



Firm Capital Apartment Real Estate Investment Trust

INVESTOR PRESENTATION – Q4 2020

Contents

WHY INVEST IN FCA REIT?	3
INVESTMENT HIGHLIGHTS	4
2020/Q4 FINANCIAL HIGHLIGHTS	5
INVESTMENT STRATEGY	6
U.S. MULTI-RESIDENTIAL FUNDAMENTALS	7
PROPERTY SUMMARY	8
INVESTMENT PROFILE	9
RENT COLLECTION UPDATE	10
INVESTMENTS SINCE 2016	11
BOARD OF TRUSTEES	12
INSIDER PARTICIPATION	13
REPORTED NAV & DISTRIBUTIONS PER UNIT	14
MULTI-RESIDENTIAL COMPARABLES	15

APPENDIX: INVESTMENT OVERVIEW	
PARTNERSHIP INVESTMENT: HYATTSVILLE, MD	17
PARTNERSHIP INVESTMENT: HOUSTON, TX	18
PREFERRED CAPITAL LOAN: HOUSTON, TX	19
PARTNERSHIP INVESTMENT: CANTON, GA	20
PARTNERSHIP INVESTMENT: WEST HARTFORD, CT	21
PARTNERSHIP INVESTMENT: BRONX, NY	22
PARTNERSHIP INVESTMENT: HOUSTON, TX	23
PARTNERSHIP INVESTMENT: IRVINGTON, NJ	24
PARTNERSHIP INVESTMENT: BRENTWOOD, MD	25
PARTNERSHIP INVESTMENT: NEW YORK CITY	26
PREFERRED CAPITAL LOAN: NEW YORK CITY	27
DIRECT INVESTMENTS: FLORIDA & TEXAS	28
CONTACT INFORMATION	29
DISCLAIMER	30

Why Invest in Firm Capital Apartment REIT?

- **Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN)** with its compelling investment metrics, disciplined philosophy for growth & income and **backed by a highly experienced Management Team & Board**, offers investors the opportunity to profit from a **Value Investing opportunity** that is trading at a significant discount to its intrinsic value while benefiting from ongoing value creation through **organic portfolio growth** and **tax efficient structure**.

Value Investing Opportunity	<ul style="list-style-type: none"> • A REIT with solid assets in U.S. multi-residential space offering the best value on a risk-adjusted basis • Trading at 34% discount to NAV vs. 12% for peers in the multi-residential space • Opportunity for significant imbedded return: stock trades at USD\$6.50/Unit whereas latest 2020 Marketed Offering issued at USD\$8.20/Unit • Consistent quarterly distributions of USD\$0.059/unit • 3.6% attractive yield
Tax Efficient	<ul style="list-style-type: none"> • 100% Return of Capital for 2020 distributions • Other eligibility options: RRSP, RRIF, TFSA, RESP, RDSP, DPSP
Organic Growth	<ul style="list-style-type: none"> • NAV increased by +13% CAGR over last 3 years • Organic growth to continue into 2021 • Ultra-low 17% Leverage as at Q4/2020 (28.8% including convertible debentures) • Strong 94.5% occupancy rate
Solid Team & Alignment	<ul style="list-style-type: none"> • Highly experienced Management Team & Board of Trustees in all areas of real estate, finance, accounting and investing in the U.S. (30+ year track record with combined over 100 years industry experience & over \$3.6 Billion assets under management) • Strong Alignment of Interest from Management & Board of Trustees: control 28% of the outstanding Trust Units issued

(* Financials as at March 24, 2021)

Investment Highlights

Unique Blend of Underlying Assets	<ul style="list-style-type: none"> • Preferred & Common Equity Investment (Joint Ventures) in 63 Multi-Family Residential Properties with 1,846 units in seven different U.S. States • Preferred Capital Loan Investments on 8 Multi-Family Residential Properties with 1,405 Residential units in New York & Houston
Alignment of Interests	<ul style="list-style-type: none"> • Management Team & Board Members have a true alignment of interest with Unitholders, controlling 28% of the outstanding Trust Units issued
Strategic Portfolio Diversification	<ul style="list-style-type: none"> • Strategically diversified by geography (across 7 U.S. states) and investment type (blend of stabilized and value-add income producing real estate investments & mortgage debt investments)
Compelling Investment Metrics & Attractive Growth	<ul style="list-style-type: none"> • Quarterly distributions of USD\$0.059/Unit (an increase of 5% from Q4/2018) • NAV increased by a +13%⁽¹⁾ Compounded Annual Growth Rate (“CAGR”) from USD\$7.85/Unit in Q3/2017 to USD\$9.84/Unit in Q4/2020 • 100% Return of Capital for 2020 Distributions
Disciplined Philosophy for Growth & Income	<ul style="list-style-type: none"> • Full capital stack investment model targets balanced growth and income returns to the Trust, including mix of common equity returns (targeted at >20%), preferred equity returns (targeted at >8%), and bridge lending returns (targeted at >12%)
Compelling Valuation Metrics	<ul style="list-style-type: none"> • Growth vehicle with USD\$14.6 million of imbedded growth • Trades at a significant discount to its multi-residential peers
Trades on TSX Venture Exchange (As at March 24, 2021)	<ul style="list-style-type: none"> • TSXV: FCA.U (for \$USD) & TSXV: FCA.UN (for \$CAD) • USD\$6.50/Unit (for FCA.U) & CAD\$8.65/Unit (for FCA.UN) • Market Capitalization: USD\$50.1 Million • Units Issued: Approximately 7.7 million • Yield: 3.6%

(1) CAGR calculation includes cash distributions paid during the period

2020/Q4 Financial Highlights

In USD\$ millions, unless per unit or % amounts	Quarter Ended Dec. 31, 2020	Quarter Ended Sept. 30, 2020
AFFO/Unit	\$0.08	\$0.06
NAV/Unit	\$9.84	\$9.58
Distributions/Unit	\$0.06	\$0.06
Leverage⁽¹⁾	17.0%	16.9%
Portfolio Size⁽²⁾	\$157.3	\$164.7
AFFO Payout Ratio	75%	100%

(1) Defined as Mortgages/Investment Portfolio, where the investment Portfolio includes the Trust's investment properties, equity accounted and preferred investments and preferred capital investments and mortgages excludes the convertible debentures. Including the convertible debentures the leverage would be 28.8% .

(2) Calculated including the pro-forma consolidation of its interests in the equity accounted and preferred investments assuming proportionate consolidation.

The Trust's investment strategy

is executed through the following platforms:

Real Estate Investments:

- Acquisition of income producing real estate (stabilized & value-add properties)
- Focus in major cities across the U.S.
- Joint venture partnerships with local industry expert owners/operators who retain property management responsibility

Debt Investments:

- Real estate debt and equity lending platform
- Major cities across the U.S.
- All forms of shorter-term bridge mortgage loans and joint venture capital

The Trust is positioned to participate in all levels of the capital stack:

Targeted Capital Stack for Investing		
Shorter – Term	Senior Debt	First Lien Mortgages
	Subordinated Debt	Second Lien Mortgages
	Mezzanine Debt	Gap Financing
Longer – Term	Preferred Equity	Preferred Equity Repaid With Set Terms
	Common Equity	Investment Ownership

Fundamentals Driving The Demand For U.S. Multi-Residential

HIGH BARRIERS TO HOMEOWNERSHIP

- Higher credit standards for mortgage application process have limited home purchases;
- Rise of student debt balances have prolonged average rent duration out of necessity;
- According to US Census Bureau, the homeownership rate of 65.3% in Q1/2020 remains below the 25-year average of 66.3%, as it has since the 2008 financial crisis.

APARTMENT DEMAND DRIVERS

- Many prefer the flexibility of renting, enabling both greater mobility and less maintenance;
- There is a continuing trend to delay “adult milestones”, such as getting married, having a child, and purchasing a home;
- Low vacancy rates in relation to other asset classes.



GOVERNMENT SPONSORED FINANCIAL TERMS

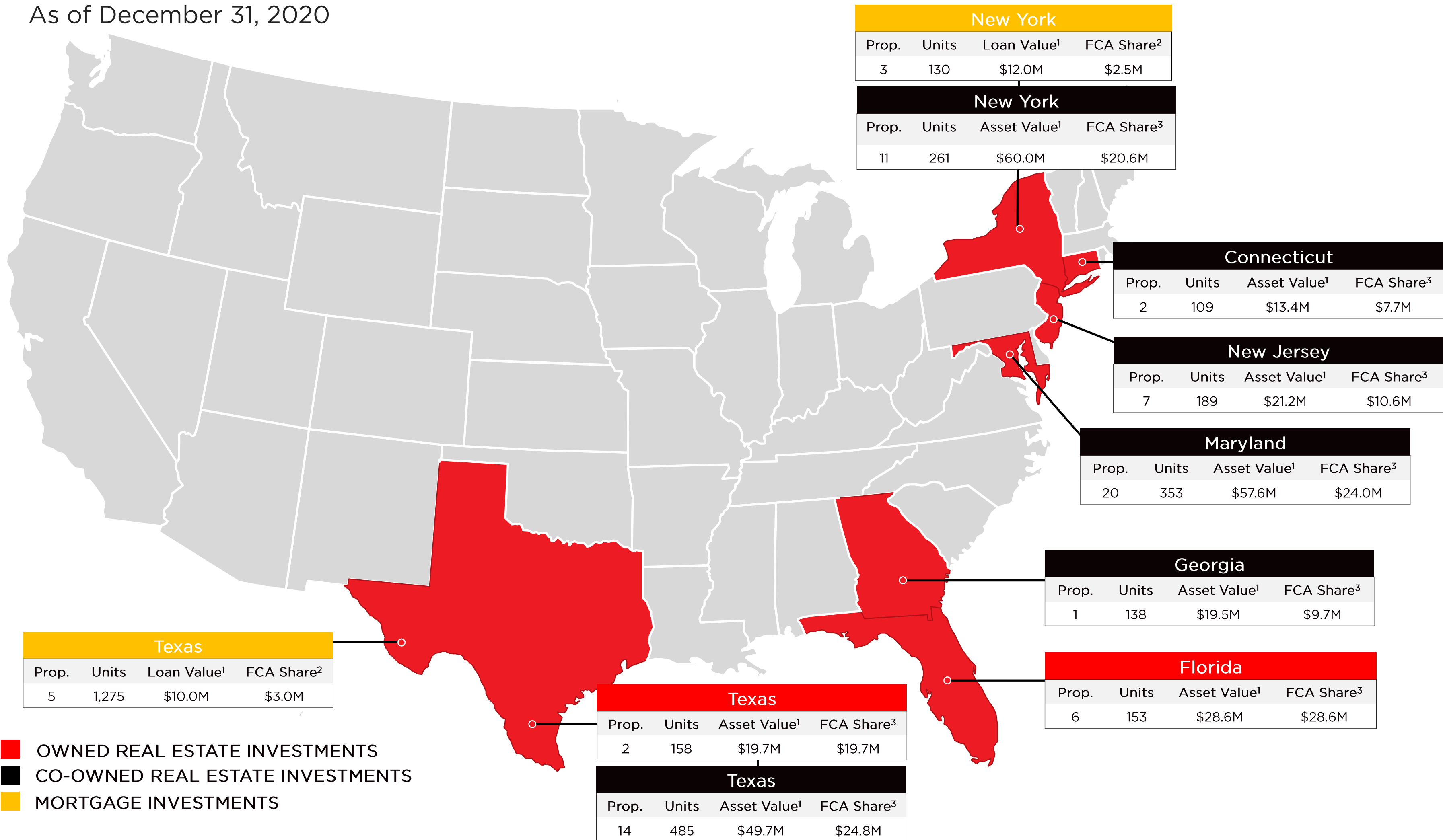
- Loan Structures, leverage standards and interest rate pricing for multi-family properties are more favorable compared to any other real estate asset class;
- Variety of multi-family financial sources provides flexible capital structures to maximize returns;
- Fannie Mae & Freddie Mac offer unique financing advantage compared to other real estate asset classes and Government Sponsored Entities (GSEs) account for the largest source of multi-family financing option.

DATA & PRICING TRANSPARENCY

- The U.S. has one of the most transparent CRE industries in the world; independent, subscription-based research firms provide non-biased data on rental rates, market conditions, development activity, property ownership trends and key performance indicators that allow investors to make well-informed investment decisions.

Property Summary¹

As of December 31, 2020



(1) Shown at 100% share as at December 31, 2020
 (2) FCA share of total loan; based on participation percentage
 (3) FCA share of asset value; based on common equity ownership

Investment Profile

- The Trust's portfolio of investment properties is comprised of 1,846 residential units across 63 apartment properties in 7 U.S. states and provides a broad platform for further external growth opportunities
- The Trust's mortgage investments are currently comprised of 2 preferred capital loans secured by New York City and Houston apartment properties, providing high current income and enhancing the overall portfolio yield

Current Investment Portfolio (US\$ in millions) ⁽¹⁾								
	State	Properties	Units ^{(2) (3)}	Occupancy	Asset Value	FCA Pref (\$)	FCA Equity (\$)	FCA Own. (\$)
Owned	Florida	6	153	94.8%	\$28.6	-	\$18.1	100.0%
	Texas	2	158	94.3%	\$19.7	-	\$13.6	100.0%
Co-Owned	New York ⁽²⁾	11	261	97.3%	\$60.0	\$11.0	\$2.4	36.4%
	Maryland	20	353	93.5%	\$57.6	\$4.1	\$5.8	42.0%
	Connecticut	2	109	88.1%	\$13.4	\$1.1	\$1.2	50.0%
	New Jersey ⁽³⁾	7	189	98.9%	\$21.2	\$2.7	\$2.4	50.0%
	Texas	14	485	94.4%	\$49.7	\$7.1	\$6.1	50.0%
	Georgia	1	138	93.5%	\$19.5	\$2.5	\$1.7	50.0%
Total Residential Units		63	1,846	94.7%	\$269.7	\$28.5	\$51.3	59.8%

Mortgage Investments (US\$ in millions) ⁽¹⁾						
State	Properties	Units	Coupon	Investment	Term	FCA Share of Inv.
New York	3	130	12.0%	\$12.0	3 Years	\$2.5
Texas	5	1,275	12.0%	\$10.0	2 Years	\$3.0

1) All figures are shown at 100% share, except under columns for "FCA Pref" and "FCA Equity";

2) Includes two commercial units;

3) Includes five commercial units.

Rent Collection Update

- The Trust has received approximately 94.5% as at Q4/2020 (with a weighted average of 93% for Oct. 2020 to Dec. 2020) of its expected rent and is actively either collecting the remaining rent or working with tenants who require assistance.
- By state, the rent collections are as follows:

RENT COLLECTIONS

	October 2020	November 2020	December 2020	Weighted Average
Texas	100%	99%	98%	99%
Georgia	98%	98%	99%	98%
Maryland	93%	93%	90%	92%
New Jersey	89%	87%	87%	88%
Connecticut	92%	91%	91%	91%
Florida	96%	99%	98%	97%
New York	85%	85%	86%	85%
Weighted Average	94%	93%	92%	93%

Investments Since December 2016

- Below is a list of the investments acquired by the Trust since December 2016:

Preferred & Common Equity Investments (US\$)

Portfolio Location	Acq. Date	Acq. Purchase Price @100%	Units	FCA Investment at Acquisition			Preferred Interest Rate	FCA Equity Ownership
				Preferred	Equity	Total		
Hyattsville, MD	Sept. 2020	\$37.5M	235	\$4.0M	\$3.4M	\$7.4M	8.0%	50%
Houston, TX	Jan. 2020	\$27.9M	250	\$3.5M	\$1.2M	\$4.8M	9.0%	50%
Canton, GA	Sep. 2019	\$20.3M	138	\$3.2M	\$1.6M	\$4.8M	8.0%	50%
Hartford, CT	Apr. 2019	\$12.2M	109	\$1.9M	\$1.2M	\$3.1M	8.0%	50%
Bronx, NY	Dec. 2018	\$25.0M	132	\$4.8M	\$1.9M	\$6.7M	8.0%	50%
Houston, TX	Feb. 2018	\$15.3M	235	\$3.5M	\$1.2M	\$4.7M	9.0%	50%
Irvington, NJ	Feb. 2018	\$17.8M	189	\$2.6M	\$0.8M	\$3.4M	9.0%	50%
Bridgeport, CT	Aug. 2017	\$30.5M	462	\$3.8M	\$1.3M	\$5.1M	9.0%	30%
Brentwood, MD	Jan. 2017	\$9.8M	118	\$0.7M	\$0.3M	\$1.0M	8.0%	25%
New York, NY	Dec. 2016	\$38.4M	129	\$4.6M	\$1.5M	\$6.1M	8.0%	23%
Total		\$204.2M	1,997	\$32.6M	\$14.4M	\$47.1M	8.4%	42.8%

Preferred Capital Loan Investments (US\$)

Portfolio Location	Acq. Date	Total Pref. Loan at Acquisition	Units	FCA Investment at Acquisition	Pref. Interest Rate	FCA Loan Ownership	Term
Manhattan, NY	Dec. 2017	\$12.0M	130	\$2.5M	12.0%	21%	3 years
Houston, TX	Nov. 2019	\$10.0M	1,275	\$3.0M	12.0%	30%	2 years

Board of Trustees

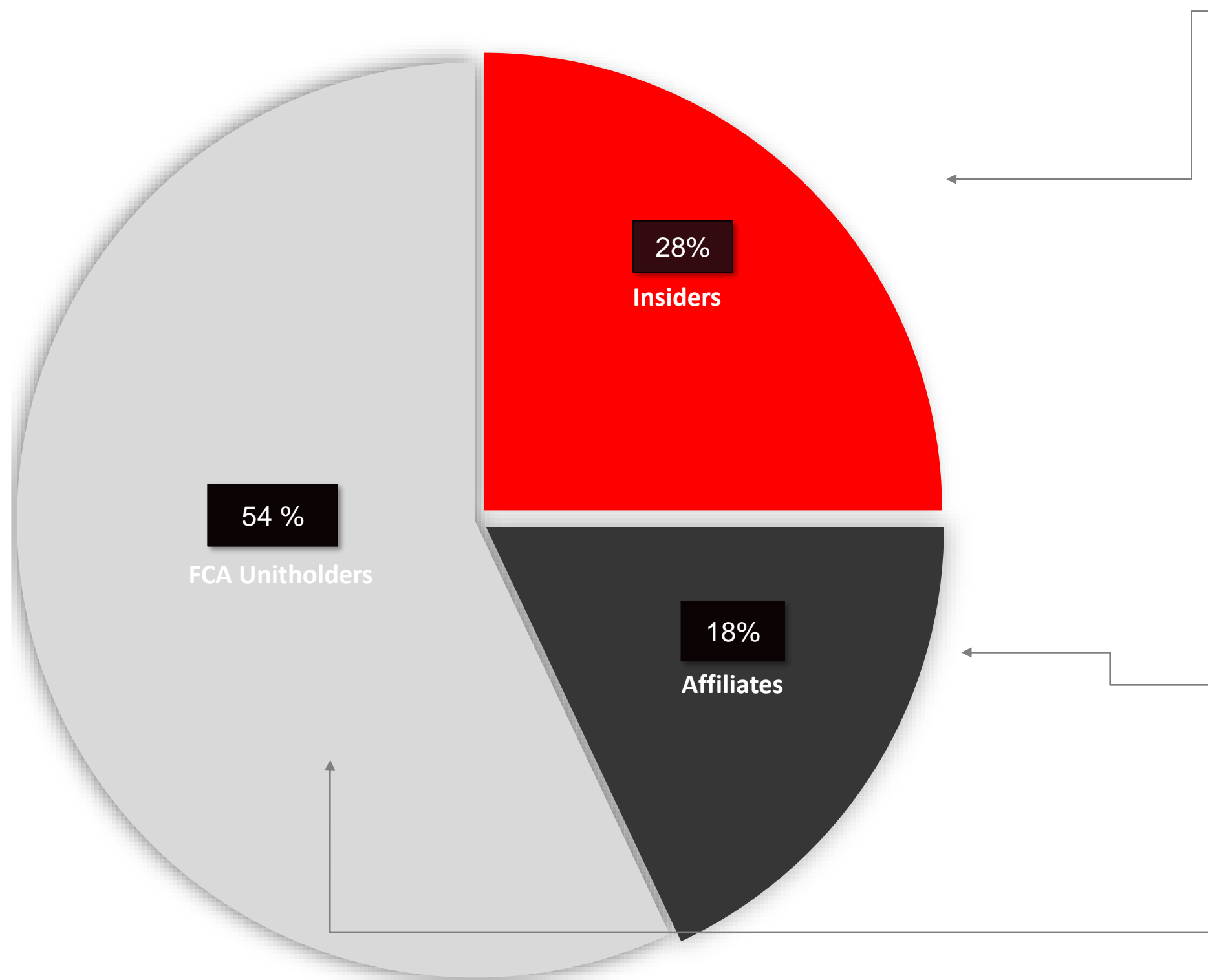
Trustees	Geoffrey Bledin Chairman, Independent Trustee	<ul style="list-style-type: none"> • Corporate Director • Former President and CEO of Equitable Trust Company • Former Partner with Price Waterhouse
	Keith L. Ray Independent Trustee	<ul style="list-style-type: none"> • CEO of Realvest Management • Former Partner with KPMG LLP
	Pat DiCapo Independent Trustee	<ul style="list-style-type: none"> • Founder of PowerOne Capital Markets Limited • Former attorney with Smith Lyons LLP (now Gowlings WLG) and Goodwin Proctor LLP
	Howard Smuschkowitz Independent Trustee	<ul style="list-style-type: none"> • Corporate Director • President of Total Body Care Inc. & JRS Capital Management • Former President of Homeland Self Storage
	Valentina Kalyk Independent Trustee	<ul style="list-style-type: none"> • Over 20 years of capital markets experience, including 15 years with Canaccord Genuity where she was a Managing Director and a senior member of the institutional equity sales team, with a dedicated focus to REITs and real estate
	Robert Parker Independent Trustee	<ul style="list-style-type: none"> • Vice President, Investments & Asset Management of Muzzo Group and Pemberton Developments • Former real estate lawyer at Minden Gross LLP
	Jonathan Mair Non-Independent Trustee	<ul style="list-style-type: none"> • Vice President, Mortgage Banking of Firm Capital Corporation • CFO, SVP and Director of Firm Capital Mortgage Investment Corporation (TSX: FC) • Trustee of Firm Capital Property Trust (TSXV: FCD.UN) • Former Vice-President of KPMG Inc. from 1993 to 1997
Management	Eli Dadouch Vice-Chairman	<ul style="list-style-type: none"> • Founder, President & CEO of Firm Capital organization • President & CEO of Firm Capital Mortgage Investment Corporation (TSX: FC) • Vice-Chairman, Co-CIO & Trustee of Firm Capital Property Trust (TSXV: FCD.UN)
	Sandy Poklar President & CEO	<ul style="list-style-type: none"> • COO and Managing Director, Capital Markets & Strategic Developments of Firm Capital Corporation & Former CFO of the Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN) • CFO and Trustee of Firm Capital Property Trust (TSXV: FCD.UN) • EVP, Finance of Firm Capital Mortgage Investment Corporation (TSX: FC) • Trustee of True North Commercial REIT (TSX: TNT.UN) • Previous investment banking roles with Macquarie Capital Markets Canada (Toronto) and TD Securities (Toronto)
	Mark Goldreich CFO	<ul style="list-style-type: none"> • Former VP Finance & Controller of the Firm Capital Apartment REIT (TSXV: FCA.U / FCA.UN) since 2019 and has been with the Trust since 2016

Substantial Experience in Real Estate Management, Acquisitions, Lending and Finance

Insider Participation – A True Alignment of Interest

- Senior Management and the Board have a true alignment of interest with Unitholders, having ownership interest consisting of 13% of the common equity & preferred capital in the REIT, as well as controlling 28.1% of the outstanding Trust units issued.
- In addition, known institutional investors and affiliates of FCA have ownership interest of 53% of the common equity & preferred capital in the REIT, as well as control 17.9% of the Trust units.

46% of Units Held by Insiders & Affiliates



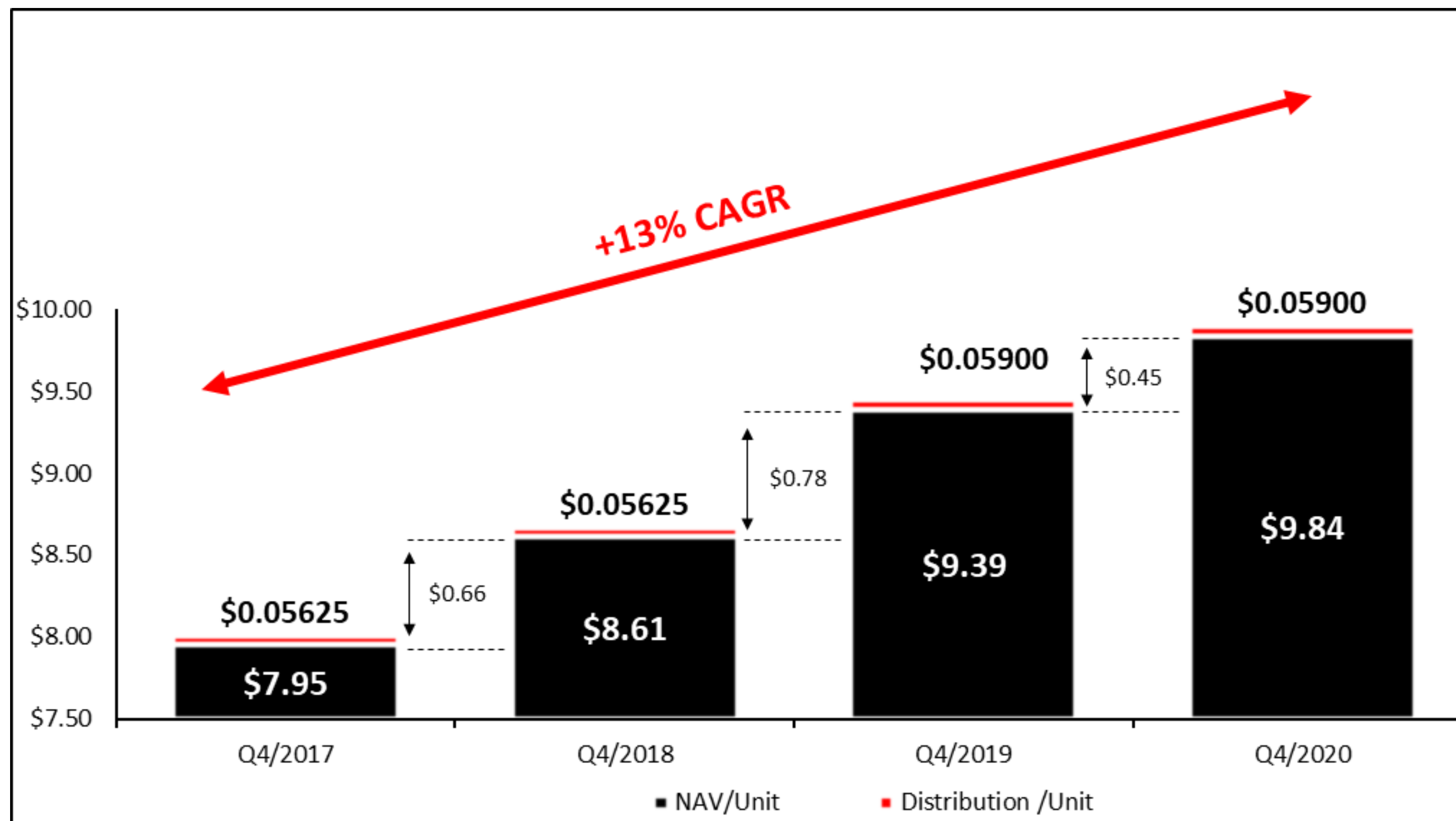
Trustee Name	Number of Units Held Directly or Affiliated	Ownership Interest
Pat DiCapo	851,014	11.0%
Robert Parker	542,980	7.0%
Eli Dadouch	334,735	4.3%
Howard Smuschkowitz	202,802	2.6%
Geoffrey Bledin	126,000	1.6%
Keith L. Ray	72,573	1.0%
Sandy Poklar	12,044	0.2%
Jonathan Mair	12,100	0.2%
Valentina Kalyk	10,400	0.1%
Subtotal for Insiders	2,166,648	28.1%
Known Institutional Investors	1,378,508	17.9%
Subtotal for Insiders & Known Institutional Investors	3,545,156	46.0%
FCA Unitholders	4,169,519	54.0%
Total	7,714,675	100%

Financials as at March 17, 2021

Reported NAV & Distributions Per Unit

- Net Asset Value has increased by 13% year-over-year, from USD\$7.85 in Q3/2017 to USD\$9.84 in Q4/2020
- Distributions were implemented in Q3/2017 and later increased to USD \$0.059/Unit commenced in Q1/2019
- NAV growth attributed to value-added initiatives and cap rate compression (valuation increases)

Total value add equals to USD\$1.89/unit or the equivalent of USD\$14.6 million of imbedded growth while delivering a distribution yield of +3.6%



Multi-Residential Comparables

- The Trust trades at a significant discount to its multi-residential REIT peer group and represents a better risk adjusted rate of return than peers:
 - AFFO Multiple:** 3.0x lower
 - NAV:** 34% discount vs. 9.3% for peers
 - Distribution Yield:** 3.6% vs. 3.5% for peers
 - Higher cashflow payout**
 - 100% Return of Capital for 2020 Distributions**

As of March 24, 2021

MULTI-RESIDENTIAL COMPARABLES

Comaprable	Ticker	Currency	Price	Market Cap (\$Millions)	Dist. / Unit	Dist. Yield	AFFO / Unit	AFFO Payout	NAV	NAV Premium / (Discount)
BSR REIT	HOM.U	USD	\$ 10.85	\$ 492	\$ 0.50	4.6%	\$ 0.56	89.4%	\$ 12.39	(12.4%)
InterRent REIT	IIP.UN	CAD	\$ 14.66	\$ 2,072	\$ 0.31	2.1%	\$ 0.42	73.1%	\$ 14.95	(2.0%)
Killam Properties	KMP.UN	CAD	\$ 18.94	\$ 1,955	\$ 0.68	3.6%	\$ 0.83	81.9%	\$ 19.65	(3.6%)
Minto Apartment	MI.UN	CAD	\$ 21.52	\$ 1,765	\$ 0.32	2.4%	\$ 0.79	41.1%	\$ 17.91	20.2%
Morguard N.A. Residential REIT	MRG.UN	CAD	\$ 15.51	\$ 872	\$ 0.70	4.5%	\$ 1.23	56.9%	\$ 30.34	(48.9%)
Total / Average						3.5%		68.5%	\$ 19.05	(9.3%)
Firm Capital Apartment REIT	FCA.U	USD	\$ 6.50	\$ 50	\$ 0.24	3.6%	\$ 0.32	75.0%	\$ 9.84	(33.9%)



APPENDIX:

INVESTMENT OVERVIEW

Partnership Investment:

Hyattsville, MD

- September 2020, FCA has purchased a 50% interest, with an unrelated third party, in a multi-family residential building comprised of 235-units, located in Hyattsville, Maryland
- The joint venture partner is a fully integrated real estate investment firm based in New York City, Washington D.C and Boca Raton with a focus on acquiring multi-family properties
- Purchase price of \$40.8 million (including transaction costs & further expected capital expenditure)
- FCA invested in a combination of preferred equity and common equity, representing a 50% ownership interest
- The joint venture partner co-invested in common equity on a 50/50 basis with FCA

1 Apartment Community – 235 Units

Acquisition Funding Structure

New Conventional First Mortgage

\$29.7 million / 3.0% rate

Preferred Equity – FCA

\$4.0 million / 9.0% rate

Common Equity – FCA

\$3.4 million

Common Equity – Joint Venture Partner

\$3.4 million



Partnership Investment:

Houston, Texas

- January 2020, FCA has purchased a 50% interest, with an unrelated third party, in a multi-family residential building comprised of 250-units, located in Houston, Texas
- The joint venture partner is a fully integrated real estate investment firm based in New York City with a main focus on acquiring multi-family value-add properties
- Value-add plan is designed to reposition the buildings by investing in units and upgrading property amenities to capture market rents at a premium to in-place rents
- Purchase price of \$28 million (including transaction costs & further expected capital expenditure)
- FCA invested in a combination of preferred equity and common equity, representing a 50% ownership interest
- The joint venture partner co-invested in common equity on a 50/50 basis with FCA

1 Apartment Community – 250 Units

Acquisition Funding Structure

New Conventional First Mortgage

\$22.1 million / 4.5% rate

Preferred Equity – FCA

\$3.5 million / 9.0% rate

Common Equity – FCA

\$1.2 million

Common Equity – Joint Venture Partner

\$1.2 million



Preferred Capital Loan

Houston, Texas

- On November 15, 2019, the Firm Capital Group invested \$10 million of preferred equity at a 12.0% coupon for an initial 2-year term, to finance the acquisition of a portfolio of 5 apartment properties comprised of 1,275 residential units in Houston, Texas
- FCA's participation in the preferred equity investment is \$3 million, or 30% of the balance
- The portfolio has 4 properties located in Southwest Houston with the fifth located in Southeast Houston, < 5 miles away from Houston's Hobby airport
- The loan is subordinated to the first mortgage, provided by Greystone, and ranks ahead of about \$11 million of common equity
- The equity sponsor's \$9.6 million value-add plan is being funded by Greystone and is designed to significantly enhance the common areas and property exteriors, and complete an in-suite renovation program to increase the rental income over the term of our investment



Partnership Investment:

Canton, Georgia

- September 2019, FCA has purchased a 50% interest, with an unrelated third party, in a multi-family residential building comprised of 138-units, located in Canton, Georgia
 - The joint venture partner is a fully integrated real estate acquisition company based out of Phoenix, Arizona that focuses on multi-family opportunities in the US. The property will be managed by Lincoln Property Company, a national property manager
- The seller completed a renovation of 49 of the 138 units at the property and as result is realizing rent premiums of \$140-150/month over the classic/unrenovated units
- Purchase price of \$20.3 million (including transaction costs & further expected capital expenditure)
- FCA invested in a combination of preferred equity and common equity, representing a 50% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA

1 Apartment Building – 138 Units

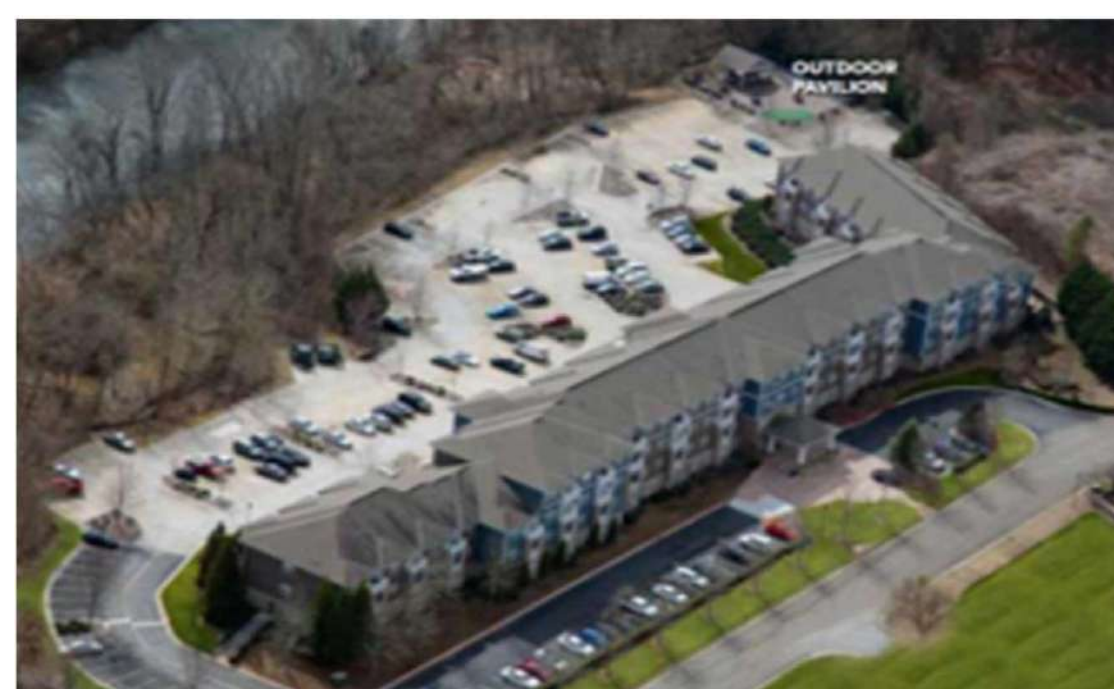
Acquisition Funding Structure

Conventional First Mortgage
\$14.0 million

Preferred Equity – FCA
\$3.2 million / 8.0% rate

Common Equity – FCA
\$1.6 million

Common Equity – Joint Venture Partner
\$1.6 million



Partnership Investment:

West Hartford, Connecticut

- April 2019, FCA acquired a 50% joint venture ownership in a portfolio of two apartment buildings comprised of 109 residential units in West Hartford, Connecticut
 - The joint venture partner is a fully integrated real estate acquisition and management company based out of Lakewood, New Jersey that focuses on multi-family properties in the Connecticut Area
- Value-add plan is designed to reposition the buildings by investing in unit and building-wide renovations to capture premium market rents
- Purchase price of \$12.2 million (excluding transaction costs)
- FCA invested in a combination of preferred equity and common equity, representing a 50% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA

2 Apartment Buildings – 109 Units

Acquisition Funding Structure

Conventional First Mortgage
\$10.0 million

Preferred Equity – FCA
\$1.9 million / 8.0% rate

Common Equity – FCA
\$1.2 million

Common Equity – Joint Venture Partner
\$1.2 million



Partnership Investment:

Bronx, New York

- On December 24, 2018, FCA acquired a 50% joint venture ownership in a portfolio of three apartment buildings comprised of 132 residential units in Bronx, New York
 - The joint venture partner is a fully integrated real estate investment firm based in New York City with a main focus on acquiring multifamily value-add properties
- Value-add plan is designed to reposition the buildings by investing in units and building-wide renovations to capture market rents at a premium to in-place rents
- Purchase price of \$25.0 million (including transaction costs)
- FCA invested in a combination of preferred equity and common equity, representing a 50% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA

3 Apartment Buildings – 132 Units

Acquisition Funding Structure

Conventional First Mortgage
\$16.5 million

Preferred Equity – FCA
\$4.8 million / 8.0% rate

Common Equity – FCA
\$1.9 million

Common Equity – Joint Venture Partner
\$1.9 million



Partnership Investment:

Houston, Texas

- On February 28, 2018, FCA acquired a 50% joint venture ownership in an apartment community comprised of 235 units in Houston, TX
 - The joint venture partner is a private real estate investment firm based in New York City and local property management is provided by FCA's existing property manager on its properties in Austin, TX
- Value-add plan is designed to reposition the buildings by investing in units and building-wide renovations to capturing premium market rents over a 2-year horizon
- Purchase price of \$15.3 million (excluding transaction costs)
- FCA invested \$4.7 million in a combination of preferred equity (\$3.5 million) and common equity (\$1.2 million), representing a 50% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA

1 Apartment Community – 235 Units

Acquisition Funding Structure

New Conventional First Mortgage

\$11.6 million / 4.9% rate

Preferred Equity – FCA

\$3.5 million / 9.0% rate

Common Equity – FCA

\$1.2 million

Common Equity – Joint Venture Partner

\$1.2 million



Partnership Investment:

Irvington, New Jersey

- On February 28, 2018, FCA acquired a 50% joint venture ownership in a portfolio of 7 apartment properties comprised of 184 residential units and 5 retail units in Irvington, NJ
 - The joint venture partner is a private real estate investment firm based in Brooklyn, NY with a strong presence in New Jersey
- The buildings are already stabilized, with substantial capital improvements to the units and building-wide already completed by the previous owner
- Purchase price of \$17.8 million (excluding transaction costs)
- FCA invested \$3.4 million in a combination of preferred equity (\$2.6 million) and common equity (\$0.8 million), representing a 50% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA

7 Apartment Properties – 184 Units

Acquisition Funding Structure

New Conventional First Mortgage

\$14.2 million / 3.8% rate

Preferred Equity – FCA

\$2.6 million / 9.0% rate

Common Equity – FCA

\$0.8 million

Common Equity – Joint Venture Partner

\$0.8 million



Partnership Investment:

Brentwood, Maryland

- On January 18, 2017, FCA and the Firm Capital Group acquired a 50% joint venture ownership in an apartment property comprised of 116 residential units in Brentwood, MD, outside of Washington, DC
 - The joint venture partner is a private real estate investment firm based in Baltimore, MD
- Value-add plan is designed to reposition the buildings by investing in units and building-wide renovations to capture premium market rents over a 3-year horizon
- Purchase price of \$9.8 million (including transaction costs)
- FCA invested \$1.0 million in a combination of 50% of the preferred equity (\$0.7 million) and common equity (\$0.3 million), representing a 25% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA and the Firm Capital Group

1 Apartment Property – 118 Units

Acquisition Funding Structure

New Conventional First Mortgage

\$7.8 million / 5.2% rate

Preferred Equity– FCA

\$0.7 million / 8.0% rate

Preferred Equity– Firm Capital Group

\$0.7 million / 8.0% rate

Common Equity – FCA

\$0.3 million

Common Equity – Joint Venture Partner & Firm Capital Group

\$1.1 million



Partnership Investment:

Manhattan, New York City

- On December 20, 2016, FCA and the Firm Capital Group acquired a 50% joint venture ownership in a portfolio of 8 apartment properties, comprised of 127 residential units and 2 retail units, in the Harlem neighbourhood of Manhattan, New York City
 - The joint venture partner is a private real estate investment firm based in New York City
- Value-add plan is designed to reposition the buildings by investing in units and building-wide renovations to capture premium market rents over a 5-year horizon
- Purchase price of \$38.4 million
- FCA invested \$6.1 million in a combination of 46% of the preferred equity (\$4.6 million) and common equity (\$1.5 million), representing a 23% ownership interest
 - The joint venture partner co-invested in common equity on a 50/50 basis with FCA and the Firm Capital Group

**8 Apartment Properties –
127 Residential Units – 2 Retail units**

Acquisition Funding Structure

New Conventional First Mortgage
\$23.8 million / 3.5% rate

**Preferred Equity–
FCA**
\$4.6 million / 8.0% rate

**Preferred Equity–
Firm Capital Group**
\$5.5 million / 8.0% rate

Common Equity – FCA
\$1.5 million

**Common Equity –
Joint Venture Partner &
Firm Capital Group**
\$5.2 million



Preferred Capital Loan

Manhattan, New York City

- On December 18, 2017 the Firm Capital Group issued a \$12 million preferred capital loan at a 12.0% coupon for an initial 3-year term to a private real estate investment firm based in New York City, to finance the acquisition of a portfolio of 3 apartment properties comprised of 130 residential units in Manhattan, New York City
 - FCA's initial participation in the preferred capital loan was for \$2.5 million, or 20.8% of the balance (\$2.2 million currently outstanding)
- The portfolio is comprised of 3 well positioned apartment buildings located on the border of Upper West Side and Harlem, in close proximity to the Columbia University and Central Park
- The loan is subordinated to the first mortgage, provided by a Tier 1 bank
- The capital structure is enhanced by significant common equity infusion from the borrower
- The borrower's value-add plan is designed to renovate and re-tenant the buildings to increase the rental income, while providing strong debt service coverage on the loan



Direct Investment:

Florida & Texas

Summerfield Apartments, Sunrise, FL

- 100% ownership
- 7 buildings and 153 units
- 46.8% loan-to-value (includes supplemental loan)
- Historical stabilized occupancy at +/- 95%



South Congress Commons, Austin, TX

- 100% ownership
- 4 buildings and 68 units
- 31.4% loan-to-value
- Historical stabilized occupancy at +/- 95%



Enclave, Austin, TX

- 100% ownership
- 5 buildings and 90 units
- 39.4% loan-to-value
- Historical stabilized occupancy at +/- 95%



OUR **CORE** PRINCIPLES



TRUST

Our partners, investors and clients can trust FirmCapital to execute on our commitment.



INNOVATION

Firm Capital brings an innovative approach to structuring a transaction.



RELATIONSHIPS

Firm Capital builds strong, long term relationships with its partners, investors and clients.

Firm Capital is a real estate private equity investment firm and alternative investment manager based in Toronto, Canada. Since 1988, Firm Capital has focused on deploying proprietary and managed capital opportunistically between debt and equity investments in the private and public real estate markets. The organization has established an exceptional track record of successfully lending, financing, owning, investing, joint venturing and managing real estate all across Canada and parts of the US. Firm Capital focuses on a simple culture and goal: to be a client driven organization with impeccable integrity focused on preservation of capital through disciplined tactical investing at the same time as building long term relationships.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

Eli Dadouch

Vice-Chairman

T: 416.635.0221 X 231

E: edadouch@firmcapital.com

Sandy Poklar

President & CEO

T: 416.635.0221 X 235

E: spoklar@firmcapital.com

Victoria Moayed

Director, Investor Relations

& Private Client Capital

T: 416.635.0221 X 270

E: vmoayed@firmcapital.com

163 Cartwright Avenue, Toronto, Ontario, Canada M6A 1V5

T: 416.635.0221 F: 416.635.1713 www.FirmCapital.com

Disclaimer

This presentation is for informational purposes only and not intended to solicit Firm Capital Apartment Real Estate Investment Trust (“**FCA**”, “**FCAREIT**” or the “**Trust**”). This presentation may not provide full disclosure of all material facts relating to the securities offered. Investors should read the most recent Annual Report and Quarterly Financial Statements and Management Discussion & Analysis for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision. A final base shelf prospectus containing important information relating to the securities described in this presentation has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec.

This presentation contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in this presentation, and other statements concerning the FCA’s objectives, its strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. All forward-looking statements in this presentation are qualified by these cautionary statements. These statements are not guarantees of future events or performance and, by their nature, are based on FCA’s estimates and assumptions, which are subject to risks and uncertainties, which could cause actual events or results to differ materially from the forward-looking statements contained in this presentation. Those risks and uncertainties include, but are not limited to, those related to: liquidity in the global marketplace associated with current economic conditions, occupancy levels, access to debt and equity capital, interest rates, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions or dispositions, construction, environmental matters, legal matters, reliance on key personnel, income taxes, the conditions to the transactions not being satisfied resulting in the failure to complete some or all of the proposed transactions described herein, the trading price of the securities of FCA, lack of availability of acquisition or disposition opportunities for the Trust and exposure to economic, real estate and capital market conditions in North America. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: that the general economy remains stable, interest rates are relatively stable, acquisition/disposition capitalization rates are stable, competition for acquisition or disposition of residential apartments remains intense, and equity and debt markets continue to provide access to capital. These assumptions, although considered reasonable by the Trust at the time of preparation, may prove to be incorrect. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this presentation may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this presentation. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.