



Firm Capital Apartment Real Estate Investment Trust

INVESTOR PRESENTATION – Q3 2022

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Strategic Review

- The current macro environment of rapidly increasing interest rates and persistent inflation is presenting a challenging investing environment. Particularly, capitalization rates on apartment buildings are below the cost of five-and ten-year mortgage debt, resulting in a negative investing spread for the first time in many years. Yields in the multi-residential business are below the returns generated from bank guaranteed instruments, such as GICs and term deposits, and as such the current business model cannot work. This in turn has caused the Trust units to trade at a larger discount to NAV than before the interest rate hikes.
- On November 15, 2022, the Board of Trustees (the “**Board**”) have initiated a strategic review process to identify, evaluate and pursue a range of strategic alternatives with the goal of maximizing unitholder value (the “Strategic Review”), including liquidation or exiting the business model.

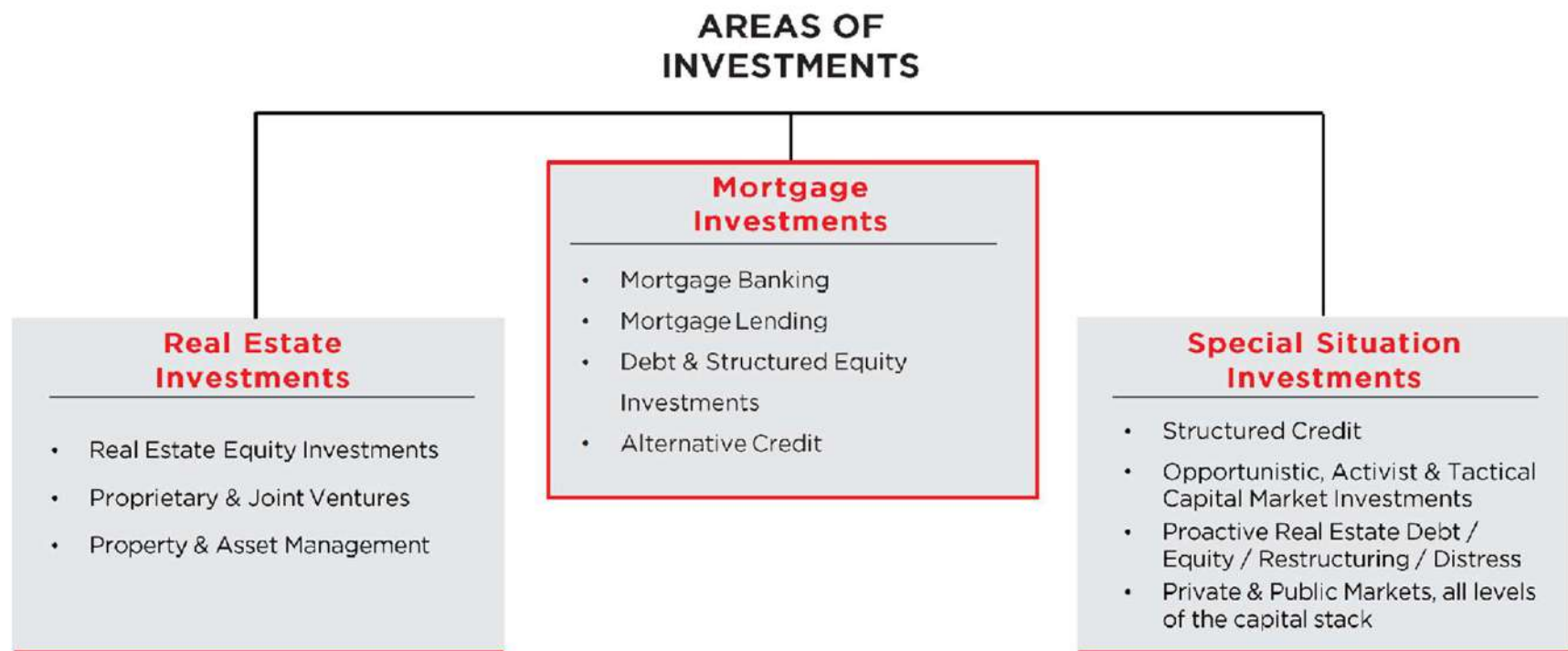
STRATEGIC REVIEW OPTIONS

MERGERS & ACQUISITIONS	ASSET DISPOSITIONS	CHANGE OF BUSINESS	PRIVATIZATION
Pursue the possibility of merging the Trust through either a take-over, reverse take-over, etc. with another real estate owner/ operator, REIT or REOC to gain critical mass, size and scale. The Trust has had informal conversations with certain third parties to explore this option.	As a result of the negative investing spread environment, the Board takes the view that it may be in the Trust’s best interests to dispose of certain real estate properties. The Board has commenced the process to opportunistically dispose of certain wholly-owned and some of our joint venture partners have started the process to realize value on some of our joint venture real estate investments with a goal to crystalizing valuations and realizing unitholder value, after the repayment of associated debt. Furthermore, we were advised recently one of our preferred investments will be repaid prior to maturity, thus bringing back to the Trust approximately \$3.5 million of capital by year end.	With the decision to opportunistically dispose of certain real estate assets, the Trust may ultimately change the operation of the business and become either: (i) a real estate merchant bank, or (ii) an entity focused on value added equity and growth	With a \$35 million market capitalization, the Trust is too small to justify staying public, particularly in light of increasing public company costs. Taking the Trust private and monetizing the assets over time might be in the best interest for Unitholders and as such the Board will also review this option.

In the interim and as part of the Strategic Review, the Board will continue to assess matters on a quarterly basis and determine if the Trust should: (i) distribute excess income; (ii) distribute net proceeds from a sales, after debt repayment; (iii) reinvest net proceeds into other investments; (iv) distribute proceeds as a return of capital or special distribution; and/or (v) use excess proceeds to repurchase Trust units in the marketplace. To maximize its financial flexibility and unitholder value, the Trust has paused distributions until the Board has considered the outcome of its Strategic Review and determined its path forward.

Introduction to Firm Capital Organization

- Firm Capital Organization:
 - Established in 1988, operates as a boutique real estate and financial services equity investment company deploying capital opportunistically between mortgage debt and equity in the real estate private and public markets across Canada and the U.S. on all ends of the capital stack
 - In its mortgage business, operates as a leading non-bank lender, having lent more than \$12.3 Billion from 2000-2022 YTD
 - In its real estate business, through its private and publicly-traded entities, overseas in Canada over 5 million square feet of commercial properties and over 3,400 multi-residential apartment units and manufactured home lease communities. Across the U.S. Sunbelt & U.S. Northeast states overseas over 1,800 multi-residential apartment units



Investment Strategy

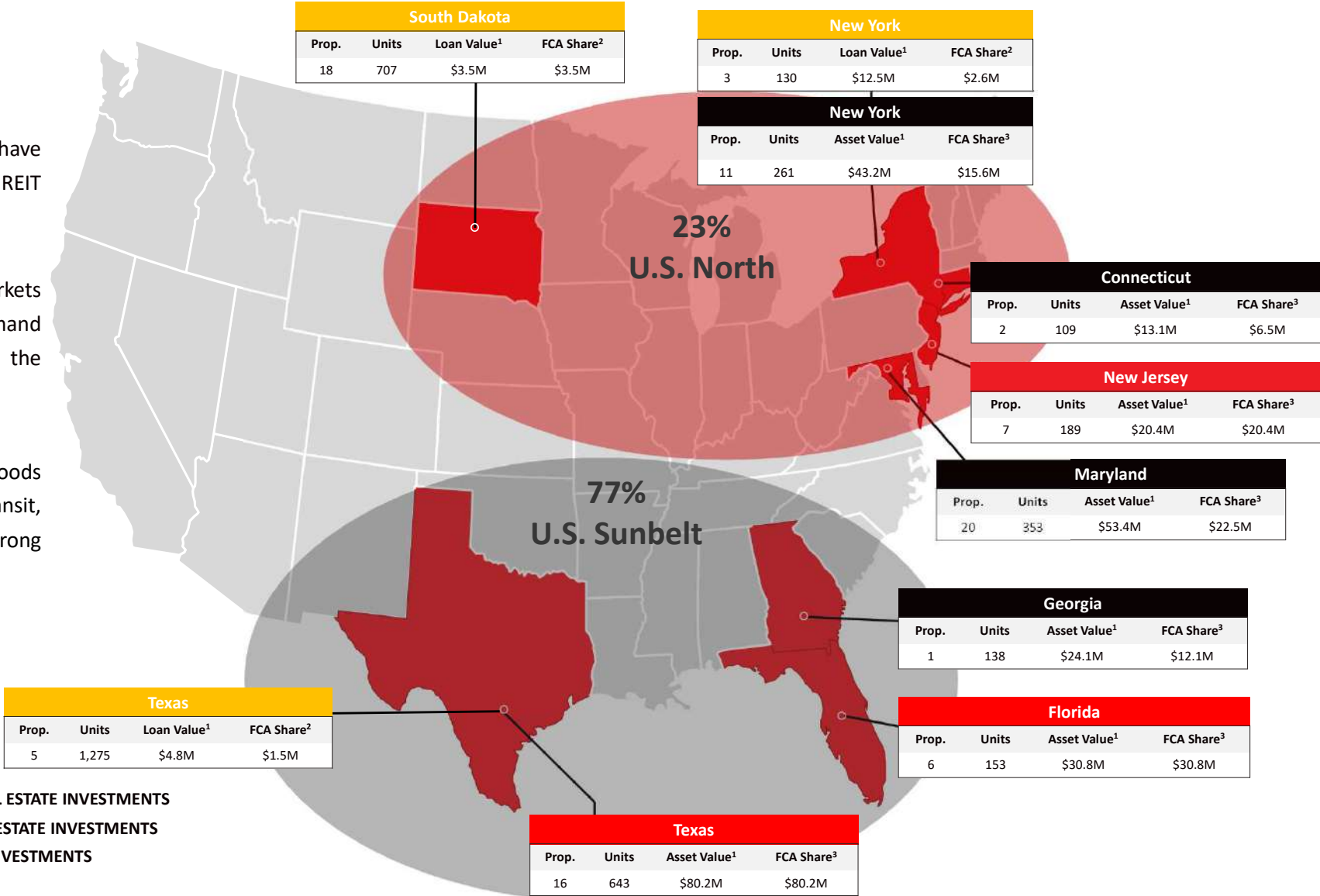
FCA REIT targets balanced growth and income returns, including a unique blend of common equity returns (targeted at +20%), preferred equity returns (targeted at +8%), and preferred capital lending returns (targeted at +12%), executed through the following investment plan and funding structure:

Wholly-Owned Real Estate Investments (Long-Term)	Joint Venture Real Estate Investments (Medium-Term)	Preferred Capital Investments (Short-Term)
INVESTMENT PLAN		
Buy and hold stabilized property and take advantage of premium market rents.	<ol style="list-style-type: none"> 1. Buy property with experienced local JV partner; 2. Adapt value-add program; and 3. When the opportunity arises buyout JV partner's stake in medium term to increase wholly-owned position in portfolio. 	Preferred Capital loan investment at a 10% to 12% rate for short-term period.
ACQUISITION & LOAN FUNDING STRUCTURE		
New Conventional First Mortgage Typically Fannie Mae/Freddie Mac (65% to 75% LTV)	New Conventional First Mortgage Typically Fannie Mae/Freddie Mac (65% to 75% LTV)	New Conventional First Mortgage Typically Fannie Mae/Freddie Mac (65% to 75% LTV)
Equity FCA REIT (100% remaining equity)	Preferred Equity FCA REIT (~8% rate)	Preferred Capital Loan FCA REIT (~12% rate)
	Common Equity FCA REIT (50% remaining equity)	Common Equity Joint Venture Partner (50% remaining equity)
		Equity Borrower (100% remaining equity)

Property Summary¹

Strategically located in:

- Major cities which have outperformed national REIT market
- Primary & secondary markets with strong demand throughout all phases of the economic cycle
- Thriving urban neighborhoods with proximity to transit, population density, and strong workforce community



- WHOLLY-OWNED REAL ESTATE INVESTMENTS
- JOINT VENTURE REAL ESTATE INVESTMENTS
- PREFERRED CAPITAL INVESTMENTS

(1) Shown at 100% share as at September 30, 2022
 (2) FCA share of total loan; based on participation percentage
 (3) FCA share of asset value; based on common equity ownership

Investment Profile

- FCA REIT's real estate investment portfolio 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
- FCA REIT's preferred capital investments is currently comprised of 3 preferred capital loans secured by New York, Texas and South Dakota apartment properties, providing high current income and enhancing the overall portfolio yield

Q3/2022 Real Estate Investment Portfolio (US\$ in millions)⁽¹⁾

	State	Properties	Units ^{(2) (3)}	Occupancy	Asset Value	FCA Preferred (\$)	FCA Equity (\$)	FCA Ownership (%)
Wholly-Owned Real Estate Investments	Florida	6	153	97.4%	\$30.8	-	\$12.5	100.0%
	Texas	16	643	92.7%	\$80.2	-	\$41.8	100.0%
	New Jersey ⁽³⁾	7	189	96.8%	\$20.4	-	\$7.0	100.0%
Joint Venture Real Estate Investments	New York ⁽²⁾	11	261	94.3%	\$43.2	-	-	36.4%
	Maryland	20	353	91.2%	\$53.4	\$4.2	\$4.4	42.9%
	Connecticut	2	109	93.6%	\$13.1	\$1.4	\$1.1	50.0%
	Georgia	1	138	93.5%	\$24.1	\$3.3	\$3.3	50.0%
Total Residential Units		63	1,846	93.6%	\$265.2M	\$8.9M	\$70.1M	71%

Preferred Capital Investments (US\$ in millions)⁽¹⁾

State	Properties	Units	Coupon	Investment	Term	FCA Share of Inv.
New York	3	130	12.0%	\$12.5	3 Years	\$2.6
Texas	5	1,275	10.0%	\$4.8	2 Years	\$1.5
South Dakota	18	707	12.0%	\$3.5	3 Years	\$3.5

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

2) Includes two commercial units;

3) Includes five commercial units.

Sample Case Study of Each Investment Type

Wholly-Owned Real Estate Investment (Long-Term)



- **Location:** Sunrise, Florida
- **Takeover Date:** Q3/2016
- **Estimated Takeover Value:** USD\$20.7 Million
- **Property:** 6 Apartments (153 units)
- **Investment Plan:** Buy and hold stabilized property and take advantage of premium market rents.
- **Historical Stabilized Occupancy:** +/- 98%
- **Average Rent Increase:** 26%*
- **Net Operating Income Increase:** 36%*
- **Estimated Value Increase:** 33%*

Joint Venture Real Estate Investment (Medium-Term)



- **Location:** Brentwood, Maryland
- **Acquisition Date:** Q1/2017
- **Purchase Price:** USD\$9.8 Million
- **Property:** 1 Apartment (116 units)
- **Investment Plan:** Value-add plan by investing in units and building-wide renovations to capture premium market rents.
- **Historical Stabilized Occupancy:** +/- 91%
- **Average Rent Increase :** 21%**
- **Net Operating Income Increase:** 31%**
- **Estimated Value Increase:** 42%**

Preferred Capital Investment (Short-Term)



- **Location:** Houston, Texas
- **Inception Date:** Q4/2019
- **Loan Amount:** USD\$10 Million
- **Property:** 5 Apartments (1,275 units)
- **Investment Plan:** Preferred Capital Loan at a 12% rate for initial 2-year term.
- **Investment Outcome:** Preferred equity loan paid back in full by borrower in 2021.

Financials as at: * Q3/2016 to Q3/2022; ** Q1/2017 to Q3/2022

Q3/2022 Financial Highlights

- Actively manage strong balance sheet and liquidity position to ensure financial strength for growth, long-term earning and cash flow stability.

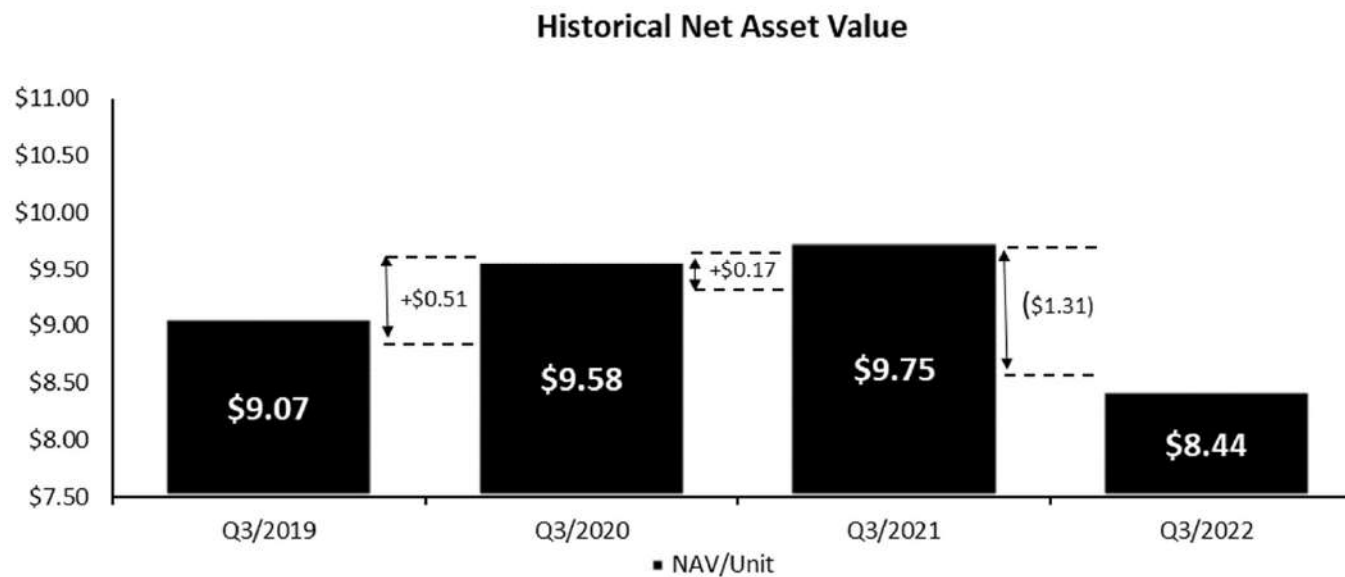
In USD\$ millions, unless per unit or % amounts	Quarter Ended Sept. 30, 2022	Quarter Ended Jun. 30, 2022	Quarter Ended Sept. 30, 2021
AFFO/Unit	\$0.09	\$0.09	\$0.08
NAV/Unit	\$8.44	\$8.63	\$9.75
Distributions/Unit	-	\$0.06	\$0.06
Leverage (Mortgages / Investment Portfolio)⁽¹⁾	49.1%	46.7%	26.2%
Leverage (Total Debt / Investment Portfolio)⁽¹⁾	57.4%	56.1%	38.6%
Portfolio Size⁽²⁾	\$201	\$201.5	\$176.4

(1) The Trust monitors its leverage on a mortgage debt (defined as Mortgages and Bank Indebtedness/ Investment Portfolio) and a total debt basis (defined as Mortgages, Bank Indebtedness and Convertible Debentures/ Investment Portfolio (defined as Mortgages and Bank Indebtedness / Investment Portfolio) as measures of anticipating future growth through the private and public debt markets versus its liquidity in the short term.

(2) Calculated including the pro-forma consolidation of its interests in the Joint Ventures Portfolio assuming proportionate consolidation.

Net Asset Value

- Organic growth in the portfolio is a key factor that drives value creation in NAV
- Net Asset Value has increased by +6% Compounded Annual Growth Rate from USD\$7.85/Unit (CAD\$9.80/Unit) in Q3/2017 to USD\$8.44/Unit (CAD\$11.56/Unit) in Q3/2022

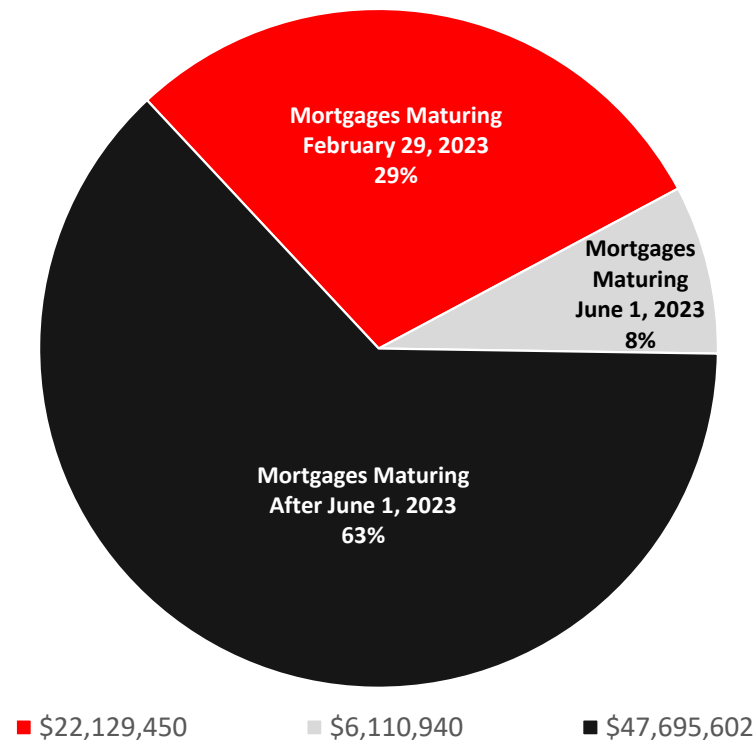


Maximize on Mortgage Refinancing Opportunities

- Actively take initiatives to maximize on opportunistic mortgage refinancing to unlock capital for further liquidity and growth through:
 - i. Existing mortgages set to mature; and
 - ii. Upward refinancing: pay off preferred equity in JVs and own real estate on a 50/50 basis with our JV partner

- With 37% of the existing mortgages set to mature in the next 9 months, FCA REIT sees growth opportunities from:
 - a) Acquisition and Organic Portfolio Growth; and
 - b) Higher AFFO

Mortgage Portfolio Maturity Due Dates



Strategic Initiatives and Average Rent Increase

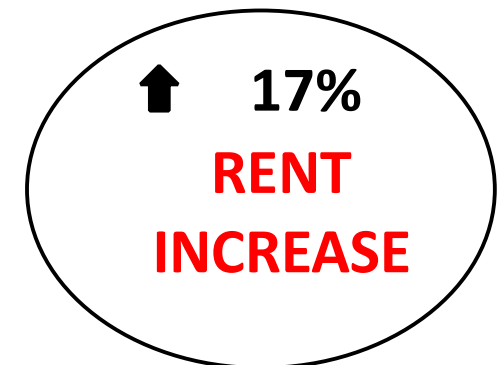
- FCA REIT has strategies in-place to ensure its assets intrinsic value, superior service to tenants, high-quality tenant base, ability to charge premium rents, and participation in growing industry trends toward sustainable living and operating initiatives are upheld. Some of these strategic initiatives include:

- ✓ **Partner with local property managers** that have knowledge of local market to capture premium rents and quality tenants
- ✓ **Value-add program** in place to capture premium rents
- ✓ **Adapted to virtual showings and other online paperless platforms** for lease agreement signing, renewals, etc.
- ✓ **Online portal system** for automatic tenant billing payments and service requests
- ✓ **Have accounting processes in place and updated technology** to monitor revenue and expenses
- ✓ **Invest in some rent control buildings and affordable housing** (i.e. in New York) to meet growing industry trends

- As a result of these strategic initiatives and geographical positioning of the asset portfolio, FCA REIT's monthly average rents have increased by approximately 17% since the onset of COVID-19 in March 2020 and believe this trend will continue into 2022 . By state, the rent increases are as follows:

AVERAGE RENT INCREASE

	March 2020	September 2022	% Change
Texas	\$884	\$1,083	23%
Georgia	\$1,023	\$1,400	37%
Florida	\$1,406	\$1,604	14%
Subtotal for U.S. Sunbelt	\$990	\$1,363	25%
Maryland	\$1,344	\$1,471	9%
New Jersey	\$1,003	\$1,196	19%
Connecticut	\$1,121	\$1,311	17%
New York	\$1,548	\$1,512	-2%
Subtotal for U.S. Northeast	\$1,324	\$1,372	11%
Total Weighted Average	\$1,119	\$1,368	17%

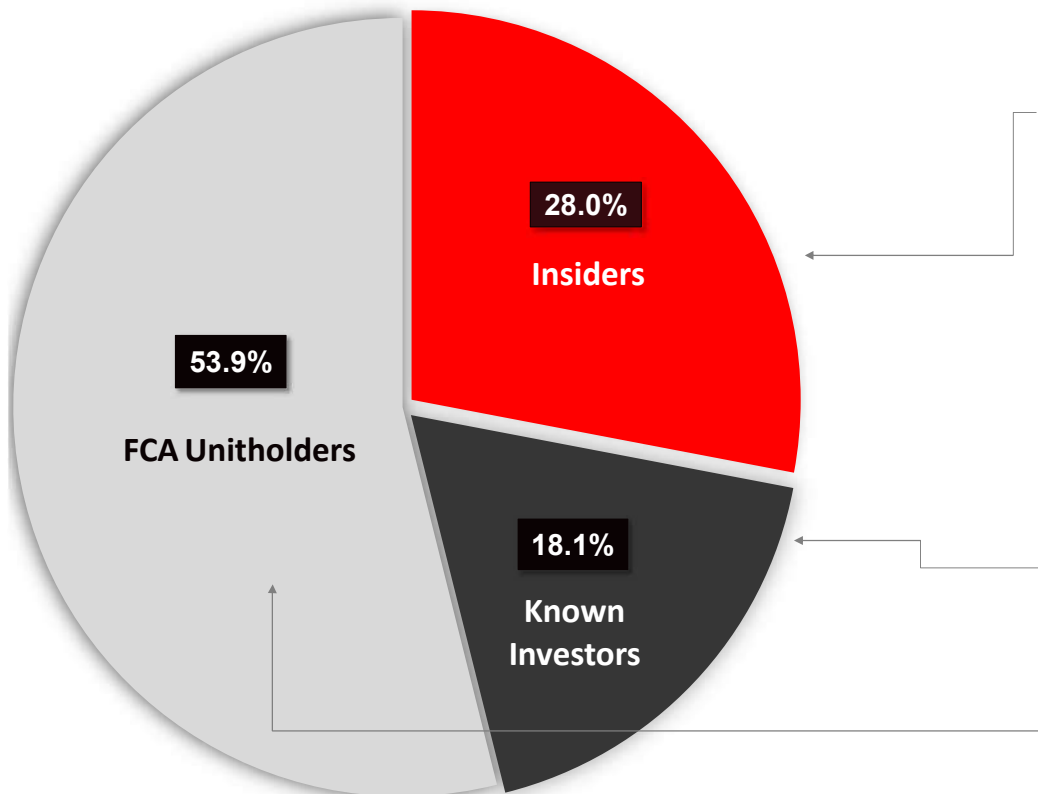


**Note: Excludes the Hyattsville, MD acquisition in Sept. 2020 and the Bridgeport, CT sale in Dec. 2020.*

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 FCA REIT, as well as controlling 28.0% of the outstanding Trust units issued.
- In addition, known investors of FCA REIT have ownership interest of 53% of the common equity & preferred capital in the REIT, as well as control 18.1% of the Trust units.

46.1% of Trust Units Held by Insiders & Known Investors



Trustee Name	Number of Units Held Directly or by Known Investors ⁽¹⁾	Ownership Interest ⁽¹⁾
Pat DiCapo	813,514	10.7%
Robert Parker ⁽²⁾	542,980	7.1%
Eli Dadouch	359,593	4.7%
Howard Smuschkowitz	195,802	2.6%
Geoffrey Bledin	124,000	1.6%
Keith L. Ray	70,373	0.9%
Sandy Poklar	14,839	0.2%
Valentina Kalyk	5,200	0.1%
Jonathan Mair	2,100	<0.1%
Subtotal for Insiders	2,128,401	28.0%
Known Investors	1,378,821	18.1%
Subtotal for Insiders & Known Investors	3,507,222	46.1%
FCA Unitholders	4,097,153	53.9%
Total	7,604,375	100%

⁽¹⁾ Financials as at September 30, 2022
⁽²⁾ Represents company employed by

Highly Experienced Management & Board of Trustees

Trustees	<p>Geoffrey Bledin Chairman, Independent Trustee</p>	<ul style="list-style-type: none"> • Director of Mortgage Investment Corporation (TSX:FC) • Trustee of Firm Capital Property Trust (TSX: FCD.UN) • Chairman & Trustee of Firm Capital Private Equity Realty Trust • Former President and CEO of Equitable Trust Company • Former Partner with Price Waterhouse
	<p>Keith L. Ray Independent Trustee</p>	<ul style="list-style-type: none"> • CEO of Realvest Management • Former Partner with KPMG LLP
	<p>Pat DiCapo Independent Trustee</p>	<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
	<p>Howard Smuschkowitz Independent Trustee</p>	<ul style="list-style-type: none"> • Corporate Director • President of Total Body Care Inc. & JRS Capital Management • Former President of Homeland Self Storage
	<p>Valentina Kalyk Independent Trustee</p>	<ul style="list-style-type: none"> • Over 25 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 • President & Co-CIO of Firm Capital Private Equity Realty Trust
	<p>Robert Parker Independent Trustee</p>	<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
	<p>Jonathan Mair Non-Independent Trustee</p>	<ul style="list-style-type: none"> • Vice President, Mortgage Banking of Firm Capital Corporation • COO, SVP and Director of Firm Capital Mortgage Investment Corporation (TSX: FC) • Co-CIO & Trustee of Firm Capital Property Trust (TSX: FCD.UN) • Former Vice-President of KPMG Inc. from 1993 to 1997
Management	<p>Eli Dadouch Vice-Chairman</p>	<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 (TSX: FCD.UN) • CEO & Chairman of Firm Capital Private Equity Realty Trust
	<p>Sandy Poklar President & CEO</p>	<ul style="list-style-type: none"> • COO and Managing Director, Capital Markets & Strategic Developments of Firm Capital Corporation • EVP & Managing Director, Finance of Firm Capital Mortgage Investment Corporation (TSX: FC) • CFO and Trustee of Firm Capital Property Trust (TSX: FCD.UN) • COO & Co-CIO of Firm Capital Private Equity Realty Trust • Trustee of True North Commercial REIT (TSX: TNT.UN) • Previous investment banking roles with Macquarie Capital Markets Canada (Toronto) and TD Securities (Toronto)
	<p>Claudia Alvarenga CFO</p>	<ul style="list-style-type: none"> • Former Manager within the U.S. Segment at Manulife Financial Corporation • Former Assurance Manager at MNP LLP

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

OUR CORE PRINCIPLES



TRUST

Our partners, investors and clients can trust Firm Capital 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

Claudia Alvarenga

Chief Financial Officer

T: 416.635.0221 X 246

E: calvarenga@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 www.FirmCapital.com

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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.

Past performance is not a guide to future results and is not indicative of expected realized returns.

All investments are subject to risk, including the loss of the principal amount invested. These risks may include, but not limited to, operating history, uncertain distributions, inconsistent valuation of the portfolio, changing interest rates, leveraging of assets, potential conflicts of interest, payment of fees to the manager, potential illiquidity and liquidation at more or less than the original amount invested. Diversification will not guarantee profitability or protection against loss. Performance may be volatile, and the NAV may fluctuate. There are no guarantees investment objectives will be achieved.

Assets Under Management (“AUM”) refers to the assets that we manage and are generally equal to the sum of (i) asset value at market; (ii) drawn and undrawn debt; (iii) capital under management, including uncalled capital commitments.