



As at December 1, 2019

The Equiton Residential Income Fund Trust (The "Fund") is a real estate investment trust (REIT) that specializes in residential income properties, including apartments and student housing in Canada. Investors in the Fund receive the yield from rental income and participate in the growth of the underlying properties.

## FUND DETAILS

**Investment Type:** Limited Partnership/Mutual Fund Trust

**Registered Plan Eligibility:** RRSP, TFSA, RESP, LIRA, RRIF, etc.

**Mutual Fund Trust Unit Price:** \$10.43

**Minimum Initial Investment:** \$10,000

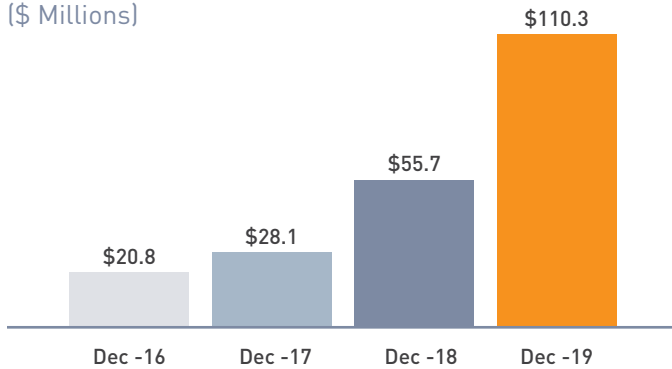
Annual Distribution Metrics				
Unit Class	Amount Paid Out	Yield	DRIP Yield	Pre-Tax Interest Equivalent <sup>a</sup>
<b>Class A</b>	\$ 0.625800	6.00%	6.30%	9.00 %
<b>Class F</b>	\$ 0.730100	7.00%	7.38%	10.50 %
<b>Class I - Series 1</b>	\$ 0.756175	7.25%	7.65%	10.88 %

Tax effective cash flow **100%** return of capital (For tax purposes)

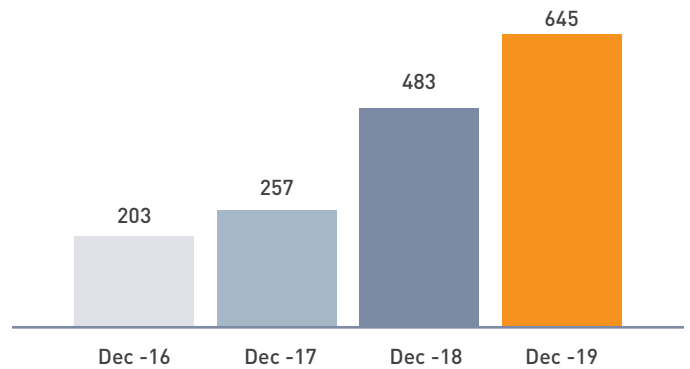
**Monthly liquidity**  
15th of every month  
(With restrictions)

### Assets Under Management

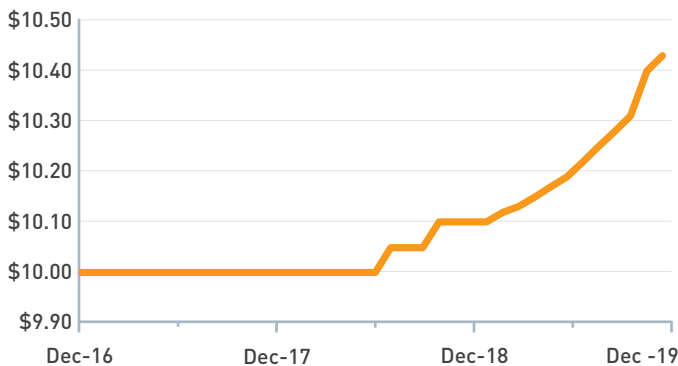
(\$ Millions)



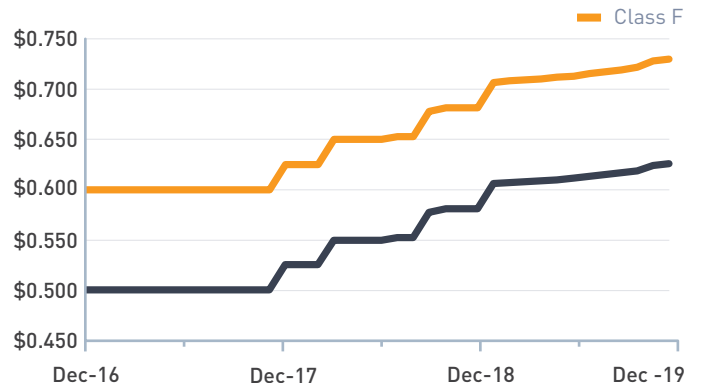
### Rental Units



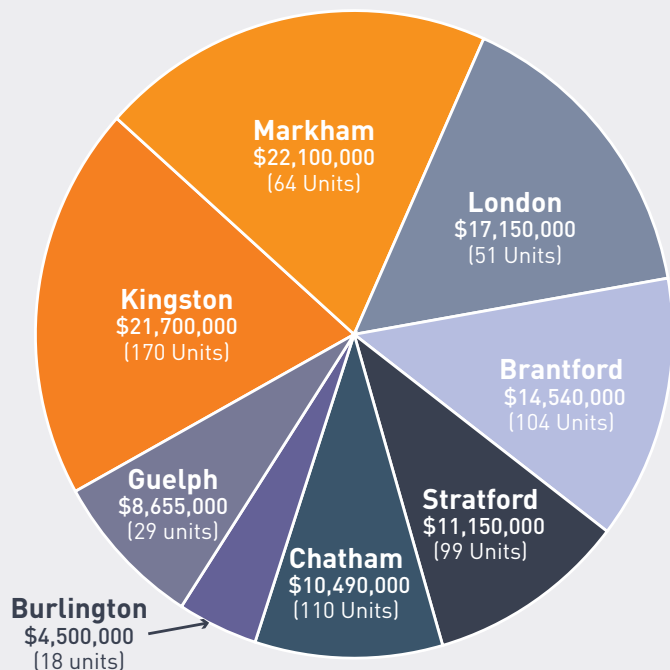
### Unit Price Growth



### Distribution Growth (Class A & F)



# THE PORTFOLIO



## Strategic Overview

Currently, most apartment buildings are owned by individuals or small partnerships. The Fund's primary strategic opportunity is its ability to extract excess value while consolidating properties in the highly-fragmented apartment universe.

The Fund drives the realization of excess value by acquiring properties below their intrinsic value and implementing an active management approach to increase rental income, maximize efficiencies and reduce expenses.

## Execution Strategy

The current focus is on underperforming properties in good to superior physical condition with little to no deferred maintenance, situated in prime urban centres, and/or economically desirable small/ medium-sized centres within urban sprawl areas.

Preferred properties are undervalued, have untapped income potential in the form of a wide favourable gap between in-place rents and market rents, stable tenant bases with healthy turnover and low/tightening vacancy rates.

## Competitive Advantages

### Practical Insights Based on Deep Operational Experience – 100 years of combined real estate experience

The Equiton team has overseen the acquisition and management of over \$10 billion in real estate, developed over 100 million square feet of real estate projects, and overseen a combined portfolio of more than 10,000 apartments in North America.

### Proprietary Acquisition Pipeline – PropertyTrak currently monitors approximately 4,000<sup>b</sup> privately-owned apartments

The pipeline provides Equiton the opportunity to acquire properties off-market and avoid the bid-up process that occurs when properties are publicly listed. Buildings are typically acquired off-market, purchased below their appraised and intrinsic values, thereby creating immediate gains.

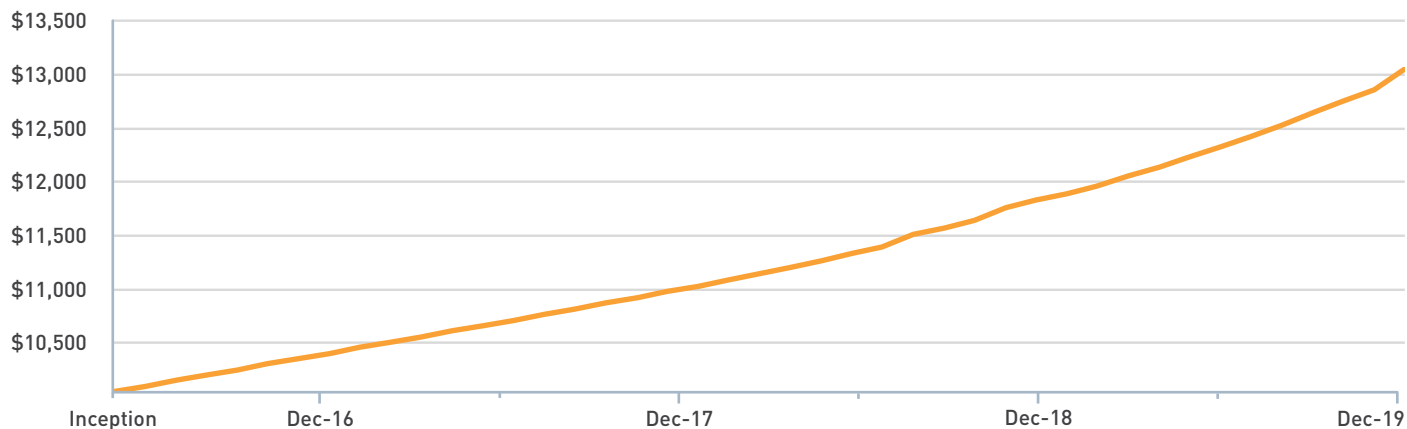
### Industry-leading Corporate Governance – Majority of the Fund's board members are independent

Reputation, transparency and best practices are key tenets of how the Fund operates.



## \$10,000 Invested

In Class F DRIP Since Inception



## FUND STATS As at November 30, 2019

Net Calendar Year Returns (%)				
Fund Series	2016 <sup>◇</sup>	2017	2018	2019 YTD
Class A - Cash	5.00	5.02	6.56	8.53
Class A - DRIP	5.15	5.23	6.86	8.88
Class F - Cash	6.00	6.02	7.57	9.46
Class F - DRIP	6.19	6.30	7.95	9.90
Class I - Series 1 - Cash <sup>§</sup>	-	-	-	6.53
Class I - Series 1 - DRIP <sup>§</sup>	-	-	-	6.74

<sup>◇</sup> Not a full calendar year, returns from March 2016 - December 2016, annualized.

<sup>§</sup> Since April 2019

Net Trailing Returns (%)								
Fund Series	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	SI <sup>†</sup>
Class A - Cash	1.38	2.98	5.29	9.01	7.53	-	-	6.12
Class A - DRIP	1.38	3.02	5.42	9.42	8.09	-	-	6.82
Class F - Cash	1.46	3.23	5.80	10.02	8.46	-	-	6.98
Class F - DRIP	1.47	3.28	5.95	10.53	9.18	-	-	7.90
Class I - Series 1 - Cash	1.48	3.29	5.92	-	-	-	-	11.45 <sup>†</sup>
Class I - Series 1 - DRIP	1.49	3.34	6.09	-	-	-	-	11.84 <sup>†</sup>

<sup>†</sup> Since inception (March 2016 for Class A and F, April 2019 for Class I - Series 1)

<sup>†</sup> Annualized

Correlation Between Asset Categories (1988-2018)					
	Canadian Equities <sup>2</sup>	Canadian Bonds <sup>3</sup>	Global Equities <sup>4</sup>	Emerging Market Equities <sup>5</sup>	US Equities <sup>6</sup>
Private Canadian Apartments <sup>1</sup>	0.10	-0.25	0.08	-0.16	0.18

## Selling Fee Options and FundSERV Codes

	Trust Unit Class				
	Class A			Class F	Class I - Series 1
	OPT 1: Deferred Sales Charge	OPT 2: Low Load	OPT 3: Front Load	Fee Based	Institutional / PM
<b>Commission</b>	Up front – 6% of subscription price	Up front – 3% of subscription price	Negotiated with investor	N/A	N/A
<b>Trailer</b>	N/A	0.75% per annum	1.00% per annum	N/A	N/A
<b>Redemption Schedule</b>	<b>Redeemed In:</b> 1 <sup>st</sup> Year-7.00% 2 <sup>nd</sup> Year-6.50% 3 <sup>rd</sup> Year-6.00% 4 <sup>th</sup> Year-5.00% 5 <sup>th</sup> Year-4.00% After 5 <sup>th</sup> Year-0.00%	<b>Redeemed In:</b> 1 <sup>st</sup> 18 mos. -3.50% 2 <sup>nd</sup> 18 mos. -3.00% After 36 mos. -0.00%	<b>Redeemed In:</b> 1 <sup>st</sup> 6 mos., a Short -Term Trading Fee – 3.00%	<b>Redeemed In:</b> 1 <sup>st</sup> 6 mos., a Short -Term Trading Fee -3.00%	<b>Redeemed In:</b> 1 <sup>st</sup> 6 mos., a Short -Term Trading Fee -3.00%  <b>Note: Class F                      reclassifiable.                      \$5 million min.</b>
<b>FundSERV Codes</b>	EQP 101	EQP 103	EQP 105	EQP 107	EQP 109
<b>MER<sup>‡</sup></b>	2.21%	2.96%	3.21%	2.21%	2.09%
<b>Redemption Policy</b>	Monthly: 15th of each month, 30 days' notice, with restrictions.				
<b>DRIP</b>	Investors can re-invest distributions at a 2% discount on purchased units.				

‡ March 2019 – 12 Month Trailing

## Commissions

- Up-front commissions are based on the book value of units and are processed monthly
- Trailer commissions are based on the market value of units and are processed monthly.

## Additional Information

- Available to accredited, eligible and non-eligible investors across Canada
- Offering documents and marketing materials are available in English and French.

## Investor Services

Advisors can contact Investor Services for assistance at [investors@equiton.com](mailto:investors@equiton.com) or (289) 337-8103.

Please send completed subscription documents to [agreements@equiton.com](mailto:agreements@equiton.com).

## Equiton

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### NOTES

a) At a 50% marginal tax rate an investor would need to buy an interest bearing instrument, such as a bond, with a pre-tax coupon of 9.00%, 10.50% and 10.88% in order to generate an after-tax yield equivalent to the after-tax yield achieved by the Equiton Residential Income Fund's Class A, Class F units, and Class I respectively. b) Equiton Propertrak Database.

### SOURCES

1) Private Canadian Apartments = MSCI/REALPAC Canada Quarterly Property Fund Index- Residential / MSCI Real Estate Analytics Portal- Accessed February 4, 2019. 2) Canadian Equities = MSCI Canada Index / MSCI Inc. - Accessed January 15, 2019. 3) Canadian Bonds = Citi Canadian GBI Index / Morningstar Canada, - Accessed January 15, 2019. 4) US Equities = MSCI US Index / Bloomberg - Accessed January 15, 2019. 5) Global Equities = MSCI World Index / MSCI Inc. - Accessed January 15, 2019. 6) ↑ Emerging Market Equities = MSCI Emerging Market Index / MSCI Inc. - Accessed January 15, 2019.

**IMPORTANT INFORMATION:** This communication is for information purposes only and is not, and under no circumstances is to be construed as, an invitation to make an investment in Equiton Residential Income Fund Trust (the "Trust") or with Equiton Capital Inc. Investing in the Trust's Units involves risks. There is currently no secondary market through which the Trust Units may be sold and there can be no assurance that any such market will develop. A return on an investment in Trust Units is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment is at risk, and the anticipated return on such an investment is based on many performance assumptions. Although the Trust intends to make distributions of its cash to Unitholders, such distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including the Trust's financial performance, debt covenants and obligations, interest rates, working capital requirements and future capital requirements. In addition, the market value of the Trust Units may decline if the Trust is unable to meet its cash distribution targets in the future, and that decline may be material.

Recipients of this document who are considering investing in the Trust are reminded that any such purchase must not be made on the basis of the information contained in this document but are referred to the Confidential Offering Memorandum, provided to you by the Trust ("Offering Memorandum"). A copy of the Offering Memorandum may be obtained upon request made to the attention of Equiton Capital Inc. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Trust.

**PAST PERFORMANCE MAY NOT BE REPEATED.** Investing in the Trust Units can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of performance. Only investors who do not require immediate liquidity of their investment should consider a potential purchase of Units.

**DISCLAIMER:** All information contained herein, while obtained from sources which are believed to be reliable, is not guaranteed as to its accuracy or completeness. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Trust.