



FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST ANNOUNCES SHORT TERM INVESTMENT STRATEGY

Toronto, Ontario, April 7, 2020. Firm Capital American Realty Partners Trust (the “Trust”), (TSXV: FCA.UN), (TSXV: FCA.U) is issuing this press release to announce that as a result of the COVID-19 global pandemic, senior management and the board of trustees have made an investment strategy decision to deploy its cash resources into Canadian and possibly US denominated short term bridge mortgages (“**Bridge Mortgages**”).

The COVID-19 pandemic has particularly impacted the United States of America (“US”). One of the results of the pandemic is the inability to travel to and within the US to tour potential investment opportunities and complete appropriate due diligence. Further, senior management wants to reassess the US market over the next six months as the epidemic might present an opportunity for better priced investments. While there are many investment opportunities and capital available to complete such investment opportunities, senior management and the board of trustees believe it is inappropriate at this time to complete further due diligence until the COVID-19 pandemic has all but been eliminated and travel to and within the US resumes. Therefore, the Trust has made the temporary decision to invest in Bridge Mortgages where it can complete the appropriate level of due diligence and make appropriate investment decisions, with such investments being completed in partnership with other Firm Capital managed lending entities who have strict operating and investment risk management guidelines. To date, the Trust has co-invested alongside other Firm Capital managed lending entities including Firm Capital Mortgage Investment Corporation (TSX : FC).

In terms of investing parameters, the Trust will invest approximately CAD\$16 million in Bridge Mortgages consistent with its current guidelines for US bridge mortgage investments, which are investment opportunities yielding at or in excess of 8%. The Bridge Mortgage annualized returns will be more than sufficient to cover the Trust’s distribution yield of approximately 3% (based on the Trust’s most recent equity offering of \$8.20 per trust unit). This investment strategy provides the Trust the ability to invest its capital relatively quickly to earn a return on its capital alongside a strong strategic lending partner.

Senior management and the board of trustees continue to monitor the impact of the COVID-19 pandemic and will regularly reassess this short term investment strategy until such time as its able to appropriately complete due diligence on US investment opportunities. Completing these Bridge Mortgages allows the Trust to benefit from Firm Capital’s 30-year plus experience as a leader in the mortgage lending industry.

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

Firm Capital American Realty Partners Trust is a U.S. focused real estate investment entity that pursues income producing real estate and mortgage debt investments through the following platforms:

- **Income Producing Real Estate Investments:**
 - **Core Markets Wholly Owned Investments:** The Trust is focused on growing its wholly owned multi-residential property portfolio in large core markets with attention to cities located in Texas, Florida, New Jersey, North and South Carolina, Colorado, Georgia and New York.
 - **Core and Non-Core Markets: Joint Venture Investments:** The Trust will also purchase in both core and non-core markets where it lacks knowledge or experience, partial ownership interests in multi-residential properties with industry leaders as partners. These partners bring both expertise in operations and knowledge, especially in non-core markets. The Trust strives to have a minimum 50% ownership interest and will fund the equity in a combined preferred/common equity investment structure. The preferred equity provides a fixed rate of return for investors in the Trust, resulting in a secured structure ahead of the partners ownership interest, while the common equity provides investors an upside return for investors as the investment meets its targeted objectives.
- **Mortgage Debt Investments:** The Trust, using Firm Capital's 30-year plus experience as a leader in the mortgage lending industry, provides bridge lending of mortgage and preferred capital secured by residential/multi-residential properties.

FORWARD LOOKING INFORMATION

Certain information in this news release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions. Forward-looking statements in this press release include statements relating to the timing of trading of the Trust's securities. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse factors affecting the U.S. real estate market generally or those specific markets in which the Trust holds properties; volatility of real estate prices; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; the ability of the Trust to implement its business strategies; competition; currency and interest rate fluctuations and other risks, including those described in the Trust's public disclosure documents on SEDAR at www.sedar.com.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or

accuracy of this release. Additional information about the Trust is available at www.firmcapital.com or www.sedar.com.

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