the exposure to the utility cost risk in Alberta.

Management prepared a sensitivity analysis of the impact of price changes in the cost of heating oil and natural gas. A 10% change in the combined average price of heating oil and natural gas would impact the Portfolio's net income by approximately $771 for the year ended December 31, 2019 (December 31, 2018 – $706, and December 31, 2017 – $605).

Electricity is the primary source for heating properties located in Québec, Newfoundland and Labrador, as well as parts of British Columbia. In Québec, Newfoundland and Labrador, and British Columbia, electricity is purchased from the provincially regulated utilities and is directly paid by the residents for a significant portion of the Portfolio's multi-family rental suites. As a result, there is no significant risk to the Portfolio regarding the price of electricity in Newfoundland and Labrador and British Columbia.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Portfolio's credit risk primarily arises from the possibility that residents may not be able to fulfill their lease commitments. Given the Portfolio's collection history and the nature of these tenants, credit risk is assessed as low. Accounts receivable consists mainly of resident receivables. Resident receivables are comprised of residents spread across the geographic areas in which the Portfolio operates. There are no significant exposures to single residents with the exception of the Governments of Canada and Nunavut, which lease a large number of residential suites and commercial space in the Northwest Territories and Nunavut.

The Portfolio mitigates credit risk through conducting thorough credit checks on prospective residents, requiring rental payments on the first of the month, obtaining security deposits approximating one month's rent from residents where legislation permits, and geographic diversification in its portfolio. The Portfolio records an estimate of expected credit losses for receivables from past and current tenants as an allowance. The aging of current residents and resident receivables is net of the allowance for credit losses from current and past residents.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

(iii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Portfolio may not be able to renew mortgage loans with interest rates at the same rate as those currently in place. The Portfolio utilizes both fixed and floating rate debt. Management mitigates interest rate risk by utilizing fixed rate mortgages, ensuring access to a number of sources of funding, and staggering mortgage maturities.

A sensitivity analysis on floating rate debt has been completed based on the exposure to interest rates at the statement of financial position date. Floating rate debt includes all mortgages payable which are not subject to fixed interest rates. Based on the floating rate debt instruments outstanding at December 31, 2019, of $2.7 million (December 31, 2018 – $2.7 million and December 31, 2017 – $3.7 million), 0.5% change in interest rates, keeping all other variables constant, would not materially change the Portfolio's net income.

(iv) Liquidity risk

Liquidity risk is the risk that the Portfolio is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Portfolio manages liquidity risk by managing mortgage and loan maturities. Cash flow projections are completed on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities.

As at December 31, 2019, the Portfolio had a working capital deficiency of $170.8 million, of which $148.7 million is related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages.

Contractual maturity for non-derivative financial liabilities at December 31, 2019:

	Carrying Amount	**Contractual Cash Flows**	**Up to 1 year**	**1 – 5 years**	**Over 5 years**
Mortgages payable – principal and interest	**847,986**	**959,310**	**173,799**	**542,437**	**243,074**
Trade and other payables (1)	**31,315**	**31,315**	**31,315**	**-**	**-**

Contractual maturity for non-derivative financial liabilities at December 31, 2018:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	836,394	952,316	150,992	503,588	297,736
Trade and other payables (1)	32,920	32,920	32,920	-	-

Contractual maturity for non-derivative financial liabilities at December 31, 2017:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	825,820	945,101	150,941	459,262	334,898
Trade and other payables (1)	26,967	26,967	26,967	-	-

Contractual maturity for non-derivative financial liabilities at January 1, 2017:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 Years
Mortgages payable – principal and interest	810,500	945,172	88,857	464,014	392,301
Trade and other payables (1)	23,239	23,239	23,239	-	-

(1) Security deposits payable are included in trade and other payables.

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Management believes that future cash flows from operations and mortgage refinancing provide sufficient funds to support these financial liabilities.

12. CAPITAL MANAGEMENT

The Portfolio's capital consists of net assets and mortgages payable. As the Portfolio does not have the ability to separately draw on or repay Northview's credit facilities, the outstanding balance and terms of Northview's credit facilities have not been presented. Northview has managed the Portfolio's capital during the period of ownership to meets its objectives of safeguarding its assets while maximizing the growth of its business, returns to its unitholders, and maintaining the sustainability of cash distributions. Northview is subject to certain financial covenants and were in compliance with these covenants as at December 31, 2019, 2018, 2017, and January 1, 2017.

The level and type of future financings to fund the Portfolio's capital will be determined based on prevailing interest rates, various costs of debt and equity capital, capital market conditions and management's general view of the appropriate leverage in the business. The Portfolio had no changes in its approach to capital management during the years presented.

13. PERSONNEL COSTS

	December 31, 2019	December 31, 2018	December 31, 2017
Salaries, wages and other benefits	**24,857**	25,023	22,753
Personnel costs capitalized to investment	**(6,192)**	(6,485)	(6,524)
Total	**18,665**	18,538	16,229

14. FINANCING COSTS FROM OPERATIONS

	December 31, 2019	December 31, 2018	December 31, 2017
Mortgage interest	**26,725**	26,435	26,709
Amortization of deferred financing cost	**2,047**	1,841	814
Amortization of fair value of debt	**(201)**	(317)	(234)
Interest and other income	**473**	(262)	(436)
Loss on extinguishment of debt	**20**	101	1,055
Total financing costs	**29,064**	27,798	27,908

15. PROCEEDS ON INSURANCE SETTLEMENT

For the year ended December 31, 2019, the Portfolio received $3.0 million of insurance proceeds (December 31, 2018 – $2.7 million, and December 31, 2017 – $0.9 million). The amount represents funds received or receivable from insurance providers for a building located in Lethbridge, AB, that was lost to a fire during 2017.

16. CHANGES IN NON-CASH WORKING CAPITAL

	December 31, 2019	December 31, 2018	December 31, 2017
Accounts receivable	**(617)**	(129)	(2,425)
Prepaid expenses and other assets	**(1,265)**	578	22
Other long-term assets	**(2,065)**	(57)	1,928
Trade and other payables	**(1,605)**	5,999	3,010

The Portfolio Combined Carve-out and Notes

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Changes in non-cash working capital from operating activities	**(5,552)**	6,391	2,535

For the year ended December 31, 2019, the changes in non-cash working capital from investing activities was $nil (December 31, 2018 – $0.1 million cash inflow and December 31, 2017 – $0.1 million cash inflow), is due to the change in trade and other payables related to work in progress with respect to investment property improvements and land held for development.

17. OPERATING LEASES

As lessor, the Portfolio leases commercial investment property held under operating leases. Commercial property operating leases have lease terms of between 1 to 20 years, with an option to extend for a further period. All commercial operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew.

The future minimum lease payments receivable on commercial investment properties:

	December 31, 2019	December 31, 2018	December 31, 2017
Less than 1 year	**20,147**	19,092	18,952
Between 1 and 5 years	**46,618**	48,112	51,700
More than 5 years	**3,813**	7,116	14,151
	70,578	74,320	84,803

18. RELATED PARTIES

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

a) Key management personnel

Key management personnel are Northview's executive officers. The remuneration of the key management personnel, comprised of salaries, wages, and other benefits, was proportionately allocated to the Portfolio's financial results based on multi-family residential suites. For the year ended December 31, 2019, the remuneration allocated to the Portfolio was $1.8 million (December 31, 2018 – $1.3 million, and December 31, 2017 – $0.7 million).

b) Net change in net Parent investment

The net change in net Parent investment represents the cumulative impact of operating cash flow, working capital, and corporate allocations that are managed at Northview's consolidated level but have been reflected in the financial results of the Portfolio. Northview administers the day-to-day activities of the Portfolio through a centralized property management and banking structure, including collection of rent proceeds and payment of expenses. In addition, excluding remuneration of the Portfolio's key management personnel disclosed in Note 18(a), Northview proportionately allocated to the Portfolio's financial results property management and administrative services that supported the Portfolio's operations and are included in the combined carved-out statements of net and comprehensive income, as follows:

	December 31,	December 31,	December 31,
Operating expenses	**1,347**	1,495	1,344
Administration	**6,029**	5,625	5,439
	7,376	7,120	6,783

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Operating expenses and administration have been proportionately allocated to the Portfolio based on multi-family residential suites.

c) Joint venture investments

ICP and ICS are related parties as the Portfolio has a 50% interest in ICP and a 50% interest in ICS. For the year ended December 31, 2019, revenue from ICP and ICS related to management fees was $0.3 million (December 31, 2018 − $0.4 million, December 31, 2017 – $0.4 million). The balance outstanding and payable to the Portfolio from ICP and ICS related to management fees is $0.1 million (December 31, 2018 − $0.1 million, December 31, 2017 – $0.1 million, and January 1, 2017 – $0.1 million) and is included in accounts receivable.

19. SEGMENTED INFORMATION

Management uses geographic segments (i.e., groups of provinces and territories) to manage the properties. The geographic segments consist of Atlantic Canada (Newfoundland and Labrador, New Brunswick, and Québec), Northern Canada (Northwest Territories and Nunavut), and Western Canada (Alberta, British Columbia, and Saskatchewan). In addition, due to the differences between the commercial and execusuites and the residential markets, management also reviews operations by market segment.

The Portfolio’s residential portfolio is comprised of a multi-family segment: apartments, town homes, and single-family rental suites, where the rental period ranges from six to twelve months. The commercial and execusuites segment is comprised of office, industrial, and retail properties primarily in areas where the Portfolio has residential operations and execusuite properties that offer apartment style accommodation. Commercial leases terms are generally five years and execusuite rental periods range from several days to several months.

a) Geographic segments

	Atlantic Canada	Northern Canada	Western Canada	Total
Year ended December 31, 2019				
Revenue	**40,845**	**94,103**	**59,053**	**194,001**
Operating expense	**19,033**	**35,517**	**24,711**	**79,261**
Net operating income	**21,812**	**58,586**	**34,342**	**114,740**
As at December 31, 2019				
Total assets	**263,236**	**947,907**	**465,755**	**1,676,898**
Investment properties	**329,847**	**651,595**	**638,255**	**1,619,697**
Total liabilities	**193,260**	**326,905**	**359,136**	**879,301**

	Atlantic Canada	Northern Canada	Western Canada	Total
Year ended December 31, 2018				
Revenue	40,320	91,802	57,029	189,151
Operating expense	18,668	33,332	24,536	76,536
Net operating income	21,652	58,470	32,493	112,615
As at December 31, 2018				
Total assets	277,979	890,333	508,473	1,676,785
Investment properties	334,388	632,441	653,799	1,620,628
Total liabilities	192,923	304,974	371,417	869,314

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

	Atlantic Canada	Northern Canada	Western Canada	Total
Year ended December 31, 2017				
Revenue	37,049	87,201	55,223	179,473
Operating expense	16,985	31,319	23,618	71,922
Net operating income	20,064	55,882	31,605	107,551
As at December 31, 2017				
Total assets	287,671	852,269	484,014	1,623,954
Investment properties	329,493	616,163	617,610	1,563,266
Total liabilities	194,392	300,149	358,246	852,787

	Atlantic Canada	Northern Canada	Western Canada	Total
As at January 1, 2017				
Total assets	278,568	797,869	510,341	1,586,778
Investment properties	298,717	592,387	637,510	1,528,614
Total liabilities	181,968	295,341	356,430	833,739

b) Market segments

	Multi-family	Commercial & Execusuites	Total
Year ended December 31, 2019			
Revenue	**150,691**	**43,310**	**194,001**
Operating expense	**60,542**	**18,719**	**79,261**
Net operating income	**90,149**	**24,591**	**114,740**
As at December 31, 2019			
Total assets	**1,354,061**	**322,837**	**1,676,898**
Investment properties	**1,389,024**	**230,673**	**1,619,697**
Total liabilities	**735,251**	**144,050**	**879,301**

	Multi-family	Commercial & Execusuites	Total
Year ended December 31, 2018			
Revenue	146,415	42,736	189,151
Operating expense	58,418	18,118	76,536
Net operating income	87,997	24,618	112,615
As at December 31, 2018			
Total assets	1,357,600	319,185	1,676,785
Investment properties	1,397,554	223,074	1,620,628
Total liabilities	730,511	138,803	869,314

	Multi-family	Commercial & Execusuites	Total
Year ended December 31, 2017			
Revenue	138,542	40,931	179,473

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Operating expense	55,216	16,706	71,922
Net operating income	83,326	24,225	107,551
As at December 31, 2017			
Total assets	1,333,595	290,359	1,623,954
Investment properties	1,346,977	216,289	1,563,266
Total liabilities	718,567	134,220	852,787

	Multi-family	Commercial & Execusuites	Total
As at January 1, 2017			
Total assets	1,303,388	283,390	1,586,778
Investment properties	1,316,344	212,270	1,528,614
Total liabilities	694,460	139,279	833,739

20. SUBSEQUENT EVENTS

The spread of the COVID-19 coronavirus pandemic has had a substantial impact on the Canadian and Global economy. In response to the spread in Canada, provincial governments have limited landlords ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings, and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Portfolio operates in and may materially and adversely impact residents ability to pay rent, the impact of which is currently unknown. The longer-term impact, if any, to cash flow from operating activities and the valuation of investment properties is unknown. Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption.

SCHEDULE A
INITIAL PORTFOLIO

The table below sets forth information concerning the Initial Portfolio as of September 29, 2020.

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
British Columbia						
10109 - 13 Street	Unchaga Court	Dawson Creek	Residential	1979	60	7,555
1521 - 1529 109 Street	Tuscany Manor	Dawson Creek	Residential	2008	48	n/a
9629 - 8 Street 9613 - 8 Street and 9633 - 8 Street	Ridgeview Apartments	Dawson Creek	Residential	1979	45	n/a
603 - 100A Avenue	Parklane Apartments	Dawson Creek	Residential	1979	41	n/a
1504/1548-92 Ave. & 1517/1551 Loran Cr. & 9120/9132 - 16 St	Loran Townhomes	Dawson Creek	Residential	1981	40	n/a
10020 3rd Street	Dawson Townhomes	Dawson Creek	Residential	1977	30	n/a
1700 Willow Brook Crescent	Willowbrook Townhomes	Dawson Creek	Residential	1978	26	n/a
818 Watson Crescent	County Squire B	Dawson Creek	Residential	1976	25	n/a
816 Watson Crescent	County Squire A	Dawson Creek	Residential	1976	24	n/a
601 - 100A Avenue	Parkview Apartments	Dawson Creek	Residential	1979	20	n/a
1528 - 110 Avenue & 1532 - 110 Avenue	Heritage House	Dawson Creek	Residential	1979	18	n/a
5402 - 44 Avenue	Fort Nelson Warehouse	Fort Nelson	Commercial	2006	n/a	27,000
5304 Airport Drive	Lobo Office Building	Fort Nelson	Commercial	2008	n/a	1,152
5422 Airport Drive	Klondike Townhouses	Fort Nelson	Residential	1978	36	n/a
5155 - 49th Street	Mt. Glacier Apartments	Fort Nelson	Residential	1979	33	n/a
5224 - West 52 Avenue	Hillside Apartments	Fort Nelson	Residential	1977	28	n/a
5204 - West 52 Avenue	Springhill Apartments	Fort Nelson	Residential	1977	27	n/a
5120 - 49 Street	Seawood Manor	Fort Nelson	Residential	1977	26	n/a
4801 Sunset Drive	Nahanni Apartments	Fort Nelson	Residential	1979	24	n/a
5407 Mountainview Drive	Fort Nelson Apartments	Fort Nelson	Residential	1967	24	n/a
5328 Airport Drive	Trapper Apartments	Fort Nelson	Residential	1978	18	n/a
5324 Airport Drive	Grove Manor	Fort Nelson	Residential	1978	12	n/a
5320 - 50th Street	Summit Apartments	Fort Nelson	Residential	1979	11	n/a
5407 - 50th Street	Gama Apartments	Fort Nelson	Residential	1977	11	n/a
5504 - 50th Street	Beartrack Apartments	Fort Nelson	Residential	1977	11	n/a
4819 Sunset Drive	Fehr Place Apartments	Fort Nelson	Residential	1978	11	n/a
5311 - 49th Street	Chalet Apartments	Fort Nelson	Residential	1978	12	n/a
n/a	The Azure - Phase II	Fort Saint John	Development	n/a	n/a	n/a
11203 Tahltan Road	Talhtan Warehouse	Fort Saint John	Commercial	2006	n/a	39,375
10304 - 10324 99th Ave & 9907 - 9919 104 Street	Marquis Centre	Fort Saint John	Residential	1979	45	10,308

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
10804 & 10812 - 102 Avenue	The Azure	Fort Saint John	Residential	2015	118	n/a
9216 - 94A Street	Wentworth Apartments	Fort Saint John	Residential	2008	79	n/a
8920 & 8924 - 100 Avenue	Centurion Estates	Fort Saint John	Residential	2007	78	n/a
9712 - 9718 Peace River Road &11028 - 11042 97th Street	Fort St. John Townhomes	Fort Saint John	Residential	2004	12	n/a
11019 - 101 Avenue	Westmont Apartments	Fort Saint John	Residential	1982	20	n/a
10720 - 99 Avenue	Manor 99	Fort Saint John	Residential	1996	21	n/a
9807 - 9915 - 108 Avenue	Premier Court	Fort Saint John	Residential	1995	15	n/a
9707 - 104 Street	Seral Manor	Fort Saint John	Residential	1993	13	n/a
2124 Toby Creek Road Panorama Mountain Village Resort	Panorama Intrawest	Panorama	Residential	2006	88	n/a
1855 3rd Avenue	Hammond Tower	Prince George	Residential	1972	90	n/a
2905 15th Avenue	Cedar Tower	Prince George	Residential	1965	67	n/a
4280 Quentin Avenue	Parkview Place	Prince George	Residential	1975	45	n/a
10524 - 102 Street	Terrace Court	Taylor	Residential	1984	24	n/a
9816 Spruce Street N	Spruce Manor	Taylor	Residential	1982	21	n/a
Subtotal – British Columbia					**1,397**	**85,390**
Alberta						
n/a	Shaw Estates - Phase II	Bonnyville	Development	n/a	n/a	n/a
5301 A & 5301 B - 37 Street	Shaw Estates	Bonnyville	Residential	2015	110	n/a
4502 4508 4510 - 42 Street	Squires Court	Bonnyville	Residential	1976	54	n/a
1219 Centre Street	Sandalwood Place - Brooks	Brooks	Residential	2003	24	n/a
6131 - 6 St SE	Calgary Office Bldg	Calgary	Commercial	1978	n/a	33,703
Intersection 2a & 306 Ave E	UGG Building	Calgary	Commercial	1995	n/a	12,000
9501 Manning Avenue	Parkview I Apartments	Fort McMurray	Residential	1977	80	n/a
6 Nixon Street	6 Nixon	Fort McMurray	Residential	1978	71	n/a
113 Stroud Bay	Jonathon Lodge Apartments	Fort McMurray	Residential	1982	70	n/a
117 Stroud Bay	Stroud Place Apartments	Fort McMurray	Residential	1982	67	n/a
16 Saunderson Avenue	16 Saunderson	Fort McMurray	Residential	1978	59	n/a
125 Spruce Street	Concord Estates	Fort McMurray	Residential	1982	56	n/a
135 Spruce Street	Skylark Manor	Fort McMurray	Residential	1982	56	n/a
9501A Manning Avenue	Parkview II Apartments	Fort McMurray	Residential	1999	55	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
15 Saunderson Avenue	15 Saunderson	Fort McMurray	Residential	1978	55	n/a
10126 MacDonald Avenue	MacDonald Place Apartments	Fort McMurray	Residential	1975	51	n/a
10414 Main Street	Riverside	Fort McMurray	Residential	1981	51	n/a
220 Timberline Drive	Sheraton Apartments	Fort McMurray	Residential	1982	48	n/a
4 Nixon Street..	4 Nixon	Fort McMurray	Residential	1978	44	n/a
115 Spruce Street...	Windsor Place	Fort McMurray	Residential	1982	32	n/a
109 Elmore Drive	Manhattan Place	Fort McMurray	Residential	1982	29	n/a
10120 Manning Avenue	Manning Place Apartments	Fort McMurray	Residential	1974	24	n/a
1 Centennial Drive...	Centennial Apartments	Fort McMurray	Residential	1972	18	n/a
n/a..	Elk Pointe Estates - Phase II	Grande Prairie	Development	n/a	n/a	n/a
9818 - 94 Ave	The Courtyards Apartments	Grande Prairie	Residential	1977	299	n/a
10250A - 121st Avenue	Westmore Estates	Grande Prairie	Residential	2009	189	n/a
155 & 157 Pinnacle Drive	Elk Pointe Estates	Grande Prairie	Residential	2015	142	n/a
11064 106 Avenue & 11074 106 Avenue	Northgate Apartments	Grande Prairie	Residential	1990	97	n/a
11039 106 Avenue...	Northgate Townhomes	Grande Prairie	Residential	0	64	n/a
10502 111 Street..	Northgate Place	Grande Prairie	Residential	1999	35	n/a
37 Berkeley Place West	Skyline Terrace	Lethbridge	Residential	1980	114	n/a
1603 1607 1611 1615 Scenic Drive South..........	Scenic Heights	Lethbridge	Residential	1971	105	n/a
1304 1306 & 1308 23rd Ave North	Winston Villa	Lethbridge	Residential	1974	81	n/a
590 & 600 Columbia Boulevard West	Princeton Place	Lethbridge	Residential	1982	70	n/a
3210 & 3310 - 23rd Avenue South	Fairmont/Peppertree Terrace	Lethbridge	Residential	1977	59	n/a
2201 32 Street South..	Cumberland Towers	Lethbridge	Residential	1972	50	n/a
175 Columbia Boulevard West	Cambridge House	Lethbridge	Residential	1970	48	n/a
1310 23rd Ave North	Walker Place	Lethbridge	Residential	2019	35	n/a
256 Mayor Magrath Drive North	Sandalwood Place	Lethbridge	Residential	1975	25	n/a
2014 15th Avenue North	Treco Apartments	Lethbridge	Residential	1975	24	n/a
n/a..	Tesla Estates - Phase II	Lloydminster	Development	n/a	n/a	n/a
3701-3801 - 52 Avenue	Cedar Manor	Lloydminster	Residential	1980	156	n/a
3370 - 72 Avenue	Tesla Estates	Lloydminster	Residential	2014	150	n/a
7104 & 7110 - 41 Street.....................................	Prairie View Estates	Lloydminster	Residential	2013	142	n/a
4101 - 4106 & 4108 - 57 Ave Close and 4101 - 4106 & 4108 - 58 Ave Close	Westwood Village	Lloydminster	Residential	1972	73	n/a
5702 - 5706 - 41 Street	Robinson Mews	Lloydminster	Residential	1974	60	n/a
3405 - 52 Avenue 5130 - 34 Street	Capri Gardens	Lloydminster	Residential	1976	48	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
5410 - 5416 - 44th St	Mainstreet Apartments	Lloydminster	Residential	1970	18	n/a
7106 - 41 Street	Prairie View Townhomes	Lloydminster	Residential	1972	8	n/a
4909 & 4921 - 55 Avenue..................................	St Paul & Desjardins Apartments	Saint Paul	Residential	1980	80	n/a
5609 5617 & 5627 - 51 Avenue..........................	MacKenzie Manor	Saint Paul	Residential	1978	36	n/a
5108 - 54 Avenue	Redwood Manor	Saint Paul	Residential	1978	18	n/a
208 8th Street. SW...	Jelena Land	Slave Lake	Development	n/a	n/a	n/a
14th Ave & 2nd St SW	Slave Lake Land	Slave Lake	Development	n/a	n/a	n/a
115 - 11th Ave SW	Thompson Landing	Slave Lake	Residential	2008	83	n/a
1581 Main St. SE..	Cornerstone Apartments I	Slave Lake	Residential	2012	58	n/a
1591 Main St. SE..	Cornerstone Apartments II	Slave Lake	Residential	2012	58	n/a
701 - 6th Ave SW	Senex Place Townhomes	Slave Lake	Residential	1980	24	n/a
120 124 & 128 - 12th Ave SW	Southwood Square Coach Homes	Slave Lake	Residential	1985	24	n/a
Subtotal – Alberta					**3,527**	**45,703**
Saskatchewan						n/a
3202-3224 - 47 Avenue, 3202A-3232A - 47 Avenue, 4702-4708 - 32 Street	Parkland Village	Lloydminster	Residential	2014	32	n/a
5920 Little Pine Loop	McCarthy Ridge	Regina	Residential	2013	189	n/a
5500 Parliament Avenue....................................	Harbour Landing	Regina	Residential	2018	134	n/a
Subtotal – Saskatchewan					**355**	**n/a**
Québec						
120 rue Radisson	120 Rue Radisson	Sept-Îles	Residential	1974	36	n/a
100 Rue Otter	100 Rue Otter	Sept-Îles	Residential	1973	33	n/a
120 Rue Otter	120 Rue Otter	Sept-Îles	Residential	1972	29	n/a
610 rue Perreault..	610 Rue Perreault	Sept-Îles	Residential	1973	27	n/a
180 rue Bissot..	180 Rue Bissot	Sept-Îles	Residential	1973	24	n/a
116 Rue Otter	116 Rue Otter	Sept-Îles	Residential	1973	12	n/a
Subtotal – Québec					**161**	**n/a**
New Brunswick						
101 Rue Sunset..	101 Rue Sunset	Dieppe	Residential	2012	18	6,880
378 & 380 Gauvin Road	378 380 Gauvin	Dieppe	Residential	2003	110	n/a
100 Rue du Marche..	100 Marche	Dieppe	Residential	2008	69	n/a
715 & 735 Laurier Street	715 & 735 Laurier Street	Dieppe	Residential	1988	48	n/a
678 Evangeline Street..	678 Evangaline Street	Dieppe	Residential	1988	24	n/a
1313 & 1315 Mountain Road	1313 - 1315 Mountain Road	Moncton	Commercial	1989	n/a	10,800
13 57911 & 13 Ivan Court & 13 Bronson Street.	1 3-5 9-11 13 Ivan Court	Moncton	Residential	1973	140	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
8 rue Rachel/442A B & E Main Street................	Pascal-Poirier 442 Main ST Caissie Ave Rachel ST	Moncton	Residential	2002	136	n/a
77 & 85 Caissie Ave/66 & 68 Essex Street/341 & 343 Rue Pascal-Poirier	66-68 Essex ST	Moncton	Residential	2008	110	n/a
112 & 114 Murphy Avenue	112 - 114 Murphy	Moncton	Residential	2001	105	n/a
483 507 523 686 Elmwood; 25 Drummond	483 507 523 686 Elmwood; 25 Drummond	Moncton	Residential	1986	92	n/a
747 Coverdale Road	747 Coverdale Road	Moncton	Residential	2013	90	n/a
25 - 27 & 44/44.5 Oakland Ave 130 First Avenue; 91/9.5 Melvillve Street	27 Oakland Ave Melville ST 130 First Ave	Moncton	Residential	n/a	84	n/a
1212 Mountain Road	1212 Mountain Road	Moncton	Residential	2013	65	n/a
40 Flanders Court	40 Flanders Court	Moncton	Residential	2013	50	n/a
1309 Mountain Road	1309 Mountain Road	Moncton	Residential	2012	48	n/a
111 Redmond Street 111 Vail Street..................	111 Vail ST 111 Redmond ST	Moncton	Residential	1974	47	n/a
25 Flanders Court	25 Flanders Court	Moncton	Residential	2012	42	n/a
7 Murphy Ave	7 Murphy Avenue	Moncton	Residential	2014	32	n/a
651 Elmwood Drive..	651 Elmwood DR	Moncton	Residential	2005	16	n/a
406 Gauvin Road	406 Gauvin RD	Moncton	Residential	2005	12	n/a
Subtotal – New Brunswick					**1,338**	**17,680**
Newfoundland and Labrador						
1A 1B2A 2B3A 3B 4A 4B Bennett Drive	Park Place	Gander	Residential	1968	128	n/a
4 Magee Road...	Regency Apartment Building	Gander	Residential	1978	48	n/a
3 Quimby Place	Quimby Apartments	Gander	Residential	1977	39	n/a
Tamarack Drive	Shaw Land	Labrador City	Development	n/a	n/a	n/a
101 - 500 Bartlett Drive	The Embassy Apartment	Labrador City	Residential	1965	101	n/a
60 Circular Road...	Lakeview Apartments	Labrador City	Residential	2013	31	n/a
600 Dineen Crescent...	Dineen Crescent	Labrador City	Residential	1980	30	n/a
6 Elm Avenue	Elm Street	Labrador City	Residential	1965	23	n/a
150 Stavanger Drive	Stavanger	St. John's	Development	n/a	n/a	n/a
148 Ladysmith Drive	Kenmount Land - Phase I	St. John's	Development	n/a	n/a	n/a
134 Clyde Avenue	Clyde Ave Warehouse	St. John's	Commercial	1989	n/a	30,660
141 Kelsey Drive	Bristol Court Stantec	St. John's	Commercial	2012	n/a	29,494
145 Kelsey Drive	Bristol Court Sunlife	St. John's	Commercial	2012	n/a	29,456
121 Kelsey Drive	Bristol Court Munn	St. John's	Commercial	2014	n/a	29,400
131 Kelsey Drive	Bristol Court Technip	St. John's	Commercial	2013	n/a	29,353
125 Kelsey Drive	Bristol Court PWC	St. John's	Commercial	2012	n/a	29,393
1 Austin Street	Austin Street Warehouse	St. John's	Commercial	1985	n/a	17,500

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
36 Pippy Place	Pippy Place Warehouse	St. John's	Commercial	1985	n/a	17,070
16 Duffy Place	Duffy Place Warehouse	St. John's	Commercial	1986	n/a	10,000
145 Kelsey Drive	Bristol Court Parking Lot I	St. John's	Commercial	n/a	n/a	n/a
3/5/7/9/11/13 Wadland Cres; 148/150 Torbay Rd; 152/154 Torbay Rd	HomePort Head Lease Property	St. John's	Execusuites	1968	145	n/a
346 358 & 360 Empire Ave	Kelly's Brook	St. John's	Residential	1991	139	n/a
99 100 101 102 103 105 107 & 109 Terra Nova Road	Valleyview - 4 Bldgs	St. John's	Residential	1968	128	n/a
83/85/87/89 MacDonald Drive; 135/137 Ennis Avenue; 25/27 Wadland Cres	Sunridge Place - 4 bldgs	St. John's	Residential	1968	128	n/a
35 Tiffany Lane	Kennys Park	St. John's	Residential	1970	122	n/a
30 44 & 64 Crosbie Road	Grenfell Court	St. John's	Residential	1975	116	3,123
80 The Boulevard	Regency Tower	St. John's	Residential	1974	97	n/a
6 7 15 Charter Court & 819 820 821 Veterans Road	Pleasantville Apartments	St. John's	Residential	1970	96	n/a
12 Blackmarsh Rd	The Bristol	St. John's	Residential	1977	75	n/a
50 Keane Place	Keane Place Apartments	St. John's	Residential	1973	74	n/a
2 St. Georges Court	St. Georges Court	St. John's	Residential	1970	69	n/a
13 15 17 & 19 Crosbie Road	Columbus Terrace	St. John's	Residential	1975	64	n/a
144/146 Torbay Road; 2/4 Tobin Crescent	Wyndwood Heights	St. John's	Residential	1967	64	n/a
66 St. Clare Avenue	St. Clare Manor	St. John's	Residential	1978	50	n/a
27 Pasadena Crescent	Pasadena Apartments	St. John's	Residential	1970	40	n/a
20-22 Keane Place	Keane Manor	St. John's	Residential	1975	34	n/a
Highland Park Plaza - 251 Anspach Street	Highland Park	St. John's	Residential	1975	32	n/a
346 358 360 Empire Ave	Kellys Brook Land	St. John's	Residential	n/a	2	n/a
Subtotal – Newfoundland and Labrador					**1,875**	**225,449**
Northwest Territories						
Bonnetplume Rd	Bonnet Plumbe	Inuvik	Development	n/a	n/a	n/a
1-3 Council Crescent	J. Koe Building	Inuvik	Commercial	1970	n/a	9,160
62-78 Mackenzie Road	Semmler Building	Inuvik	Commercial	1984	n/a	16,062
145 - 155 MacKenzie Road	Mack Travel Building	Inuvik	Commercial	1967	n/a	28,775
54 - 56 Mackenzie Road	RWED Building	Inuvik	Commercial	1987	4	3,605
123 - 125 MacKenzie Rd	Professional Building	Inuvik	Commercial	1972	n/a	16,663
85 - 89 Kingmingya Road	Blackstone Federal Building	Inuvik	Commercial	2006	n/a	4,286
163 - 171 MacKenzie Rd	Rec Hall Building	Inuvik	Commercial	1959	n/a	6,830
66 Franklin Road	Franklin Manor Building	Inuvik	Commercial	1971	6	6,946
196 MacKenzie Road	Inuvik Capital Suites	Inuvik	Execusuites	2004	82	n/a
52-76 Bompas Street	Bompas Place	Inuvik	Residential	2001	45	n/a
2 Boot Lake Road	Lakeview Manor	Inuvik	Residential	1972	42	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
50 Tununuk Place	Mountain View Apartments	Inuvik	Residential	1969	29	n/a
20 Tununuk Place	Nihjaa Apartments	Inuvik	Residential	1973	28	n/a
133-139/141-147/167-173/175-181/191-197 Loucheux Rd;	Loucheux Rowhouses	Inuvik	Residential	1960	20	n/a
5 - 9 Council Crescent	MacDonald Manor	Inuvik	Residential	1967	20	n/a
20 Boot Lake Road	Parkview Apartments	Inuvik	Residential	1972	14	n/a
210 - 216/218 - 224/226 - 232 Mackenzie Rd	MacKenzie Rowhouses	Inuvik	Residential	1960	12	n/a
51 - 57 and 59 - 65 Natala Drive	Natala Rowhouses	Inuvik	Residential	1960	8	n/a
19 - 33 Raven Street	Raven Rowhouses	Inuvik	Residential	1973	8	n/a
16 and18 Semmler Place	Semmler Duplexes	Inuvik	Residential	2001	4	n/a
6-12 Nanuk Place	Nanuk Rowhouse	Inuvik	Residential	1960	4	n/a
11 - 17 Bompas Street	Bompas Rowhouse	Inuvik	Residential	1960	4	n/a
2-8 Alder Drive	Alder Rowhouse	Inuvik	Residential	1973	4	n/a
14 - 20 Inuit Road	Inuit Rowhouse	Inuvik	Residential	1973	4	n/a
17A & B Kingalook Road	Kingalok Duplex	Inuvik	Residential	2002	2	n/a
n/a	Phase II - Ptarmigan & Shaganappy Development	Yellowknife	Development	n/a	n/a	n/a
5202 - 49 Street	Polaris Apartments	Yellowknife	Development	n/a	n/a	n/a
4802 - 50 Avenue	YK Centre	Yellowknife	Commercial	1987	n/a	97,332
4903 - 49 Street	The Courthouse	Yellowknife	Commercial	1980	n/a	59,948
313 Old Airport Road	Wal-Mart Department Store	Yellowknife	Commercial	1991	n/a	58,333
4915 - 48 Street	YK Centre East	Yellowknife	Commercial	1987	n/a	48,753
4501 - 50 Avenue	Lahm Ridge Tower	Yellowknife	Commercial	1985	n/a	47,104
4702 - Franklin Ave 4918 - 47th Street 4922 - 47th Street	Jan Stirling - Medical Arts Building	Yellowknife	Commercial	1970	n/a	28,057
4916 - 47th Avenue	GoGa Cho Building	Yellowknife	Commercial	1987	n/a	20,483
4810 - 50 Avenue	NWT Commerce Place	Yellowknife	Commercial	1967	n/a	19,868
4911 - 49 Street	Shoppers Drug Mart	Yellowknife	Commercial	2008	n/a	14,663
4905 - 48 Street	YK Centre West	Yellowknife	Commercial	1984	n/a	14,031
419 Byrne Road C57	YK Medical Plaza	Yellowknife	Commercial	1996	n/a	10,938
201 Utsingi Drive	Pellet Warehouse Operations	Yellowknife	Commercial	2013	n/a	4,347
302 Woolgar Avenue	Woolgar Warehouse	Yellowknife	Commercial	1977	n/a	2,800
5603 - 50 Avenue	Yellowknife Capital Suites	Yellowknife	Execusuites	1991	78	n/a
5401-5464 - 52 Street	Bison Hill Townhomes	Yellowknife	Residential	1987	64	n/a
5465 - 52 Street	Bison Hill Apartments	Yellowknife	Residential	2002	60	n/a
490 Range Lake Road	Sandstone North	Yellowknife	Residential	1985	53	n/a
492 Range Lake Road	Sandstone South	Yellowknife	Residential	1985	53	n/a
1421 - 1470 Gitzel Street	Lakeside Court	Yellowknife	Residential	1971	50	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
600 Gitzel Street	Fort Gary Apartments	Yellowknife	Residential	1977	50	n/a
900 Lanky Court	Lanky Court Apartments	Yellowknife	Residential	1994	50	n/a
48 Con Road	Aurora Ridge	Yellowknife	Residential	1978	50	n/a
42 Con Road	Aurora Pointe	Yellowknife	Residential	1978	50	n/a
15 Ptarmigan Road	Three Lakes Village	Yellowknife	Residential	2005	50	n/a
97 Niven Drive	Niven Lake II Apartments	Yellowknife	Residential	2005	41	n/a
4905 - 54 Avenue	Rockridge Apartments	Yellowknife	Residential	1973	32	n/a
5123 - 53 Street	Dorset Apartments	Yellowknife	Residential	1973	30	n/a
981-1180 Gitzel Street	Greenstone Place	Yellowknife	Residential	1971	29	n/a
5023 - 48 Street	Hudson House	Yellowknife	Residential	1970	26	n/a
5603 - 51A Avenue	Sunridge Place	Yellowknife	Residential	1967	25	n/a
5605 - 50 Avenue	Garden Townhomes	Yellowknife	Residential	1968	24	n/a
857 - 880 Lanky Court	Lanky Court Townhomes	Yellowknife	Residential	1973	24	n/a
1200 Gitzel Street	Ridgeview North	Yellowknife	Residential	1971	24	n/a
1000 Gitzel Street	Ridgeview South	Yellowknife	Residential	1971	24	n/a
5720 50 Avenue	Matonabee North	Yellowknife	Residential	1971	24	n/a
5730 50 Avenue	Matonabee South	Yellowknife	Residential	1971	24	n/a
32 34 36 & 38 Con Road	Aurora Heights	Yellowknife	Residential	2014	24	n/a
4508 - 49 Avenue	Frontier House	Yellowknife	Residential	1969	23	n/a
6220 - 6266 Finlayson Drive N	Finlayson Drive Townhomes	Yellowknife	Residential	1988	24	n/a
5001 52 Avenue	Crestview Manor	Yellowknife	Residential	1971	20	n/a
5009 52 Avenue	Norseman Apartments	Yellowknife	Residential	1973	21	n/a
5201 - 51 Street	Simpson House	Yellowknife	Residential	1968	20	n/a
4813 & 4817 - 49 Street	Bowling Green Building	Yellowknife	Residential	1992	19	13,814
5601 - 50 Avenue	Garden Townhomes	Yellowknife	Residential	1968	16	n/a
99 Niven Drive	Niven Lake Apartments	Yellowknife	Residential	1998	15	n/a
5215 - 51 Street	Carlton Place	Yellowknife	Residential	1967	12	n/a
Subtotal – Northwest Territories					**1,469**	**532,798**
Nunavut						
Bldg. 220 Units A B C D	Arctic Bay Leasebacks	Arctic Bay	Residential	1994	4	n/a
House 116	Arctic Bay Houses	Arctic Bay	Residential	1974	1	n/a
60/61 Ihunngaq Street & 59 Tuktu Street	Cambridge Bay Development	Cambridge Bay	Residential	2017	36	n/a
55 Tuktu Street	55 Tuktu Street	Cambridge Bay	Residential	1990	9	n/a
14 Avingak Road	14 Avingak Road	Cambridge Bay	Residential	1991	6	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
9 Tatkik Road	9 Tatkik Road	Cambridge Bay	Residential	1986	4	n/a
1 Pungnik Road	1 Pungnik Road	Cambridge Bay	Residential	1986	4	n/a
8 Tatkik Road	8 Tatkik Road	Cambridge Bay	Residential	1986	4	n/a
11 Tatkik Road	11 Tatkik Road	Cambridge Bay	Residential	1984	3	n/a
House #252-261	Cape Dorset Leasebacks	Cape Dorset	Residential	1994	10	n/a
Building 352 - 355 and Building 356 – 361	Cape Dorset Leasebacks 2002	Cape Dorset	Residential	2002	10	n/a
House #301-304	Cape Dorset Houses	Cape Dorset	Residential	1974	4	n/a
Building 250 and Building 251	Clyde River Leasebacks	Clyde River	Residential	2004	10	n/a
Duplex # 170 & 171	Gjoa Haven Duplex 170 & 171	Gjoa Haven	Residential	1995	2	n/a
House 172	Gjoa Haven House 172	Gjoa Haven	Residential	1995	1	n/a
House 324 316	Hall Beach Houses	Hall Beach	Residential	1994	7	n/a
Bldg. 310 ABCD & E; Bldg. 309 A B & C; Bldg. 308 A & B	Igloolik Townhomes	Igloolik	Residential	1996	10	n/a
House 288/290/292/294/296/298	Igloolik Houses	Igloolik	Residential	1995	6	n/a
Building 299 Units A B C D E	Building 299	Igloolik	Residential	1995	5	n/a
House 501-503	Savik Houses	Igloolik	Residential	1968	3	n/a
Duplex 304/305	Igloolik Duplex	Igloolik	Residential	1996	2	n/a
House 301	Building 301	Igloolik	Residential	1992	1	n/a
1036 Mivvik Street	Kisaut	Iqaluit	Development	n/a	n/a	n/a
1083 Mivvik Street	Navigator Retail Building	Iqaluit	Development	n/a	n/a	n/a
630 Queen Elizabeth Way	Qamutiq Office Building	Iqaluit	Commercial	2010	n/a	32,043
933 Mivvik Street	Qilaut	Iqaluit	Commercial	2013	n/a	22,651
1084 Mivvik Street	Aeroplex	Iqaluit	Commercial	1991	n/a	17,821
Building 903 Kivalliq Drive	Trigram Building	Iqaluit	Commercial	1960	n/a	20,214
1556 Federal Road	Iqaluit Regional Office Warehouse	Iqaluit	Commercial	2012	n/a	12,100
1552 Federal Road	Vista Park - Nova Whse 1552	Iqaluit	Commercial	1999	n/a	9,600
1554 Federal Road	Vista Park - Nova Whse 1554	Iqaluit	Commercial	1999	n/a	9,600
1120 Mivvik Street	Fairview Building	Iqaluit	Commercial	1992	n/a	7,600
2425 Abe Okpik Cr.	The Falcon	Iqaluit	Commercial	1990	n/a	5,700
1322 Federal Road	New Warehouse - Name TBD	Iqaluit	Commercial	2018	n/a	5,355
1322 Ulu Lane	AANDC Warehouse	Iqaluit	Commercial	2013	n/a	5,188
1099 Ikaluktuutiak Drive	Development 1.1 Building 1099	Iqaluit	Commercial	2001	n/a	2,556
760 Queen Elizabeth Way II	Polaris Building	Iqaluit	Commercial	1989	n/a	1,778

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
807 Aviq Street	IQCS	Iqaluit	Execusuites	2000	42	n/a
4104 Road to Nowhere	Building 4104	Iqaluit	Residential	2012	40	n/a
4118 Road to Nowhere	Building 4118	Iqaluit	Residential	2014	39	n/a
4100 Road to Nowhere	Building 4100	Iqaluit	Residential	2012	39	n/a
1088 Mivvik Street	Noble House	Iqaluit	Residential	1998	37	4,450
5197 5195 & 5189 Qajisarvik Road	Buildings 5189 5195 5197	Iqaluit	Residential	2013	36	n/a
2711 2713 2715 2717 2719 & 2721 Tasilik Street	Crystal Ridge Townhomes	Iqaluit	Residential	1998	34	n/a
4110 4112 4114 4116 Road to Nowhere	RTNW	Iqaluit	Residential	2011	32	n/a
2600 2602 Nanuq Cres; 2604 2707 2709 Tuktu St	Joamie Ridge Townhomes	Iqaluit	Residential	1999	30	n/a
1093 Qamaniqtuaq Street	The Governor	Iqaluit	Residential	2001	30	3,445
935-937 Mivvik Street & Building 812	Saputit Place	Iqaluit	Residential	2018	30	5,866
622 Queen Elizabeth Way II	Iqaluit House	Iqaluit	Residential	1987	30	5,159
4102 Road to Nowhere	Building 4102	Iqaluit	Residential	2005	29	n/a
5059 5060 5062 & 5064 Takumiaqtuq Avenue	Buildings 5058 5060 5062 5064	Iqaluit	Residential	2005	24	n/a
5065B Takumiaqtuq Avenue	Building 5065B	Iqaluit	Residential	2008	24	n/a
4006 - 4086 Anuri Street	Sunridge Apartments	Iqaluit	Residential	2002	24	n/a
615 Queen Elizabeth Way II	Sivulliik Apartments	Iqaluit	Residential	1996	22	9,201
2623 Nanuq Crescent	Westview	Iqaluit	Residential	1999	21	n/a
807 Aviq Street	IQCS	Iqaluit	Residential	2000	17	n/a
2245 Tasiliik Street	Crosswinds	Iqaluit	Residential	1998	17	n/a
5000 Saputi Road	Building 5000	Iqaluit	Residential	2006	16	n/a
2221 Niaqunnguiariaq Road	Tundra Apartments	Iqaluit	Residential	1994	16	n/a
613 Queen Elizabeth Way	Paunna Place	Iqaluit	Residential	1999	16	4,589
2696 Tulugaq Street	The Raven	Iqaluit	Residential	2000	14	n/a
2226 Abe Okpik	Bearberry Apartments	Iqaluit	Residential	1991	14	n/a
2225 Niaqunnguiariaq Road	Ulluriaq	Iqaluit	Residential	1989	14	3,848
611 Queen Elizabeth Way II	Grinnell Place	Iqaluit	Residential	1988	14	5,167
297 Siku Crescent	Arctic Court	Iqaluit	Residential	1985	14	n/a
4001-4015 Anuri Street	Hillcrest Duplexes	Iqaluit	Residential	2002	14	n/a
2694 Tulugaq Street	Clearview	Iqaluit	Residential	2000	13	n/a
2692 Tulugaq Street	Bayview	Iqaluit	Residential	2000	12	n/a
961 Federal Road	Greenstone Apartments	Iqaluit	Residential	2001	12	4,961
89-99 Nipisa Street	Stoneridge	Iqaluit	Residential	1990	12	n/a
5067 Takimiaqtuq Avenue	Building 5067	Iqaluit	Residential	2009	10	n/a
2216 NIAQUNNGUSIQA STREET 2730 Tasilik St	Sivulliik Townhomes	Iqaluit	Residential	1998	10	n/a
1080 Mivvik Street	Aerocourt	Iqaluit	Residential	1991	10	n/a
985 Iglulik Drive	Edgemont	Iqaluit	Residential	1993	10	n/a
500 Atungauyait Drive	Longview	Iqaluit	Residential	1995	10	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
5065A Takumiaqtuq Avenue	Building 5065A	Iqaluit	Residential	2008	8	n/a
4065 Anuri Street	Building 4065	Iqaluit	Residential	2005	8	n/a
2706 Tuktu Street	Eastmore	Iqaluit	Residential	2000	8	n/a
2691 Tulugaq Street	Lancaster Place	Iqaluit	Residential	1999	8	n/a
1081 Ikaluktuutiak Drive	Belair	Iqaluit	Residential	1990	8	n/a
2212 Niaqunnguiariaq Road	The Dorchester	Iqaluit	Residential	1998	7	n/a
5010 Pingua Street	Building 5010	Iqaluit	Residential	2006	6	n/a
2621 Nanuq Crescent	Parkview Place	Iqaluit	Residential	1999	6	992
2227 Niaqunnguiariaq Road	Lakeside Building	Iqaluit	Residential	1998	6	2,400
609 Mattaaq Crescent	Saputit Place	Iqaluit	Residential	2002	6	4,482
498 Atungauyait Drive	Valleyview	Iqaluit	Residential	1988	6	n/a
2693 Aqiggiq Court	Manor Park	Iqaluit	Residential	2000	5	n/a
2220 Joamie Court	The Granite Townhomes	Iqaluit	Residential	1991	5	n/a
2217 Niaqunnguiariaq Road	Foxe Rowe	Iqaluit	Residential	2019	5	n/a
1091 Mivvik Street	The Baron	Iqaluit	Residential	1998	5	6,447
5101 Qajisarvik Road	Building 5101	Iqaluit	Residential	2015	4	n/a
2708 Tuktu Street	Rockedge	Iqaluit	Residential	1999	4	n/a
2251 Tasiliik Street	Hillside	Iqaluit	Residential	1991	4	n/a
2249 Tasiliik Street	Crestview	Iqaluit	Residential	1991	4	n/a
2233 Tasiliik Street	Northmount	Iqaluit	Residential	1991	4	n/a
1660 Atungauyait Drive	Grandview Townhomes	Iqaluit	Residential	1991	4	n/a
782 Coman Street	Building 782	Iqaluit	Residential	2012	4	n/a
1034 Mivvik Street	Mivvik Threeplex	Iqaluit	Residential	1975	3	n/a
1016/1016A & 1020 Iglulik Drive	Canadian Houses	Iqaluit	Residential	1972	2	n/a
4040 Anuri Street	Building 4040 A & B	Iqaluit	Residential	2004	2	n/a
1089 Mivvik Street	The Terrace	Iqaluit	Residential	1973	2	3,878
974 Qamutiik Court	Bylot Duplex	Iqaluit	Residential	1993	2	n/a
970 Qamutiik Court	Ellesmere Duplex	Iqaluit	Residential	1993	2	n/a
802 Natsiq Drive	Building 802	Iqaluit	Residential	1972	2	n/a
790 A&B Fred Coman Street	Devon Duplex	Iqaluit	Residential	1989	2	n/a
643 A&B Mattaaq Crescent	Dorset Duplex	Iqaluit	Residential	1989	2	n/a
531 Niaqunnguiariaq Road	Highland Duplex	Iqaluit	Residential	1988	2	n/a
157 Nipisa Street	Barsum Building	Iqaluit	Residential	1992	2	3,585
113 C&D Qajaq Lane	Beachmere Duplex	Iqaluit	Residential	1988	2	n/a
4084 Anuri Street	Ridgeview House	Iqaluit	Residential	2001	1	n/a
2716 Amaruq Court	Heritage House	Iqaluit	Residential	2001	1	n/a
2685 Ukaliq Street	Sedna House	Iqaluit	Residential	2000	1	n/a
2628 Nanuq Crescent	Building 2628	Iqaluit	Residential	2003	1	n/a
2563 Paurngaq Street	Building 2563	Iqaluit	Residential	1998	1	n/a
2469 Paurngaq Crescent	Harvester House	Iqaluit	Residential	1997	1	n/a
1607 Igutsanutnigit Court	Aurora House	Iqaluit	Residential	1989	1	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
686 Palaugaa Drive	Quassa House	Iqaluit	Residential	1989	1	n/a
449 Atungauyait Drive	Lodge House	Iqaluit	Residential	1988	1	n/a
329 Nipisa Street	Thule House	Iqaluit	Residential	1985	1	n/a
Building 94	Building 1706	Kimmirut	Residential	1995	4	n/a
Building 336/524/528/532/535/549/551/553/576/577A&B	Pangnirtung Houses	Pangnirtung	Residential	1973	10	n/a
Building 831 & 832	Pangnirtung Leasebacks 2002	Pangnirtung	Residential	2002	10	n/a
Building 238/728/749	Pangnirtung Leasebacks 1993	Pangnirtung	Residential	1995	10	n/a
Building 235 (A-F)	Pangnirtung Leasebacks 1994	Pangnirtung	Residential	1995	6	n/a
Building 622 (A-B)	Pangnirtung Leasebacks 1993	Pangnirtung	Residential	1993	2	n/a
House 547	House 547	Pangnirtung	Residential	1968	1	n/a
Building 190 Units 1 2 3	Building 237	Pangnirtung	Residential	1965	1	n/a
Building 752 A - F & Building 1002 A – D	Pond Inlet Leasebacks 2002	Pond Inlet	Residential	2002	10	n/a
House 312-319	Pond Inlet Leasebacks 1993	Pond Inlet	Residential	1994	7	n/a
House 318 320 322 324 331 333	Pond Inlet Leasebacks 1994	Pond Inlet	Residential	1994	6	n/a
Duplex # 146 & 147	Taloyoak Duplex 146 & 147	Taloyoak	Residential	n/a	2	n/a
Duplex # 22 & 23	Taloyoak Duplex 22 & 23	Taloyoak	Residential	n/a	2	n/a
House 20	Taloyoak House 20	Taloyoak	Residential	1985	1	n/a
House 17	Taloyoak House 17	Taloyoak	Residential	1983	1	n/a
Subtotal – Nunavut					**1,203**	**220,676**
Total					**11,325**	**1,127,696**

SCHEDULE B
BOARD MANDATE

Northview Canadian High Yield Residential Fund (the "Fund")

1. PURPOSE

The purpose of this Mandate is to set out the mandate and responsibilities of the board of trustees of the Fund (the "**Board**"). By approving this Mandate, the Board confirms its responsibility for overseeing the management of, and providing stewardship over, the Fund and its affairs. This stewardship function includes responsibility for the matters set out in this Mandate. The responsibilities of the Board described herein are pursuant to, and subject to, the provisions of applicable statutes and the Declaration of Trust of the Fund and do not impose any additional responsibilities or liabilities on the trustees at law or otherwise.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 Trustees

(a) The Board is composed of trustees who are elected annually by the unitholders of the Fund. Trustees may also sit on the committees of the Board, upon recommendation by the Governance and Nominating Committee.

(b) The Board shall ensure that the majority of trustees are qualified as unrelated: independent of management and free of conflicts that would impair the ability of a trustee to act in the best interest of the Trust. Trustees must also be aware of their relationship with significant unitholders (i.e. a unitholder with over 10% of the voting interests of the Fund).

2.2 Meetings

(a) The Board shall meet regularly without management present through in camera sessions or at such other times and places as the Board may determine in accordance with the Declaration of Trust of the Fund.

(b) Meetings of the Board shall be held at least four times annually, at the request of the Chair or otherwise in accordance with the Declaration of Trust of the Fund.

(c) The Board will adhere to the meeting protocols set out in the Declaration of Trust of the Fund.

3. TRUSTEES' RESPONSIBILITIES

The Board is explicitly responsible for the stewardship of the Fund. To discharge this obligation, the Board shall:

3.1 Strategic Planning Process

(a) Provide input to management on emerging trends and issues.

(b) Review and approve management's strategic plans.

(c) Review and approve the Fund's financial objectives, plans and actions, including significant capital allocations and expenditures.

3.2 Monitoring and Supervising Tactical Progress and Conflicts of Interest

(a) Supervise the activities of the Fund and manage the investments and affairs of the Fund.

(b) Monitor the performance of the Fund against its strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

(c) Overseeing the manager of the Fund and the fulfillment of its responsibilities under the Management Agreement.

(d) Monitoring and ensuring proper governance is followed in connection with potential and actual conflicts of interest.

3.3 Risk Assessment

(a) Identify the principal risks of the Fund's businesses and ensure that appropriate systems are in place to manage these risks.

(b) Participate in decision making with respect to specific risks in which the Board member has particular interest or expertise.

3.4 Senior Level Staffing

(a) Monitor the Chief Executive Officer and Chief Financial Officer and monitor and evaluate other senior executives, and ensure management succession planning, if appropriate.

(b) Approve a position description for the Chief Executive Officer including limits to management's responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Governance and Nominating Committee.

3.5 Integrity

(a) Ensure the integrity of the Fund's internal control and management information systems.

(b) Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Fund's own governing documents.

(c) Ensure the integrity of the Chief Executive Officer and other executive officers.

(d) Monitor compliance with the Code of Business Conduct and Ethics.

(e) Create a culture of integrity throughout the organization.

3.6 Material Transactions, Major Decisions and Voting

(a) Review and approve material transactions and major decisions of the Fund that are outside the scope of the authority delegated to the Fund's committees and senior management or any decisions the Board deems necessary or appropriate.

(b) Act for, vote on behalf of, and represent the Fund as a holder of limited partnership units of Northview Canadian HY Holdings LP.

3.7 Disclosure

(a) Maintain records and provide reports to unitholders of the Fund.

(b) Adopt a communication policy and ensure effective and adequate communication with unitholders of the Fund, other stakeholders and the public.

(c) Approve the content of the Fund's major communications to unitholders and the investing public.

(d) Approve and monitor the disclosure policies designed to assist the Fund in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law.

(e) Appoint the Lead Trustee or another independent, non-executive trustee, to be available to unitholders with concerns should communications with management fail to resolve the issue or such contact is inappropriate.

3.8 Distributions

(a) Determine the amount and timing of distributions to unitholders of the Fund.

3.9 Monitoring Trustees' Effectiveness

(a) Assess its own effectiveness in fulfilling the above and trustees' responsibilities, including monitoring the effectiveness of individual trustees.

3.10 Expectations and Responsibilities

(a) Trustees are expected to attend all Board and committee meetings of which they are members. Trustees are expected to have reviewed meeting materials in advance of such Board or committee meetings, as applicable.

3.11 Other

(a) Perform such other functions as prescribed by law or assigned to the trustees in the Declaration of Trust of the Fund, as it may be amended from time to time.

SCHEDULE C
AUDIT COMMITTEE CHARTER

Northview Canadian High Yield Residential Fund (the "Fund")

1. PURPOSE

1.1 The board of trustees of the Fund (the "**Board**") shall appoint an audit committee (the "**Committee**") to assist the Board in fulfilling its responsibilities. The overall purpose of the Committee of the Fund is to monitor the Fund's system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Fund, to enhance the independence of the Fund's external auditors and to oversee the financial reporting process of the Fund.

2. PRIMARY DUTIES AND RESPONSIBILITIES

2.1 The Committee's primary duties and responsibilities are to:

(a) serve as an objective party to monitor the Fund's financial reporting and internal control system and review the Fund's financial statements;

(b) review the performance of the Fund's external auditors; and

(c) provide an open avenue of communication among the Fund's external auditors, the Board and senior management of Starlight Investments CDN AM Group LP, in its capacity as manager of the Fund (the "**Manager**").

3. COMPOSITION, PROCEDURES AND ORGANIZATION

3.1 The Committee shall comprise at least three trustees of the Fund as determined by the Board, constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time ("**NI 52-110**"). All of the member of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, would reasonably be expected to interfere with the exercise of his or her independent judgment as a member of the Committee.

3.2 All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate. For the purposes of this Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Fund's financial statements.

3.3 The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee of the Fund shall cease to be a member of the Committee.

3.4 Unless a chair is elected by the Board, the members of the Committee shall elect a chair from among their number (the "**Chair**"). The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the Board.

3.5 The Committee, through its Chair, shall have access to such officers and employees of the Fund and the Manager and to the Fund's external auditors and its legal counsel, and to such information respecting the Fund as it considers to be necessary or advisable in order to perform its duties.

3.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the Fund, be entitled to attend and to be heard thereat.

3.7 Meetings of the Committee shall be conducted as follows:

(a) the Committee shall meet four times annually, or more frequently as circumstances dictate, at such times and at such locations as the Chair shall determine;

(b) the external auditors or any member of the Committee may call a meeting of the Committee;

(c) any trustee of the Fund may request the Chair to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such trustee, and may participate in such meeting to the extent permitted by the Chair; and

(d) the external auditors and the Manager shall, when required by the Committee, attend any meeting of the Committee.

3.8 The external auditors shall be entitled to communicate directly with the Chair and may meet separately with the Committee. The Committee, through the Chair, may contact directly any employee in the Manager as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.

3.9 Compensation to members of the Committee shall be limited to trustees' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Fund.

3.10 The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Fund. The Committee has the power to engage and determine funding for outside and independent counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and to set Committee members compensation. The Committee is further granted the authority to communicate directly with internal and external auditors.

4. DUTIES

4.1 The overall duties of the Committee shall be to:

(a) assist the Board in the discharge of their duties relating to the Fund's accounting policies and practices, reporting practices and internal controls and the Fund's compliance with legal and regulatory requirements;

(b) establish and maintain a direct line of communication with the Fund's external auditors and assess their performance and oversee the co-ordination of the activities of the external auditors; and

(c) be aware of the risks of the business and ensure the Manager has adequate processes in place to assess, monitor, manage and mitigate these risks as they arise.

4.2 The Committee shall be directly responsible for overseeing the work of the external auditor, who shall report directly to the Committee, engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund, including the resolution of disagreements between the Manager and the external auditors and the overall scope and plans for the audit, and in carrying out such oversight, the Committee's duties shall include:

(a) recommending to the Board the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Fund;

(b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under NI 51-102 or any successor legislation, and the planned steps for an orderly transition;

(c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;

(d) reviewing and pre-approving all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Fund's external auditors to the Fund or any subsidiary entities;

(e) reviewing the engagement letters of the external auditors, both for audit and non-audit services;

(f) consulting with the external auditor, without the presence of the Manager about the quality of the Fund's accounting principles, internal controls and the completeness and accuracy of the Fund's financial statements;

(g) reviewing annually the performance of the external auditors, who shall be ultimately accountable to the Board and the Committee as representatives of the unitholders of the Fund, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and

(h) reviewing and approving the nature of and fees for any non-audit services performed for the Fund by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

4.3 The duties of the Committee as they relate to document and reports reviews shall be to:

(a) review the Fund's financial statements, management's discussion and analysis of financial results ("**MD&A**") and any earnings press releases before the Fund publicly discloses this information; and

(b) review and periodically assess the adequacy of procedures in place for the review of the Fund's public disclosure of financial information extracted or derived from the Fund's financial statements, other than the Fund's financial statements, MD&A and earnings press releases.

4.4 The duties of the Committee as they relate to audits and financial reporting shall be to:

(a) in consultation with the external auditor, review with the Manager the integrity of the Fund's financial reporting process, both internal and external, and approve, if appropriate, changes to the Fund's auditing and accounting practices;

(b) review the audit plan with the external auditor and the Manager;

(c) review with the external auditor and the Manager any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of the Manager that may in any such case be material to financial reporting;

(d) review the contents of the audit report;

(e) question the external auditor and the Manager regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

(f) review the scope and quality of the audit work performed;

(g) review the adequacy of the Fund's financial and auditing personnel;

(h) review the co-operation received by the external auditor from the Manager's and the Fund's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;

(i) review the internal resources used;

(j) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with the Manager's response to the recommendations, including subsequent follow-up of any identified weaknesses;

(k) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) of the Fund and any key financial executives involved in the financial reporting process;

(l) review and approve the Fund's annual audited financial statements and those of any subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from the Manager of all significant variances between comparative reporting periods before release to the public;

(m) establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters; and

(n) review the terms of reference for an internal auditor or internal audit function.

4.5 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

(a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Fund’s financial reporting as reported to the Committee by the Manager and the external auditors;

(b) review the appropriateness of the accounting policies used in the preparation of the Fund’s financial statements and consider recommendations for any material change to such policies;

(c) review the status of material contingent liabilities as reported to the Committee by the Manager or the external auditors;

(d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by the Manager;

(e) review any errors or omissions in the current or prior year’s financial statements;

(f) review, and approve before their release, all public disclosure documents containing audited or unaudited financial information including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders and annual information forms, as applicable; and

(g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

4.6 The other duties of the Committee shall include:

(a) reviewing any related-party transactions not in the ordinary course of business;

(b) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;

(c) formulating clear hiring policies for partners, employees or former partners and employees of the Fund’s external auditors;

(d) reviewing annual operating and capital budgets;

(e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;

(f) inquiring of Manager and the external auditors as to any activities that may be or may appear to be illegal or unethical;

(g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Fund of concerns regarding such; and

(h) reviewing any other questions or matters referred to it by the Board.

CERTIFICATE OF THE FUND AND THE PROMOTER

Dated: September 29, 2020

This prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

By: (Signed) DANIEL DRIMMER Interim Chief Executive Officer	By: (Signed) MARTIN LIDDELL Interim Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: (Signed) GRAHAM ROSENBERG Trustee	By: (Signed) HARRY ROSENBAUM Trustee

STARLIGHT GROUP PROPERTY HOLDINGS INC.
as Promoter

By: (Signed) DANIEL DRIMMER
Director

CERTIFICATE OF THE AGENTS

Dated: September 29, 2020

To the best of our knowledge, information and belief, this prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CIBC WORLD MARKETS INC.

By: (Signed) CHRIS BELL

RBC DOMINION SECURITIES INC.	**SCOTIA CAPITAL INC.**	**TD SECURITIES INC.**
BY: (SIGNED) DAVID SWITZER	BY: (SIGNED) ROBERT HALL	BY: (SIGNED) ADAM LUCHINI
BMO NESBITT BURNS INC.	**NATIONAL BANK FINANCIAL INC.**	**RAYMOND JAMES LTD.**
BY: (SIGNED) ROBIN TESSIER	BY: (SIGNED) GAVIN BRANCATO	BY: (SIGNED) LUCAS ATKINS

CANACCORD GENUITY CORP.

BY: (SIGNED) DAN SHEREMETO

RICHARDSON GMP LIMITED

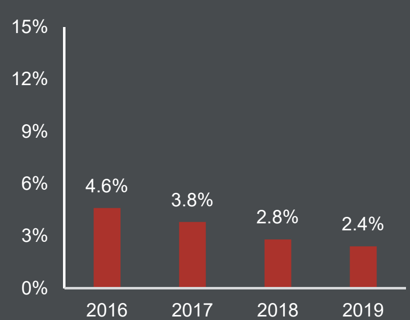
BY: (SIGNED) NARGIS SUNDERJI

DESJARDINS SECURITIES INC.	**INDUSTRIAL ALLIANCE SECURITIES INC.**	**LAURENTIAN BANK SECURITIES INC.**
BY: (SIGNED) MARK EDWARDS	BY: (SIGNED) RICHARD KASSABIAN	BY: (SIGNED) DENIM SMITH

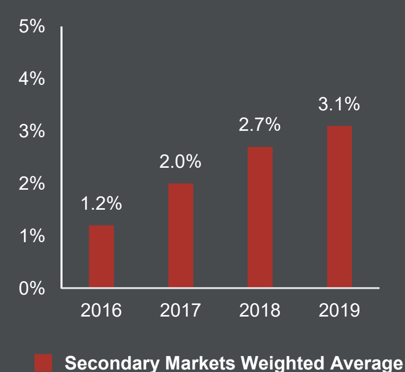
3 Wadland Crescent, St John's, Newfoundland and Labrador

Strong Historical Secondary Markets[1] Performance

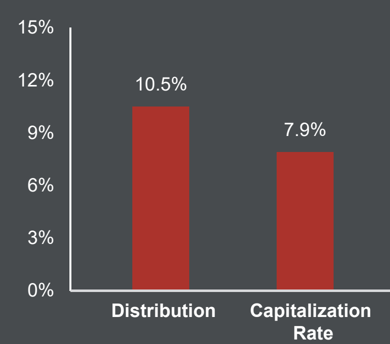
Low Vacancy Rates



Stable and Continuous Rental Growth



Attractive Distributions and Capitalization Rates



Northview™
Canadian High Yield Residential Fund

Source: CMHC

[1]Includes select cities in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut

5920 Little Pine Loop, Regina, Saskatchewan

37 Berkley Place, Lethbridge, Alberta

2 Tobin Crescent, St. John's, Newfoundland and Labrador

Northview™

Canadian High Yield Residential Fund