

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST COMPLETES REIT CONVERSION AND REITERATES BUSINESS PLAN

(All amounts are in US Dollars unless otherwise stated.)

Toronto, Ontario, January 8, 2020. Firm Capital American Realty Partners Trust (the “Trust”), (TSXV: FCA.U), (TSXV: FCA.UN) is pleased to announce that it has commenced trading as a Trust following its conversion from its predecessor corporation that took effect on January 1, 2020.

The Trust trades on the TSXV Exchange under the ticker symbols FCA.U and FCA.UN for US and Canadian Dollar trading, respectively. In addition, the Trust has a series of Convertible Unsecured Debentures and Warrants trading on the TSXV Exchange under the ticker symbols FCA.DB and FCA.WT.U, respectively.

TRUST INVESTMENT OVERVIEW:

The Trust specializes in the investment and ownership of US multi-residential properties with a focused strategy of: (I) Core Markets: Wholly owned multi residential acquisitions; (II) Core and Non-Core Markets: Joint venture real estate acquisitions in partnership with industry operating leaders and; (III) Bridge lending of mortgage and preferred capital secured by multi-residential properties:

- **CORE MARKETS: WHOLLY OWNED INVESTMENTS:**

The Trust is focused on growing its wholly owned multi-residential property portfolio in large core markets with a particular attention to cities located in Texas, Florida, New Jersey, North and South Carolina, Colorado, Georgia and New York. Currently, the Trust owns a 100% interest in 311 multi-family apartment units located in Sunrise, Florida and Austin, Texas with an IFRS value of \$47.3 million.

- **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. Preferred equity returns are approximately 8.4% per annum. Currently, the Trust has partial ownership interests in eight joint ventures comprised of 1,512 multi-family apartment units with a combined IFRS value of approximately \$84.4 million (on a proportionate consolidated basis) as outlined below:

- **Houston, TX:** 50% interest in 235 multi-family apartment units;
 - **Irvington, NJ:** 50% interest in 189 multi-family apartment units;
 - **Canton, GA:** 50% interest in 138 multi-family apartment units;
 - **Bronx, NY:** 50% interest in 132 multi-family apartment units;
 - **Hartford, CT:** 50% interest in 109 multi-family apartment units;
 - **Bridgeport, CT:** 30% interest in 462 multi-family apartment units;
 - **Brentwood, MD:** 25% interest in 118 multi-family apartment units; and
 - **New York, NY:** 22.8% interest in 129 multi-family apartment units.
- **MORTGAGE LENDING:**
The Trust, using Firm Capital's plus 30-year experience as a leader in the mortgage lending industry, provides bridge lending of mortgage and preferred capital secured by residential / multi-residential properties. The Trust currently has invested \$5.2 million as a participant as a syndicate partner in a mortgage and preferred capital portfolio with a 12.0% per annum weighted average interest rate, encumbering 1,405 multi-family apartment units. Firm Capital Corporation is the mortgage banker and loan servicer.

STRONG BASE OF GROSS ASSETS:

As at September 30, 2019 and pro-forma all recent acquisition activity, the Trust had gross assets of approximately \$148.7 million on an IFRS proportionate consolidated basis.

GROWING NET ASSET VALUE (“NAV”) PER UNIT:

As at September 30, 2019, NAV per Unit was \$9.07, Since Q3/2017, the Trust has grown NAV at a +10% CAGR from \$7.85 per Unit to its current level.

STABLE DISTRIBUTIONS THAT ARE LARGELY RETURN OF CAPITAL:

The Trust's current distribution policy is quarterly with a current distribution of \$0.059 per unit quarter or \$0.236 per unit annualized. However, it is the Trust's intent to go to monthly distributions in due course. Further, it is anticipated that the Trust's Return of Capital for 2020 will be approximately 85% of distributions.

STRONG BOARD OF TRUSTEES WITH SIGNIFICANT OWNERSHIP:

The Trust has a strong board of trustees with significant experience in real estate, capital markets, lending and finance. In addition, the board of trustees have a significant stake in the Trust, controlling approximately 40% of the trust units.

The Board of Trustees is comprised of the following:

- Ojus Ajmera
- Geoffrey Bledin
- Eli Dadouch
- Pat DiCapo
- Robert Janson
- Sandy Poklar
- Keith Ray

- Scott Reid
- Howard Smuschkowitz

TICKER SYMBOLS:

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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.

For further information, please contact:

Eli Dadouch
President & Chief Executive Officer
(416) 635-0221

Sandy Poklar
Chief Financial Officer
(416) 635-0221