STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FOR THE THREE MONTHS ENDED MARCH 31, 2018

MAY 16, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the condensed consolidated interim financial results of Starlight U.S. Multi-Family (No. 5) Core Fund (the "Fund") dated May 16, 2017, for the three months ended March 31, 2018, should be read in conjunction with the Fund's unaudited condensed consolidated interim financial statements and accompanying notes for the same period as well as the audited consolidated financial statements and accompanying notes for year ended December 31, 2017. These documents are available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the Fund's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the Fund or the real estate industry and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, average monthly rents ("AMR"), taxes, the Fund's use of its normal course issuer bid (the "NCIB"), and plans and objectives of or involving the Fund. Particularly, matters described at "Future Outlook" are forward-looking information. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the Fund's control, affect the operations, performance and results of the Fund and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the inventory of multi-family real estate properties; the availability of properties for acquisition and the price at which such properties may be acquired; the availability of mortgage financing and current interest rates; the extent of competition for properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the ability of Starlight Investments US AM Group LP (the "Manager" or "Starlight") of the Fund to manage and operate the properties; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws.

Although the Fund believes the expectations reflected in such forward-looking information are reasonable and represent the Fund's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Fund's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Fund's expectations include, among other things, the availability of suitable properties for purchase by the Fund, the availability of mortgage financing for such properties, and general economic and market factors, including interest rates, business competition and changes in government regulations or in tax laws. See "Risks and Uncertainties". The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Except as specifically required by applicable Canadian law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

BASIS OF PRESENTATION

The Fund's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Fund's presentation currency is United States ("U.S.") dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of U.S. dollars, except for per limited partnership unit of the Fund ("unit") and AMR information. All references to "C$" are to Canadian dollars.

NON-IFRS FINANCIAL MEASURES

Certain terms used in this MD&A such as adjusted funds from operations ("AFFO"), AMR, Cash provided by operating activities, including interest paid, economic occupancy, funds from operations ("FFO"), gross book value ("Gross Book Value"), indebtedness ("Indebtedness"), indebtedness coverage ratio ("Indebtedness Coverage Ratio"), Indebtedness to Gross Book Value, interest coverage ratio ("Interest Coverage Ratio"), net operating income ("NOI") and same property operating results and same property NOI are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income (loss) and comprehensive income (loss), cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. AFFO, AMR, Cash provided by operating activities, including interest paid, economic occupancy, FFO, Gross Book Value, Indebtedness, Indebtedness Coverage Ratio, Indebtedness to Gross Book Value, Interest Coverage Ratio, Indebtedness to Gross Book Value, Interest Coverage Ratio, NOI and same property operating results and NOI as computed by the Fund may not be comparable to similar measures as reported by other funds or companies in similar or different industries. The Fund uses these measures to better assess the Fund's underlying performance and provides these additional measures so that investors may do the same.

AFFO is defined as FFO subject to certain additional adjustments, including: (i) amortization of fair value mark-to market adjustments on loans assumed; (ii) amortization of financing costs; (iii) service fees; (iv) current taxes relating to withholding tax and dispositions; and (v) deduction of a reserve for normalized maintenance capital expenditures and suite make ready costs, as determined by the Manager. Other adjustments may be made to AFFO as determined by the Manager. AFFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to unitholders of the Fund ("Unitholders") after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. AFFO has not been calculated in accordance with the Real Property Association of Canada definition, as the Fund makes adjustments for non-cash items to better measure the sustainability of future distributions. This MD&A does not include a presentation of adjusted cash flow from operations as defined by the Real Property Association of Canada.

AMR is defined as the total in place rents divided by the total number of suites occupied as at the reporting date.

Cash provided by operating activities, including interest paid, is a measure of the amount of cash generated from operating activities including interest paid and is presented in this MD&A as the Manager considers this non-IFRS measure when determining the sustainability of future distributions paid to Unitholders.

Economic occupancy is calculated by taking effective net rent after considering vacancy and concessions and dividing by gross potential rent. The Fund considers this an important operating metric to evaluate the extent to which revenue potential is being realized.

FFO is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS, excluding fair value adjustments of the investment properties, fair value adjustments on derivative instruments, distributions to Unitholders of units classified as financial liabilities, International Financial Reporting Interpretations Committee 21 - *Levies* ("IFRIC 21") adjustment for property taxes, deferred income tax expense and realized or unrealized foreign exchange gains and losses. FFO payout ratio compares distributions declared to FFO. FFO is a measure of operating performance

based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of operating performance and is being calculated in accordance with Real Property Association of Canada.

Gross Book Value is defined as the fair market value of the Fund's investment properties (the "Properties") as described under the Portfolio Summary. Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Indebtedness is defined as the face value of mortgages payable and the Fund's credit facility ("Credit Facility"). Indebtedness is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Indebtedness Coverage Ratio is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS before deferred taxes plus finance costs, which include amortization of financing costs and mortgage premiums, fair value adjustments on derivative instruments, less finance income and adjusted for other non-cash items divided by interest and principal payments. Generally, a higher Indebtedness Coverage Ratio demonstrates a stronger ability to satisfy the Fund's debt service obligations. Indebtedness Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual principal and interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

Indebtedness to Gross Book Value is defined as Indebtedness divided by the Gross Book Value. Indebtedness to Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Interest Coverage Ratio is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS before deferred taxes plus finance costs, which includes amortization of financing costs and mortgage premiums, fair value adjustments on derivative instruments, less finance income and adjusted for other non-cash items divided by interest expense. Generally, a higher Interest Coverage Ratio indicates a lower credit risk. Interest Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

NOI is defined as all property revenue, less direct property costs such as utilities, property taxes (normalized to remove the impact from IFRIC 21 for each reporting period), repairs and maintenance, on-site salaries, insurance, bad debt expenses, property management fees, and other property specific administrative costs. NOI is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's operating performance and uses this measure to assess the Fund's property operating performance on an unlevered basis.

Same property operating results and NOI (revenue less property operating costs and realty taxes) are presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's operating performance for Properties owned by the Fund and Properties previously owned by Starlight U.S. Multi-Family Core Fund ("Fund No. 1"), Starlight U.S. Multi-Family (No. 2) Core Fund ("Fund No. 2"), Starlight U.S. Multi-Family (No. 3) Core Fund ("Fund No. 3") and Starlight U.S. Multi-Family (No. 4) Core Fund ("Fund No. 4") and collectively with Fund No. 1, Fund No. 2, Fund No. 3 and Fund No. 4 (the "Arrangement Funds") continuously for a selected reporting period and does not take into account the impact of the operating performance of the Properties acquired during or subsequent to the reporting period.

Reconciliations of net income (loss) and comprehensive income (loss) to FFO, and FFO to AFFO are provided herein at "Non-IFRS Financial Measures – FFO and AFFO". In addition, a reconciliation of cash provided by operating activities including interest paid to AFFO is provided herein at "Non-IFRS Financial Measures – FFO to AFFO" and a reconciliation of NOI from the financial statement presentation of revenue, property operating costs and realty taxes is provided herein at "Financial and Operational Highlights".

INVESTMENT OVERVIEW, OBJECTIVES AND STRATEGY

The Fund is a limited partnership formed under and governed by the laws of the Province of Ontario. The registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3. The term of the Fund is targeted to be three years (the "Term"), with two one-year extensions available subject to approval by Starlight U.S. Multi-Family (No. 5) Core GP, Inc., the general partner of the Fund ("Starlight GP"). The Fund may be extended beyond five years by special resolution of the Unitholders. The Fund was established for the primary purpose of indirectly owning an aggregate of 5,882 multi-family apartment suites in 20 properties located in the States of Florida, Georgia, North Carolina and Texas, in the United States (the "Arrangement Properties"). The Arrangement Properties were indirectly acquired through the exchange of limited partnership units of the Arrangement Funds and the common shares of Campar Capital Corporation for limited partnership units of the Fund (the "Plan of Arrangement").

Subsequent to the completion of the Plan of Arrangement and following completion of the Fund's public offering (the "Offering") of units and the filing of the Fund's final long form prospectus (the "Prospectus") dated October 12, 2016, the Fund indirectly acquired three additional properties comprised of an aggregate of 910 suites located in the States of Georgia, Nevada and Texas in the markets of Atlanta, Las Vegas and Austin, respectively, in the United States (the "IPO Properties").

As at March 31, 2018, the Fund had an aggregate of 7,289 suites located in the states of Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, Tennessee and Texas (the "Primary Markets").

The Fund has seven classes of units. Class A units denominated in Canadian dollars and class U units denominated in U.S. dollars are listed on the TSX Venture Exchange under the symbols STUS.A and STUS.U, respectively. The Fund also has five unlisted limited partnership unit classes, class C units, class D units, class F units, and class H units, which are Canadian dollar denominated, and class E units, which are U.S. dollar denominated.

INVESTMENT OBJECTIVES

The Fund's investment objectives are to:

1. indirectly acquire, own, and operate a portfolio comprised of recently constructed, Class "A" stabilized, income producing multi-family real estate properties in the Primary Markets;
2. make stable monthly cash distributions; and
3. enhance the operating income and property values of the Fund's assets through active management, with the goal of ultimately directly or indirectly disposing of its interests in the assets at a gain by the end of the Fund's Term.

INVESTMENT STRATEGY

The Fund was established for the primary purpose of investing indirectly in recently constructed, Class "A", core income producing rental properties in the U.S. multi-family real estate market. The Manager believes the U.S. multi-family real estate sector presents a compelling investment opportunity and provides competitive long-term returns when compared to other real estate asset classes. The Manager believes the Properties will benefit from their locations in strong submarkets with favourable demographics, and expects the Properties held have excellent prospects for rental growth going forward. The Properties also benefit from the Manager's active asset management strategies designed to enhance rental income and reduce expenses going forward.

In order to meet its investment objectives, the Fund's investment strategy is as follows:

ACQUISITION OF CORE U.S. MULTI-FAMILY REAL ESTATE

1. Identify additional acquisition opportunities in the U.S. multi-family residential market by leveraging the Manager's relationships with principals, operators, and brokers located in the Fund's target markets and by its ability to source "off-market" opportunities.
2. Target multi-family assets that are:
    a. constructed in 2012 or later, Class "A" core, stabilized properties with the potential to benefit from active management;
    b. located in the Primary Markets, each with favourable demographics and fundamentals;

   c. located in mature areas with barriers to new development; and

   d. stabilized with the potential to benefit from an active asset management strategy.

3. Complete a comprehensive due diligence program, including cash flow and return modeling, operating expense reviews, and third-party reports including market studies, structural and environmental assessments and appraisals.

4. Conduct a broad canvass of the lending community, including lenders with whom the Manager enjoys long-term relationships, to secure debt financing on competitive terms.

ASSET VALUE ENHANCEMENT THROUGH ACTIVE MANAGEMENT STRATEGY

1. Acquire primarily from merchant builders and private equity funds (not operators).

2. Prepare a property-specific asset management plan to improve NOI margins by:

   a. identifying and realizing upon ancillary income opportunities; and

   b. utilizing reputable best-in-class U.S.- based property managers.

3. Perform targeted, discrete capital expenditures in order to increase asking rental rates.

4. Strengthen tenant relationships and increase tenant retention through customer service initiatives and new service offerings.

5. Implement revenue management software and seek ancillary income opportunities (e.g. door-to-door waste pick-up services).

6. Reduce operating expense such as staffing, maintenance contracts, advertising and insurance through economies of scale.

7. Perform selective, discrete in-suite capital expenditures (e.g. faux wood flooring, granite counter tops, fenced-in yards, etc.) and cosmetic improvements to increase rental rates.

ARIZONA, COLORADO, FLORIDA, GEORGIA, NEVADA, NORTH CAROLINA, TENNESSEE AND TEXAS

The Manager targets acquisitions in the Primary Markets, which feature:

a) compelling population, economic and employment growth rates;

b) 'landlord friendly' legal environments; and

c) comfortable climates and quality of life.

The Fund expects to indirectly acquire properties in the Primary Markets and the Manager believes that each of these States exhibits the characteristics above.

VALUE REALIZATION THROUGH DISPOSITION PROCESS

1. Asset value increases are expected to be primarily realized through NOI growth.

2. The Manager, on behalf of the Fund, will execute dispositions throughout the Term on a single asset or portfolio basis through private and public market transactions to maximize value.

3. The private real estate investment market and the public capital markets will be monitored to seek an exit strategy that can be executed with a view towards maximizing disposition proceeds on a tax efficient basis.

The Manager, on behalf of the Fund, may also consider reducing its exposure in any one of the Primary Markets by disposing of certain Properties during the Term and replacing such Properties with newer vintage properties having greater potential NOI growth, while achieving improved geographical diversification of the Fund's overall portfolio and achieving a more balanced distribution of Properties within the Primary Markets.

PORTFOLIO SUMMARY

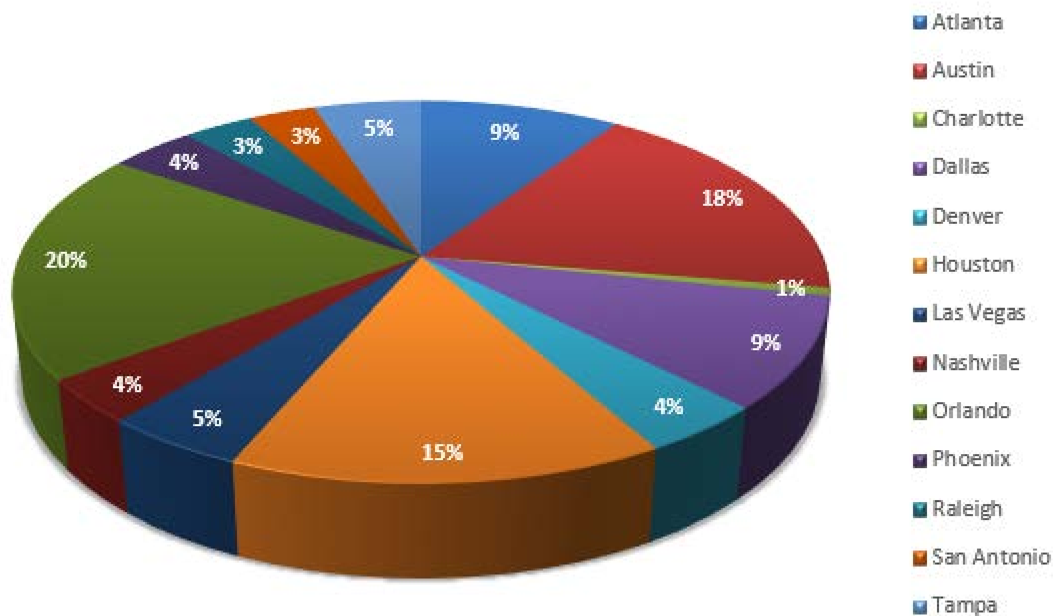
As at March 31, 2018, the Fund had an aggregate of 7,289 suites located across the Primary Markets. The Properties are geographically diversified across Atlanta, Georgia; Austin, Texas; Raleigh, North Carolina; Charlotte, North Carolina; Dallas, Texas; Denver, Colorado; Houston, Texas; Las Vegas, Nevada; Nashville, Tennessee; Phoenix, Arizona; Tampa, Florida; Orlando, Florida; and San Antonio, Texas. The weighted average year of completion for the Properties is 2012.

Property	Location	Suites	Year Completed	Rentable Area (Sq. Ft)	Average Suite Size (Sq. Ft)	Land Area (Acres)	Date of Original Acquisition
Sorelle Apartments	2399 Parkland Drive, Atlanta, Georgia	401	2009	352,347	879	5.09	September 9, 2015
The Views at Coolray Field	755 Braves Avenue, Lawrenceville, Georgia	206	2015	333,576	1,042	2.51	October 20, 2016
Atlanta, Georgia		**607**	**2012**	**685,923**	**958**	**7.60**	
Palm Valley Apartments	1301 North A.W. Grimes Boulevard, Round Rock, Texas	340	2009	330,300	971	18.60	November 18, 2013
The Allure	701 N. Vista Ridge Blvd, Cedar Park, Texas	334	2013	329,104	985	19.97	July 10, 2014
Broadstone Travesia Apartments	3701 Quick Hill Road, Austin, Texas	396	2008	343,332	867	19.40	March 2, 2015
City North at Sunrise Ranch	2800 Sunrise Road, Round Rock, Texas	384	2009	169,455	823	20.60	October 31, 2016
Austin, Texas		**1,454**	**2010**	**1,172,191**	**923**	**78.57**	
The Village at Marquee Station	2110 Cinema Drive, Fuquay Varina, North Carolina	265	2014	263,940	996	17.69	February 26, 2016
Raleigh, North Carolina		**265**	**2014**	**263,940**	**996**	**17.69**	
Alexander Village	9224 Graham Ridge Drive, Charlotte, North Carolina	320	2015	311,432	973	18.47	March 29, 2018
Charlotte, North Carolina		**320**	**2015**	**311,432**	**973**	**18.47**	
The Callie	8025 Forest Lane, Dallas, Texas	261	2016	224,030	858	6.54	December 8, 2017
Soho Parkway Apartments	6653 McKinney Ranch Parkway, McKinney, Texas	379	2008	364,383	961	15.04	April 1, 2014
Dallas, Texas		**640**	**2012**	**588,413**	**922**	**21.58**	
Carrick Bend	11525 Community Center Drive, North Glenn, Colorado	228	2014	211,946	930	9.00	June 26, 2017
Denver, Colorado		**228**	**2014**	**211,946**	**930**	**9.00**	
Falls at Copper Lake	9140 Highway 6 North, Houston, Texas	374	2008	375,396	1,004	18.18	April 23, 2013
Falls at Eagle Creek	9702 North Sam Houston Parkway, Humble Texas	412	2009	380,756	924	22.13	September 16, 2013
Yorktown Crossing	15903 Yorktown Crossing Parkway, Houston, Texas	312	2009	278,292	892	12.18	August 28, 2014
Houston, Texas		**1,098**	**2009**	**1,034,444**	**944**	**52.49**	
South Blvd Apartments	10200 Giles Street, Las Vegas, Nevada	320	2012	364,432	949	14.25	October 18, 2016
Las Vegas, Nevada		**320**	**2012**	**364,432**	**949**	**14.25**	
Copperfield Apartments	670 Ken Pilkerton Drive, Smyrna, Tennessee	288	2015	311,459	1,081	21.83	August 1, 2017
Nashville, Tennessee		**288**	**2015**	**311,459**	**1,081**	**21.83**	
Spectra North	20425 North 7th Street ,Phoenix Arizona	274	2012	315,360	1,151	15.30	June 16, 2017
Phoenix, Arizona		**274**	**2012**	**315,360**	**1,151**	**15.30**	
Altis at Grand Cypress	1901 Cypress Preserve Dr, Tampa, Florida	304	2014	303,426	998	62.11	April 10, 2015
Tampa, Florida		**304**	**2014**	**303,426**	**998**	**62.11**	
Verano Apartments	2200 Villa Verano Way, Orlando, Florida	384	2008	390,936	1,018	21.94	April 10, 2015
Pure Living Heathrow	740 Savory Place, Heathrow, Florida	252	2009	307,230	1,219	28.53	May 7, 2015
The Reserves at Alafaya	3715 Alafaya Heights Road, Orlando, Florida	264	2014	278,124	1,054	46.26	July 2, 2015
Altis at Sand Lake	7118 Altis Way, Orlando, Florida	315	2016	309,481	982	13.52	February 1, 2018
Orlando, Florida		**1,215**	**2012**	**1,285,771**	**1,065**	**110.25**	
Boardwalk Med Center	7838 Huebner Road, San Antonio, Texas	276	2011/2014	241,236	874	11.91	September 30, 2016
San Antonio, Texas		**276**	**2013**	**241,236**	**874**	**11.91**	
Total (Weighted Average)	**Total**	**7,289**	**(2012)**	**7,089,973**	**(980)**	**441**	

During the three-months ended March 31, 2018, the Fund disposed of two properties, The Villages at Sunset Ridge, a 2013 vintage property in Houston, Texas ("Sunset Ridge") and Greenhaven Apartments, a 2009 vintage property in Dallas, Texas ("Greenhaven"). The net proceeds were deployed on a partially tax deferred basis under the Internal Revenue Code section 1031 ("1031 exchange") to acquire Alexander Village in Charlotte, North Carolina (2015 vintage) on March 29, 2018. In addition, the Fund acquired Altis at Sand Lake in Orlando, Florida (2016 vintage) on January 31, 2018 using proceeds from the refinancing of five properties. The disposition of Sunset Ridge and Greenhaven combined with the acquisition of Alexander Village and Altis at Sand Lake completed the Fund's strategic capital recycling initiative to improve the average vintage and geographical diversification of the Fund's properties. The weighted average vintage of the Fund's Properties improved from 2011 to 2012 and the net acquisition activity resulted in an additional 162 suites being added to the Fund's portfolio and the Fund's portfolio being more geographically diversified

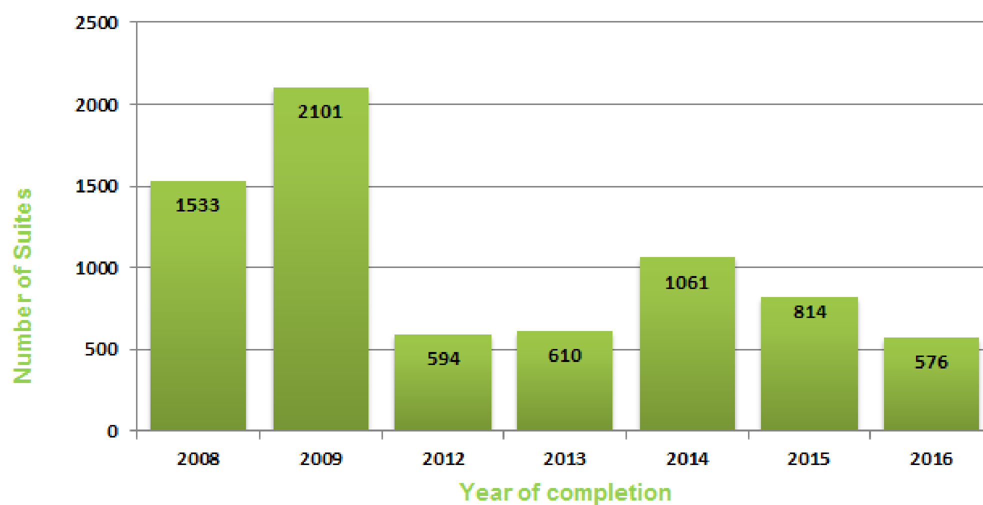
The Properties geographical diversification based on NOI for the three months ended March 31, 2018 is as follows:

PROPORTION OF NOI BY GEOGRAPHICAL MARKETS



As at March 31, 2018, the Properties suites by year of completion were as follows:

NUMBER OF SUITES BY YEAR OF COMPLETION



Sorelle

Sorelle Apartments is located at 2399 Parkland Drive, Atlanta, Georgia, 11 kilometers northeast of downtown Atlanta. Completed in 2009, the property is located in an upscale neighborhood and is a mid-rise, Class "A", apartment complex comprised of a four to five-storey mid-rise building, with a central clubhouse, on a 5.09-acre site and offers 401 suites ranging in size from one bedroom to two bedrooms.

The Views at Coolray Field

The Views at Coolray Field ("Coolray Field") is located at 755 Braves Avenue, Lawrenceville, Georgia, approximately 56 kilometers northeast of downtown Atlanta and adjacent to the Atlanta Braves AAA baseball stadium. Completed in 2015, the property is a Class "A", apartment complex comprised of a five-storey mid-rise building, with a central clubhouse, on a 2.51-acre site and offers 206 suites ranging in size from one bedroom to three bedrooms.

Palm Valley Apartments

Palm Valley Apartments is located at 1301 North A.W. Grimes Boulevard, Round Rock, Texas, approximately 31 kilometers north of downtown Austin. Completed in 2009, the property is a garden style, Class "A", apartment complex comprised of 17, three-storey buildings on a 18.6-acre site and offers 340 suites ranging in size from one bedroom to three bedrooms.

The Allure

The Allure is located at 701 North Vista Ridge, Cedar Park, Texas, approximately 32 kilometers northwest of downtown Austin. Completed in 2013, the property is a garden style, Class "A", apartment complex comprised of 22, three-storey buildings, including walk-up and two-storey townhouse suites, with a central clubhouse, on a 19.97-acre site and offers 334 suites ranging in size from one bedroom to three bedrooms.

Broadstone Travesia Apartments

Broadstone Travesia Apartments ("Travesia") is located at 3701 Quick Hill Road, Austin, Texas, approximately 24 kilometers north of the Austin central business district, bordering the Northwest Austin and Round Rock-Georgetown sub markets. Completed in 2008, the property is a garden style, Class "A", apartment complex comprised of 18, three-storey walk-up buildings, with a central clubhouse on a 19.4-acre site and offers 396 suites ranging in size from one bedroom to three bedrooms.

City North at Sunrise Ranch

City North at Sunrise Ranch ("City North") is located at 2800 Sunrise Road, Round Rock, Texas, approximately 36 kilometers north of downtown Austin. Completed in 2009, the property is a garden style, Class "A", apartment complex comprised of 19 predominantly three-story apartment buildings, with a central clubhouse, on a 20.6-acre site and offers 384 suites ranging in size from one bedroom to three bedrooms.

The Village at Marquee Station

The Village at Marquee Station ("Marquee Station") is located at 2110 Cinema Drive, Fuquay-Varina, North Carolina, 25 kilometers southwest of downtown Raleigh. Completed in 2014, the property is a garden style, Class "A", apartment complex comprised of 12, three-storey walk-up buildings, with a central clubhouse, on a 17.69-acre site and offers 265 suites ranging in size from one bedroom to three bedrooms.

Alexander Village

Alexander Village is located at 9224 Graham Ridge Drive, Charlotte, North Carolina, approximately 14 kilometres northeast of downtown Charlotte. Completed in 2015, the property is a garden style, Class "A", apartment complex comprised of 12, three and four storey walk-up buildings and four, one storey cottages, with a central clubhouse, on an 18.47-acre site. Alexander Village offers 320 suites ranging in size from one bedroom to three bedrooms.

The Callie

The Callie is located at 8025 Forest Lane, Dallas, Texas, 16 kilometers north-east of downtown Dallas. Completed in 2016, the property is a Class "A", apartment complex comprised of two apartment buildings, with a central clubhouse, on a 6.54-acre site and offers 261 suites ranging in size from studio to three bedrooms.

SOHO PARKWAY APARTMENTS

Soho Parkway Apartments is located at 6653 McKinney Ranch Parkway in McKinney, Texas, approximately 55 kilometers north of downtown Dallas. Completed in 2008, the property is a garden style, Class "A", apartment complex comprised of 16, three storey walk-up buildings, with a central clubhouse, on a 15.04-acre site and offers 379 suites ranging in size from one bedroom to three bedrooms.

CARRICK BEND

Carrick Bend is located at 11525 Community Center Drive, Northglenn, Colorado, 24 kilometers north of downtown Denver. Completed in 2014, the property is a garden style, Class "A", apartment complex comprised of nine, three storey apartment buildings, with a central clubhouse, on a nine-acre site and offers 228 suites ranging in size from one bedroom to three bedrooms.

FALLS AT COPPER LAKE

Falls at Copper Lake is located at 9140 Hwy 6 N, Houston, Texas, approximately 36 kilometres north-west of downtown Houston. Completed in 2008, the property is a garden style, Class "A", apartment complex comprised of 29, two and three-storey buildings, with a central clubhouse, on an 18.18-acre site and offers 374 suites ranging in size from one bedroom to three bedrooms.

FALLS AT EAGLE CREEK

Falls at Eagle Creek is located at 9702 N. Sam Houston Parkway East, Humble, Texas, approximately 26 kilometers northeast of downtown Houston and 16 kilometers southeast of George Bush Intercontinental Airport. Completed in 2009 the property is a garden style, Class "A", apartment complex comprised of 18, three-storey, walk-up buildings, with a central clubhouse, on a 22.13-acre site and offers 412 suites ranging in size from one bedroom to two bedrooms.

YORKTOWN CROSSING

Yorktown Crossing is located at 15903 Yorktown Crossing Parkway, Houston, Texas, northwest of downtown Houston. Completed in 2009, the property is a garden style, Class "A", apartment complex comprised of 13, three storey walk-up buildings, with a central clubhouse, on a 12.18-acre site and offers 312 suites ranging in size from one bedroom to two bedrooms.

SOUTH BLVD APARTMENTS

South Blvd Apartments ("South Blvd") is located at 10200 Giles Street, Las Vegas, Nevada, 23 kilometers south of downtown Las Vegas. Completed in 2012, the property is a garden style, Class "A", apartment complex comprised of 29, two-storey apartment buildings, with a central clubhouse, on a 14.25-acre site and offers 320 suites ranging in size from one bedroom to three bedrooms.

COPPERFIELD APARTMENTS

Copperfield Apartments ("Copperfield") is located at 670 Ken Pilkerton Drive, Nashville, Tennessee, 40 kilometers south-east of downtown Nashville. Completed in 2015, the property is a garden style, Class "A", apartment complex comprised of 12, three storey apartments, with a central clubhouse, on a 21.83-acre site and offers 288 suites ranging in size from one bedroom to three bedrooms.

SPECTRA NORTH

Spectra North is located at 20435 North 7th Street, Phoenix, Arizona, 32 kilometers north of downtown Phoenix. Completed in 2012, the property is a garden style, Class "A", apartment complex comprised of 16 apartment buildings, with a central clubhouse, on a 15.3-acre site and offers 274 suites ranging in size from one bedroom to three bedrooms.

ALTIS AT GRAND CYPRESS

Altis at Grand Cypress ("Grand Cypress") is a property located at 1901 Cypress Preserve Drive, Lutz, Florida, 31 kilometers north of downtown Tampa. Completed in 2014, the property is a garden style, Class "A", apartment complex comprised of 20, two-storey buildings with a central clubhouse on a 62.11-acre site and offers 304 suites ranging in size from one bedroom to three bedrooms.

VERANO APARTMENTS

Verano Apartments is in a rapidly growing suburb of Orlando located at 2200 Villa Verano Way, Kissimmee, Florida, approximately 37 kilometers south of downtown Orlando. Completed in 2008, the property is a garden style, Class "A", apartment complex comprised of 18, predominantly three-story apartment buildings, with a central clubhouse, on a 21.94-acre site and offers 384 suites ranging in size from one bedroom to three bedrooms.

PURE LIVING HEATHROW

Pure Living Heathrow is located at 740 Savory Place, Heathrow, Florida, 29 kilometers north of downtown Orlando. Completed in 2009, the property is a garden style, Class "A", apartment complex comprised of 13, two and three-storey apartment buildings, with a central clubhouse and guardhouse, on a 28.53-acre site and offers 252 suites ranging in size from one bedroom to three bedrooms.

THE RESERVES AT ALAFAYA

The Reserves at Alafaya is located at 3715 Alafaya Heights Road in Orlando, Florida. Completed in 2014, the property is a garden style, Class "A", apartment complex comprised of nine, three-storey walk-up buildings, with a central clubhouse, on a 46.26-acre site and offers 264 suites ranging in size from one bedroom to three bedrooms.

ALTIS AT SAND LAKE

Altis at Sand Lake ("Sand Lake") is located at 7118 Altis Way in Orlando, Florida. Completed in 2016, the property is a garden style, Class "A", apartment complex comprised of 13, three-storey apartment buildings, with a central clubhouse, on a 13.52-acre site and offers 315 suites ranging in size from one bedroom to three bedrooms.

BOARDWALK MED CENTER

Boardwalk Med Center ("Boardwalk") is located at 7838 Huebner Road, San Antonio, Texas, 22 kilometers north-west of downtown San Antonio. Completed in 2014, the property is a garden style, Class "A", apartment complex comprised of 14, three-storey buildings, with a central clubhouse, on an 11.91-acre site and offers 276 suites ranging in size from one bedroom to two bedrooms.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

This section includes highlights of the financial and operational performance of the Fund as at March 31, 2018, and for the three months ended March 31, 2018, including a comparison to the Fund's financial and operational performance as at March 31, 2017, and for the three months ended March 31, 2017.

FIRST QUARTER HIGHLIGHTS:

- Completed the program to strategically recycle capital into new properties further enhancing the vintage of its portfolio and its geographical diversification while disposing of smaller assets.
  - Disposed of two properties in Texas with an average vintage of 2011 and reinvested the proceeds from these sales on a tax-deferred basis into Alexander Village, a 320-suite property in Charlotte, North Carolina (2015 vintage).
  - Proceeds from the refinancing of five properties were used to acquire Sand Lake, a 315-suite property in Orlando, Florida (2016 vintage).
- Revenue from property operations for the three months ended March 31, 2018 was $26,044, a 7.1% increase over the three months ended March 31, 2017 ($24,311) reflecting growth from net acquisition activity and same property revenue growth across the portfolio.
- NOI for the three months ended March 31, 2018 was $15,136, a 9.5% increase over the same period in the prior year and was primarily due to the impact of net acquisition activity and same property NOI growth
- NOI margin for the three months ended March 31, 2018 was 57.1%, a 20-basis point improvement over the NOI margin for the same period in the prior year.
- Net (loss) income and comprehensive (loss) income for the three months ended March 31, 2018 was ($9,061), in comparison to $4,334 for the same period in the prior year. Net income and comprehensive income for the three months ended March 31, 2017 was primarily driven by a $9,695 positive fair value adjustment on investment properties.
- AFFO for the three months ended March 31, 2018 was $5,611 (three months ended March 31, 2017 - $6,978). AFFO payout ratio was 111.2% for the three months ended March 31, 2018 (three months ended March 31, 2017 – 88.5%). The decrease in AFFO and the increase in the payout ratio was primarily related to higher interest on mortgages payable due to an increase in the U.S. 30-day London Interbank Offered Rate ("LIBOR") and a larger mortgages payable balance resulting from net acquisition activity and refinancings.
- On March 29, 2018, the Fund entered into an interest rate collar agreement to provide protection on the rate of interest payable on its second pooled mortgage facility. This agreement provides for a LIBOR floor rate of 1.9% and a LIBOR ceiling rate of 2.5% and covers approximately $305,000 face value of mortgages payable across seven properties.

SUBSEQUENT EVENTS:

- On April 24, 2018, the Fund entered into an interest rate collar agreement to provide protection on the rate of interest payable on its first pooled mortgage facility. This agreement provides for a LIBOR floor rate of 1.9% and a LIBOR ceiling rate of 2.5% and covers approximately $280,000 in face value of mortgages payable across eight properties.
- The Fund has successfully hedged the variable interest rate risk on approximately $759,000 or 86% of the face value of its mortgages payable as a result of the interest rate cap and collar agreements that it has entered into to date.

PROPERTY LEVEL HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2018 INCLUDING A COMPARISON TO THE THREE MONTHS ENDED MARCH 31, 2017:

- Portfolio AMR as at March 31, 2018 was $1,214, representing an increase of 3.8% from $1,170 at March 31, 2017. The AMR growth was particularly strong in Orlando/Tampa (7.1%), Dallas (6.9%) and Charlotte/Raleigh (3.8%) reflecting the acquisition of properties with higher average rents. Economic occupancy for the three months ended March 31, 2018 decreased by 130 basis points to 90.7%, compared to the same period in the prior year.

- Same property AMR as at March 31, 2018 was $1,196, representing a 1.5% increase from $1,179 at March 31, 2017. Same property AMR growth was particularly strong in Orlando/Tampa (3.9%) and Charlotte/Raleigh (3.2%). Same property economic occupancy for the three months ended March 31, 2018 was 91.2%, representing an 80-basis point decrease in comparison to the same period in the prior year.
- Same property NOI at $11,765 for the three months ended March 31, 2018 increased by $130 or 1.1% in comparison to the same period in the prior year. The increase was primarily driven by AMR growth being partly offset by a decrease in economic occupancy.

FINANCIAL POSITION AS AT MARCH 31, 2018:

- Indebtedness to Gross Book Value at March 31, 2018 was 66.36% representing an increase from 63.81% at December 31, 2017. The increase in Indebtedness to Gross Book Value was primarily related to the refinancing of five of the Fund's properties during the three months ended March 31, 2018.
- The Fund's Interest Coverage Ratio for the three months ended March 31, 2018 was 1.55x in comparison to 2.45x for the three months ended March 31, 2017. The decrease in the Interest Coverage Ratio was related to the increase in interest expense as a result of increases in LIBOR and a higher mortgages payable balance relating to the net acquisitions and refinancing activity, being partially offset by NOI growth.
- As at March 31, 2018, the weighted average interest rate on mortgages payable was 3.76% and the weighted average term to maturity was 4.37 years.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at March 31, 2018	As at December 31, 2017
Operational Information		
Number of properties	23	23
Total suites	7,289	7,127
Economic occupancy [1]	90.7%	91.8%
AMR (in actual dollars)	$ 1,214	$ 1,196
AMR per square foot (in actual dollars)	$ 1.26	$ 1.25
Summary of Financial Information		
Gross Book Value [2]	$1,344,944	$1,267,840
Indebtedness	$892,505	$808,988
Indebtedness to Gross Book Value [3]	66.36%	63.81%
Weighted average mortgage interest rate	3.76%	3.60%
Weighted average mortgage term to maturity	4.37 years	4.16 years
	Three months ended March 31, 2018 [4]	**Three months ended March 31, 2017**
Summary of Financial Information		
Revenue from property operations	$26,533	$24,311
Property operating costs	($6,923)	($6,232)
Property taxes [5]	($4,474)	($4,254)
NOI	$15,136	$13,825
Net (loss) income and comprehensive (loss) income	($9,061)	$4,334
FFO	$1,564	$6,632
FFO per unit - basic and diluted	$0.03	$0.13
AFFO	$5,611	$6,978
AFFO per unit - basic and diluted	$0.11	$0.14
Interest Coverage Ratio	1.55 x	2.45 x
Indebtness Coverage Ratio	1.50 x	2.27 x
FFO payout ratio	398.8%	93.2%
AFFO payout ratio	111.2%	88.5%
Weighted average units Outstanding (000s) - basic and diluted	49,024	49,273

Notes:

(1) Economic occupancy for the three months ended March 31, 2018 and December 31, 2017.

(2) The December 31, 2017 Gross Book Value includes Sunset Ridge which was classified as held for sale.

(3) Defined as Indebtedness divided by Gross Book Value.

(4) Revenue from property operations, property operating costs and property taxes include amounts relating to Sunset Ridge which was classified as held for sale at December 31, 2017 and subsequently sold during the three months ended March 31, 2018.

(5) Property taxes were adjusted to exclude the IFRIC 21 adjustment and treat property taxes as an expense that is amortized during the fiscal year for the purposes of calculating NOI.

FINANCIAL PERFORMANCE

		Three months ended March 31, 2018		Three Months Ended March 31, 2017
Revenue from property operations	$	26,044	$	24,311
Property operating costs		(6,694)		(6,232)
Property taxes [1]		(16,739)		(16,898)
Income from rental operations		2,611		1,181
Finance costs		(11,310)		(5,292)
Distributions to Unitholders		(6,237)		(6,178)
Dividends to Preferred Shareholders - U.S. REIT's series A		(19)		(19)
Fund and trust expenses		(1,449)		(1,421)
Transaction costs on disposition of investment properties		(391)		-
Unrealized foreign exchange gain (loss)		461		(86)
Realized foreign exchange loss		(208)		(10)
Fair value adjustment of investment properties		919		9,695
Fair value adjustment IFRIC 21		12,358		12,644
Net loss from property held for sale		(106)		-
Income taxes:				
Current		(841)		(106)
Deferred		(4,849)		(6,074)
Net (loss) income and comprehensive (loss) income	$	(9,061)	$	4,334

[1] Property taxes for the three months ended March 31, 2018 and March 31, 2017 include a full year of property tax obligations due to the IFRIC 21 adjustment.

RESULTS OF OPERATIONS

The following discussion compares the Fund's actual results for the three months ended March 31, 2018 to the same period in the prior year.

		Three months ended March 31, 2018 [2]		Three months ended March 31, 2017	% Change
Revenue from property operations	$	26,533	$	24,311	9.1%
Property operating costs		6,923		6,232	-11.1%
Property taxes [1]		4,474		4,254	-5.2%
NOI	$	15,136	$	13,825	9.5%
NOI margin		57.1%		56.9%	

(1) Property taxes w ere adjusted to exclude the IFRIC 21 adjustment and treat property taxes as an expense that is amortized during the fiscal year.
(2) Revenue from property operations, property operating costs and property taxes include amounts relating to Sunset Ridge w hich w as held for sale at December 31, 2017 and disposed of during the three months ended March 31, 2018.

REVENUE FROM PROPERTY OPERATIONS

Revenue from property operations for the three months ended March 31, 2018 was $26,533 compared to $24,311 for the same period in the prior year. This increase of $2,222 or 9.1% was primarily due to net acquisition activity and growth in rents and ancillary income across the portfolio. Economic occupancy was 90.7% for the three months ended March 31, 2018 (March 31, 2017 – 92.0%). AMR increased to $1,214 as at March 31, 2018 compared to $1,170 as at March 31, 2017, an increase of 3.8%. The Fund expects economic occupancy to increase during the spring and summer leasing season.

PROPERTY OPERATING COSTS

Property operating costs for the three months ended March 31, 2018 were $6,923, in comparison to $6,232 for the three months ended March 31, 2017. This increase of $691 or 11.1% was primarily due to the impact of net acquisition activity. In addition, operating costs were higher due to increased advertising, insurance and utility costs.

PROPERTY TAXES

For the three months ended March 31, 2018, the Fund's property taxes for the purposes of calculating NOI were $4,474 compared to $4,254 for the same period in the prior year. This increase of $220 or 5.2% was primarily driven by the Fund's net acquisition activity. The Fund actively manages its property tax assessed values to minimize property tax expenses by utilizing third party consultants in the respective markets. Property taxes in the condensed consolidated interim financial statements for the three months ended March 31, 2018 have been presented under IFRS and IFRIC 21, which reflect the entire year's estimated tax expense for all properties. The Fund recorded its annual property taxes for the year during the three months ended March 31, 2018 at $16,739, which is 0.9% lower than the amount booked at March 31, 2017 of $16,898. This decrease reflects the Fund's recycling of capital into properties in markets with lower tax rates which has offset higher taxes from increases in assessed values across the Fund's portfolio.

NOI

	Three months ended March 31, 2018		Three months ended March 31, 2017	
Market	**NOI**	**Margin %**	**NOI**	**Margin %**
Atlanta	$ 1,432	60.1%	$ 1,415	59.8%
Austin	2,748	53.2%	2,745	53.6%
Charlotte / Raleigh	601	60.1%	933	60.2%
Dallas	1,411	50.0%	1,147	56.5%
Denver	639	65.7%	N/A	N/A
Houston	2,204	51.9%	3,367	52.5%
Las Vegas	728	66.9%	750	68.7%
Nashville	557	55.8%	N/A	N/A
Orlando / Tampa	3,723	62.3%	3,008	62.3%
Phoenix	616	64.8%	N/A	N/A
San Antonio	477	51.5%	460	51.2%
Total	$ 15,136	57.1%	$ 13,825	56.9%

NOI for the three months ended March 31, 2018 was $15,136 compared to $13,825 for the same period in the prior year. This increase of $1,311 or 9.5% was primarily related to the impact of net acquisition activity. The remainder of the increase was driven by rent growth across the portfolio, being partly offset by a decrease in economic occupancy.

NOI margin for the three months ended March 31, 2018 was 57.1% compared to 56.9% for the same period in the prior year. The improvement in NOI margin of 20 basis points was largely due to the Fund's geographical diversification into Denver and Phoenix, where the NOI margins were 65.7% and 64.8%, respectively, for the three months ended March 31, 2018.

FINANCE COSTS

The Fund's finance costs for the three months ended March 31, 2018 and the corresponding period in 2017 are summarized below:

	Three months ended March 31, 2018[(1)]	Three months ended March 31, 2017
Interest on mortgages payable	$ 7,665	$ 4,964
Interest on mezzanine loans payable	39	-
Interest and standby charges on credit facility	157	109
Amortization of premiums on mortgage payable	-	3
Amortization of financings costs	459	562
Loss on early extinguishment of debt	2,908	-
Fair value adjustments on derivative instruments	341	(349)
Other interest	-	3
Total	$ 11,569	$ 5,292

(1) Finance costs include amounts relating to Sunset Ridge which was held for sale at December 31, 2017 and disposed of during the three months ended March 31, 2018.

Interest on mortgages payable for the three months ended March 31, 2018 of $7,665 was $2,701 or 54.4% higher than the same period in the prior year. The increase is partially related to an increase in LIBOR relative to the same period in the prior year. The remainder of the increase related to the increase in mortgages payable since March 31, 2017, resulting from the refinancing of 14 properties for additional mortgage proceeds of $69,156 and net acquisition activity, resulting in a $129,062 increase to mortgages payable.

The interest on mezzanine loans payable of $39 is related to the mezzanine loan acquired on the acquisition of the Callie in December 2017. This mezzanine loan was repaid on January 31, 2018.

Interest and standby charges on the Credit Facility for the three months ended March 31, 2018 were $157, compared to $109 for the same period in the prior year. The increase was primarily due to the higher amount drawn under the Credit Facility during the three months ended March 31, 2018, in comparison to the same period in the prior year.

Amortization of premiums on mortgages payable for the three months ended March 31, 2018 was $nil, compared to $3 for the three months ended March 31, 2017.

Amortization of financing costs for the three months ended March 31, 2018 was $459 compared to $562 for the same period in the prior year. The decrease of $103 was primarily attributable to lower amortization costs for the Properties which were refinanced throughout 2017 into a revolving credit facility with a longer term to maturity than the previous mortgages. These reductions were partly offset by additional amortization due to financing costs relating to the net acquisition activity.

The loss on extinguishment of debt for the three months ended March 31, 2018 was $2,908, compared to $nil for the same period in the prior year. The loss on extinguishment of debt related to the expensing of deferred financing costs and prepayment penalties on the five properties which were refinanced on January 31, 2018 and the two properties which were sold during the three months ended March 31, 2018. For the three months ended March 31, 2018, the loss on extinguishment of debt associated with the refinanced properties was $2,407 (deferred financing costs - $1,003, prepayment penalties - $1,404) and the loss on extinguishment of debt associated with the sold properties was $501 (deferred financing costs - $309, prepayment penalties - $192).

Fair value adjustment on derivative instruments for the three months ended March 31, 2018 was a loss of $341 (March 31, 2017 – gain of $349). The loss for the three months ended March 31, 2018 was primarily attributable to the Fund's variable rate collar contract entered into on March 2, 2018. The Fund enters into variable rate collar contracts which provide protection from the impact of any potential weakening of the U.S. dollar on the Fund's Canadian dollar distributions. The Fund had an initial variable rate collar contract which it entered into on March 9, 2017 that ensured an exchange rate between C$1.3300 and C$1.3850. This contract matured on March 12, 2018. On March 2, 2018, the Fund entered into a new variable rate collar contract, which ensured an exchange rate between $1.2700 to C$1.3220. The new variable rate collar contract will provide continued protection against the potential weakening of the U.S. dollar on the Fund's Canadian dollar distributions for a period of nine-months.

DISTRIBUTIONS TO UNITHOLDERS

Effective October 18, 2016, the Fund began paying distributions to Unitholders of C$0.65 or $0.65 per unit per annum depending on the corresponding denomination, except for class H Unitholders at C$0.35 per unit, per annum. Distributions declared to Unitholders were $6,237 during the three months ended March 31, 2018 (three months ended March 31, 2017 - $6,178). The increase in Unitholder distributions of $59 or 1.0% was primarily due to the weaker U.S. dollar relative to the corresponding period in 2017 resulting in a slight increase in the amount required to fund the Canadian dollar distributions.

DIVIDENDS TO PREFERRED SHAREHOLDERS – U.S. REITS SERIES A

The Fund's Real Estate Investment Trusts subsidiaries ("REITs") have preferred shareholders who receive dividend payments on their preferred shares. The preferred shares are issued to help ensure the REITs qualify as real estate investment trusts for U.S. federal tax purposes. For the three months ended March 31, 2018, the Fund incurred $19 in dividends (three months ended March 31, 2017 - $19).

FUND AND TRUST EXPENSES

Fund and trust expenses include costs incurred by the Fund that are not directly attributable to the Properties. These costs include items such as legal and audit fees, director fees, investor relation expenses, directors' and officers' insurance premiums, expenses relating to the administration of the Fund's distributions and other general and administrative expenses associated with the operation of the Fund. Also included in Fund expenses are asset management fees payable to Starlight. See "Related Party Transactions and Arrangements – Arrangements with Starlight".

Fund and trust expenses for the three months ended March 31, 2018 were $1,449 compared to $1,421 for the same period in the prior year. This represents an increase of $28 or 2.0%. The increase was primarily due to the impact of net acquisition activity on asset management fees for the three months ended March 31, 2018, in comparison to the same period in the prior year. Fund and trust expenses for the three months ended March 31, 2018 include asset management and service fees of $1,035 and $149, respectively, in comparison to $918 and $163, respectively, for the same period in the prior year.

UNREALIZED FOREIGN EXCHANGE GAIN (LOSS)

The Fund recognized an unrealized foreign exchange gain of $461 for the three months ended March 31, 2018 (three months ended March 31, 2017 – loss of ($86)). The unrealized gain was primarily related to the impact of the exchange rate movement on the Canadian dollar denominated Credit Facility during the three months ended March 31, 2018.

REALIZED FOREIGN EXCHANGE LOSS

The realized foreign exchange loss for the three months ended March 31, 2018 was $208 (three months ended March 31, 2017 - $10). The foreign exchange loss was primarily related to the strengthening of the Canadian dollar from the date the Canadian dollar denominated mezzanine loan was acquired on the acquisition of The Callie, to the date that the mezzanine loan was repaid by the Fund. The remainder of the loss is related to operating expenses incurred in Canadian dollars.

INVESTMENT PROPERTIES – FAIR VALUE ADJUSTMENTS

The Fund has selected the fair value method to account for real estate classified as investment properties. Fair values are supported by a combination of internal financial information and market data. The determination of fair value is based on, among other things, the amount of rental income from future leases reflecting current market conditions, adjusted for assumptions of future cash flows in respect of current and future leases, capitalization rates and expected occupancy rates.

The Fund recorded a fair value increase on its investment properties of $919 for the three months ended March 31, 2018. This increase in fair value was primarily related to capitalization rate compression across the Fund's portfolio. The following table summarizes the change in investment properties held by the Fund for the three months ended March 31, 2018.

		Amount
Balance, as at December 31, 2016	$	1,056,414
Acquisitions of investment properties		200,912
Dispositions of investment properties		(97,277)
Capital additions		8,029
Fair value adjustment		100,670
IFRIC 21 property tax liability adjustment		(908)
Investment property held for sale		(28,364)
Balance, as at December 31, 2017	$	1,239,476
Acquisitons of investment properties		128,679
Dispositions of investment properties		(33,518)
Capital additions		2,076
Fair value adjustment		919
IFRIC 21 property tax liability adjustment		8,258
Balance, as at March 31, 2018	$	1,345,890

The following table reconciles the cost base of investment properties to their fair value:

		As at March 31, 2018		As at December 31, 2017
Cost	$	1,232,346	$	1,163,473
Cumulative fair value adjustment		102,679		101,760
IFRIC 21 realty tax liability adjustment		10,865		2,607
Investment property held for sale		-		(28,364)
Fair value	$	1,345,890	$	1,239,476

The key assumptions for investment properties held by the Fund are set out in the following table:

	As at March 31, 2018	As at December 31, 2017
Capitalization rates - range	4.63% to 5.00%	4.74% to 5.25%
Capitalization rate - w eighted average	4.81%	4.89%

The fair values of the Fund's investment properties are sensitive to changes in the key valuation assumptions. Changes in the weighted average capitalization rates would result in a change to the fair value of the Fund's investment properties as set out in the following table:

Key assumptions	Change		As at March 31, 2018		As at December 31, 2017
Weighted average:					
Capitalization rate	10-basis-point increase	$	(27,206)	$	(25,628)
Capitalization rate	10-basis-point decrease	$	28,986	$	26,697

The impact of a 1% change in NOI used to value the investment properties as at March 31, 2018 would affect the fair value by approximately $13,202 (December 31, 2017 - $12,798).

INCOME TAXES – CURRENT

The Fund's current income taxes for the three months ended March 31, 2018 were $841 (three months ended March 31, 2017 - $106). The increase over the prior period was due to taxes of $720 incurred on the portion of the gain on the sales of Greenhaven and Sunset Ridge that was not reinvested into the purchase of Alexander Village under the 1031 exchange. The remainder of the current tax includes approximately $109 relating to Texas, Tennessee and North Carolina franchise taxes. In addition, withholding taxes of $12 were paid in relation to distributions received by a taxable Fund subsidiary.

INCOME TAXES - DEFERRED

For the three months ended March 31, 2018, the Fund recorded a deferred tax expense in the amount of $4,849 (three months ended March 31, 2017 - $6,074). This represented a decrease of $1,225 or 20.2% from the same period in the prior year and was primarily related to the impact of the lower U.S. federal tax rate being partly offset by the increase to the Fund's deferred tax liability as a result of the indirect acquisition of Sand Lake.

NON-IFRS FINANCIAL MEASURES – FFO AND AFFO

Non-IFRS financial measures have been prepared for the three months ended March 31, 2018 with a comparison to the same period in the prior year.

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS

A reconciliation of net (loss) income and comprehensive (loss) income, determined in accordance with IFRS to FFO and AFFO is presented below for the three months ended March 31, 2018, with a comparison to the three months ended March 31, 2017.

		Three months ended March 31, 2018		Three months ended March 31, 2017
Net (loss) income and comprehensive (loss) income	$	(9,061)	$	4,334
Add / (Deduct):				
Distributions to Unitholders		6,237		6,178
Dividends to preferred shareholders		19		19
Deferred taxes		4,849		6,074
Unrealized foreign exchange (gain) loss		(461)		86
Realized foreign exchange loss		208		10
Fair value adjustment on derivative financial instruments		341		(355)
Fair value adjustment of investment properties (1)		(568)		(9,695)
FFO	$	1,564	$	6,651
Add / (Deduct):				
Amortization of mortgage premium		-		3
Amortization of financing costs (1)		457		562
Current taxes - U.S. withholding taxes and tax on dispositions		732		12
Service fees related to class A units and class U units		149		163
One-time Plan of Arrangement costs		-		152
Transaction costs on disposition of investment properties		393		-
Loss on early extinguishment of debt		2,908		-
Fair value adjustment on interest rate cap		-		6
Sustaining capital expenditures and suite renovation reserves		(592)		(552)
AFFO	$	5,611	$	6,997
FFO per unit - basic and diluted		$0.03		$0.13
FFO payout ratio		398.8%		92.9%
AFFO per unit - basic and diluted	$	0.11	$	0.14
AFFO payout ratio		111.2%		88.3%
Distributions declared (2)	$	6,237	$	6,178
Weighted average units outstanding:				
Basic and diluted - class A, C, D, E, F, H & U - (000s)		49,024		49,273

(1) Adjustments recognized include the impact of Sunset Ridge, which was classified as held for sale at December 31, 2017 and subsequently disposed of during the three months ended March 31, 2018.
(2) Distributions declared are calculated based on the monthly distribution per unit.

Net loss and comprehensive loss for the three months ended March 31, 2018 was ($9,061) which was in excess of distributions paid to Unitholders by ($15,298). The net loss and comprehensive loss amount for the three months ended March 31, 2018, is comprised of several non-cash or one-time expenses including the following: deferred taxes ($4,849), loss on extinguishment of debt ($2,908), amortization of financing costs ($457), transaction costs on disposition of properties ($391), fair value loss on derivative instruments ($341) and an increase in the fair value of investment properties ($919). Net loss and comprehensive loss, adjusted for the aforementioned non-cash, one-time expenses and distributions paid to Unitholders resulted in a shortfall to distributions paid to Unitholders of ($1,032). This shortfall was funded by residual cash from the disposition of properties and refinancing proceeds. The Manager expects the shortfall of net loss and comprehensive loss to distributions to be temporary as the Fund was in the process of strategically rebalancing its portfolio to achieve enhanced geographical diversity across the Primary Markets. This strategic rebalancing was reflected through the net acquisition activity that was completed during the

three months ended March 31, 2018. The Manager expects that the Fund will be able to continue to capitalize on its active asset management strategy through the achievement of rental growth, ancillary income growth and reduction in property operating costs. These initiatives are expected to result in a net income and comprehensive income, before distributions to Unitholders, that is greater than distributions paid to Unitholders.

Basic and diluted FFO and FFO per unit for the three months ended March 31, 2018 was $1,564 and $0.03 respectively (three months ended March 31, 2017 - $6,651 and $0.13). FFO for the three months ended March 31, 2018 was $5,087 lower than the same period in the prior year. The reduction in FFO compared to the same period from the prior year was primarily related to a $720 current tax expense resulting from disposition activity, $2,701 increase in interest on mortgages payable and a $2,908 loss on early extinguishment of debt, partially offset by a $1,317 increase in NOI. The Fund's FFO payout ratio for the three months ended March 31, 2018 was 398.8% compared to 92.9% for the same period in the prior year.

Basic and diluted AFFO and AFFO per unit for the three months ended March 31, 2018 was $5,611 and $0.11, respectively (three months ended March 31, 2017 - $6,997 and $0.14). The $1,386 or 19.8% reduction in AFFO in comparison to the same period in the prior year was primarily due to $2,701 increase in interest on mortgages payable, partially offset by a $1,311 increase in NOI. The AFFO payout ratio for the three months ended March 31, 2018 was 111.2% (March 31, 2017 – 88.3%).

For the purposes of calculating AFFO, the Fund utilized a reserve for sustaining capital expenditures and suite renovations of $592 for the three months ended March 31, 2018 (three months ended March 31, 2017 - $552). The reserve is used in the calculation of AFFO as it removes fluctuations in AFFO resulting from seasonality in actual sustaining capital expenditures and suite renovation costs. The use of the reserve also eliminates any potential fluctuations in AFFO due to non-recurring or less frequent sustaining capital expenditures. Sustaining capital expenditure reserves are based on third party property condition assessment reports, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party's engineering and structural expertise as well their knowledge and experience with real estate in the Primary Markets. Actual sustaining capital expenditures and suite renovation costs incurred during the three-month period ended March 31, 2018 were $579 (three months ended March 31, 2017 - $406)

The Fund distributions paid and declared for the three months ended March 31, 2018 per unit were as follows:

Class A	Class C	Class D	Class E	Class F	Class H	Class U
C$0.16251	C$0.16251	C$0.16251	$0.16251	C$0.16251	C$0.08751	$0.16251

Reconciliation of cash provided by operating activities determined in accordance with IFRS to AFFO for the three months ended March 31, 2018 is provided below:

	Three months ended March 31, 2018	Three months ended March 31, 2017
Cash provided by operating activities	$ 14,675	$ 10,447
Less: interest paid	(7,861)	(5,076)
Cash provided by operating activities - including interest paid	6,814	5,371
Add / (Deduct):		
Change in non-cash operating working capital	(3,229)	(643)
Change in restricted cash	(6,357)	(2,640)
One-time Plan of Arrangement costs	-	152
Fair value adjustment of investment properties (including IFRIC 21) (1)	8,135	5,118
Realized foreign exchange gain	(208)	10
Fair value adjustment on interest rate cap	-	6
Current taxes - U.S. withholding taxes and tax on dispositions	732	12
Service fees related to class A and class U units	149	163
Amortization of financing costs (2)	2	-
Loss on early extinguishment of debt (2)	165	-
Sustaining capital expenditures and suite renovation reserve	(592)	(552)
AFFO	$ 5,611	$ 6,997

(1) Includes portion of fair value adjustment relating to Sunset Ridge, which was classified as held for sale at December 31, 2017 and subsequently disposed of during the three month period ended March 31, 2018.

(2) These amounts relate to Sunset Ridge which was held for sale at December 31, 2017 and disposed of during the three months ended March 31, 2018.

The Fund's cash provided by operating activities, including interest paid for the three months ended March 31, 2018 was in excess of the distributions paid to Unitholders by $577. For the three months ended March 31, 2017, the Fund's cash provided by operating activities, including interest paid, was lower than the distributions paid to Unitholders by $807 mainly due to the majority of the Fund's annual realty tax obligations being paid during the three months ended March 31, 2017.

AVERAGE MONTHLY RENT

The following table presents AMR (in actual dollars) as at March 31, 2018 and March 31, 2017. Same property AMR has been presented for those properties that were owned by the Fund for the three months ended March 31, 2018 and the three months ended March 31, 2017 (representing 5,603 suites).

	Total Portfolio as at March 31,			Same Property as at March 31,			
Market	2018 AMR	2017 AMR	%	Suites	2018 AMR	2017 AMR	%
Atlanta	$ 1,328	$1,311	1.3%	607	$1,328	$1,311	1.3%
Austin	1,137	1,128	0.8%	1,454	1,137	1,128	0.8%
Charlotte/Raleigh	1,173	1,130	3.8%	265	1,196	1,159	3.2%
Dallas	1,190	1,113	6.9%	379	1,112	1,102	0.9%
Denver	1,387	N/A	N/A	-	N/A	N/A	N/A
Houston	1,131	1,131	0.0%	1,098	1,131	1,133	(0.2%)
Las Vegas	1,129	1,112	1.6%	320	1,129	1,112	1.6%
Nashville	1,176	N/A	N/A	-	N/A	N/A	N/A
Orlando/Tampa	1,366	1,276	7.1%	1,204	1,326	1,276	3.9%
Phoenix	1,122	N/A	N/A	-	N/A	N/A	N/A
San Antonio	1,098	1,115	(1.5%)	276	1,098	1,115	(1.5%)
Total	$1,214	$1,170	3.8%	5,603	$1,196	$1,179	1.5%

Portfolio AMR as at March 31, 2018 was $1,214 compared to $1,170 as at March 31, 2017, an increase of $44 or 3.8%. Increases in AMR were realized in all markets with the exception of Houston and San Antonio. AMR growth was particularly strong in Charlotte/Raleigh (3.8%), Dallas (6.9%) and Orlando/Tampa (7.1%) due to the acquisition of properties with higher average rents.

Same property AMR as at March 31, 2018 was $1,196, an increase of $17 or 1.5% compared to March 31, 2017. Same property AMR growth was strongest in Charlotte/Raleigh (3.2%) and Orlando/Tampa (3.9%), partially offset by reductions in same property AMR in Houston and San Antonio.

OCCUPANCY

The following table presents economic occupancy for the three months ended March 31, 2018 and March 31, 2017. Same property economic occupancy has been presented for those properties that were owned by the Fund for the three months ended March 31, 2018 and the three months ended March 31, 2017, representing 5,603 suites.

	Total Portfolio for the three months ended March 31,		Same Property for the three months ended March 31,		
Market	2018 Occ. %	2017 Occ. %	Suites	2018 Occ. %	2017 Occ. %
Atlanta	90.7%	91.5%	607	90.7%	91.5%
Austin	90.5%	91.6%	1,454	90.5%	91.6%
Charlotte/Raleigh	87.7%	91.8%	265	87.2%	91.2%
Dallas	86.4%	92.0%	379	89.0%	91.5%
Denver	88.1%	N/A	N/A	N/A	N/A
Houston	90.9%	91.2%	1,098	90.2%	91.2%
Las Vegas	90.0%	93.2%	320	90.0%	93.2%
Nashville	90.2%	N/A	N/A	N/A	N/A
Orlando/Tampa	93.5%	94.1%	1,204	93.8%	94.1%
Phoenix	91.5%	N/A	N/A	N/A	N/A
San Antonio	94.6%	90.1%	276	94.6%	90.1%
Total	90.7%	92.0%	5,603	91.2%	92.0%

The Fund's economic occupancy decreased to 90.7% for the three months ended March 31, 2018 compared to 92.0% for the three months ended March 31, 2017. Economic occupancy increased in San Antonio during the three months ended March 31, 2018 with slight decreases across the other markets. The Fund maintained occupancy within its targeted range, considering that the first quarter is typically the Fund's slowest quarter with respect to leasing activity. In most of the Primary Markets, the spring and summer months typically represent the peak leasing periods.

Same property economic occupancy for the three months ended March 31, 2018 was 91.2% compared to 92.0% for the three months ended March 31, 2017, a reduction of 80 basis points. Same property economic occupancy increased in the San Antonio market with other markets showing slight reductions in comparison to the three months ended March 31, 2017.

QUARTERLY AMR AND OCCUPANCY

The following table presents AMR (in actual dollars) as at March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017 and the economic occupancy for the Properties for the three-month periods ended March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017.

	As at March 31, 2018			As at December 31, 2017			As at September 30, 2017			As at June 30, 2017		
Market	Suites	AMR	Occ %	Suites	AMR	Occ %	Suites	AMR	Occ %	Suites	AMR	Occ %
Atlanta	607	$ 1,328	90.7%	607	$ 1,334	91.8%	607	$ 1,329	93.4%	607	$ 1,315	92.7%
Austin	1,454	1,137	90.5%	1,454	1,139	90.3%	1,454	1,146	92.3%	1,454	1,132	92.7%
Charlotte / Raleigh	585	1,173	87.7%	265	1,194	93.5%	265	1,196	95.1%	265	1,175	93.0%
Dallas	640	1,190	86.4%	856	1,180	88.5%	595	1,123	94.2%	595	1,120	93.2%
Denver	228	1,387	88.1%	228	1,388	88.0%	228	1,398	92.4%	228	1,396	100.0%
Houston	1,098	1,131	90.9%	1,355	1,114	95.1%	1,469	1,109	92.9%	1,469	1,112	91.5%
Las Vegas	320	1,129	90.0%	320	1,126	91.6%	320	1,138	90.7%	320	1,126	93.1%
Nashville	288	1,176	90.2%	288	1,181	86.5%	288	1,186	92.0%	-	-	-
Phoenix	274	1,122	93.5%	274	1,127	89.4%	274	1,113	90.8%	274	1,114	91.2%
Orlando / Tampa	1,519	1,366	91.5%	1,204	1,314	93.6%	1,204	1,302	94.0%	1,204	1,286	94.3%
San Antonio	276	1,098	94.6%	276	1,099	91.4%	276	1,108	94.4%	276	1,109	92.5%
Total	7,289	$ 1,214	90.7%	7,127	$ 1,196	91.8%	6,980	$ 1,188	93.1%	6,692	$ 1,181	92.6%

As at March 31, 2018, the portfolio AMR was $1,214, which was an increase of $18 from December 31, 2017, or an annualized increase of 3.7%. AMR growth was particularly strong in the Orlando/Tampa market, primarily as a result of the acquisition of Sand Lake on January 31, 2018. Economic occupancy decreased by 110 basis points to 90.7% from December 31, 2017 to March 31, 2018 but remained within the Fund's targeted range for the first quarter. The Fund anticipates economic occupancy will increase during the spring and summer leasing season.

RESULTS OF OPERATIONS – SAME PROPERTY

Same property results include the Properties owned by the Fund for the entire three months ended March 31, 2018 and March 31, 2017 (representing 5,603 suites).

	Three months ended March 31, 2018	Three months ended March 31, 2017	% Change
Revenue from property operations	$ 20,538	$ 20,229	1.5%
Property operating costs	5,242	5,076	(3.3%)
Property taxes [(1)]	3,531	3,518	(0.4%)
NOI	$ 11,765	$ 11,635	1.1%
NOI margin	57.3%	57.5%	

(1) Property taxes were adjusted to exclude the IFRIC 21 adjustment and treat property taxes as an expense that is amortized during the fiscal year.

REVENUE FROM PROPERTY OPERATIONS – SAME PROPERTY

Same property revenue from property operations for the three months ended March 31, 2018 of $20,538 was $309 or 1.5% higher than the three months ended March 31, 2017. This increase was attributable to the increase in same property AMR of 1.5% driven by particularly strong rental rate growth in Orlando/Tampa and Charlotte/Raleigh and increases in ancillary income. These increases were partly offset by lower economic occupancy.

PROPERTY OPERATING COSTS – SAME PROPERTY

Same property operating costs for the three months ended March 31, 2018 of $5,242 were $166 or 3.3% higher than the same period in the prior year. These increases were primarily due to higher advertising, insurance and utility expenses.

PROPERTY TAXES – SAME PROPERTY

Same property, property taxes for the three months ended March 31, 2018 at $3,531 were $13 or 0.4% higher than the same period in the prior year reflecting the Fund's asset value growth but also reflecting the Fund's success in appealing assessed valuations in many of its markets.

NOI – SAME PROPERTY

The following table shows the same property NOI and NOI margin by market for the three months ended March 31, 2018 and comparative 2017 figures.

	Three months ended March 31, 2018		Three months ended March 31, 2017	
Market	**NOI**	**Margin %**	**NOI**	**Margin %**
Atlanta	$ 1,432	60.1%	$ 1,415	59.8%
Austin	2,748	53.2%	2,746	53.6%
Charlotte / Raleigh	578	60.2%	594	60.9%
Dallas	735	58.4%	753	58.9%
Houston	1,936	52.0%	1,909	52.1%
Las Vegas	728	66.9%	750	68.7%
Orlando / Tampa	3,131	62.2%	3,008	62.3%
San Antonio	477	51.5%	460	51.2%
Total	$ 11,765	57.3%	$ 11,635	57.5%

For the three months ended March 31, 2018, same property NOI at $11,765 was $130 or 1.1% higher than the same period in the prior year. NOI increased by 4.1% in Orlando/Tampa driven by strong rent growth and effective expense management. Same property NOI growth in Atlanta, Austin, Houston and San Antonio was offset by reductions in Charlotte/Raleigh, Dallas and Las Vegas.

Same property NOI margin during the three months ended March 31, 2018 was 57.3% (three months ended March 31, 2017 – 57.5%)

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Fund expects to be able to meet all its obligations, including distributions to Unitholders and property maintenance and capital expenditure commitments as they become due. The Fund has financing sources to fulfill its commitments including cash flow from its operating activities, mortgage debt secured by investment properties and its Credit Facility. As at March 31, 2018, the Fund was compliant with all financial covenants.

CASH FLOWS

Cash flow provided by operating activities represents the primary source of liquidity to fund distributions, debt service and capital improvements. The Fund's cash flow from operating activities is dependent upon the occupancy level of its investment properties, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Fund's net cash flow from operating activities and liquidity. A more detailed discussion of these risks is found under the "Risks and Uncertainties" section.

The following table details the changes in cash for the three months ended March 31, 2018 and the three months ended March 31, 2017:

	Three months ended March 31, 2018	Three months ended March 31, 2017
Cash provided by operating activities	$ 14,675	$ 10,447
Cash provided by financing activities	55,889	(13,104)
Cash used in investing activities	(61,007)	(1,357)
Increase in cash	9,557	(4,014)
Cash, beginning of period	4,463	7,669
Cash, end of period	$ 14,020	$ 3,655

Cash on hand at March 31, 2018 was $14,020 (December 31, 2017 - $4,463).

Cash provided by operating activities for the three months ended March 31, 2018 was $14,675 and related primarily to the net cash generated from property operations, as well as changes in restricted cash and non-cash working capital.

Cash provided by financing activities for the three months ended March 31, 2018 was $55,889, including proceeds from new financing of $40,695 and proceeds from refinancing of $41,797 being partly offset by finance costs paid of $12,446, repayment of mezzanine debt of $6,051, distributions to Unitholders of $6,237, principal payments on mortgages of $260 and distributions to Preferred Shareholders of the U.S. REIT's series A shares of $20.

Cash used in investing activities for the three months ended March 31, 2018 was $61,007 relating to property acquisitions of $78,258, capital additions to properties of $2,076 and transaction costs on the disposition of properties of $391, being partially offset by property dispositions of $19,718.

CAPITAL STRUCTURE AND DEBT PROFILE

Capital Structure

The Fund's capital is the aggregate of Indebtedness and net liabilities attributable to Unitholders. The Fund's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions as well as existing debt covenants, as the Fund continues to build Unitholder value and maintain sufficient capital contingency amounts. As at March 31, 2018 the total capital of the Fund was as follows:

	As at March 31, 2018	As at December 31, 2017
Mortgages payable	$ 880,117	$ 794,666
Credit facility	12,388	14,322
Net liabilities attributable to Unitholders	384,758	394,445
Total capital	$ 1,277,263	$ 1,203,433

Mortgages payable increased during the quarter ended March 31, 2018 as a result of new or assumed mortgages totalling $91,111 which were used to partly fund property acquisitions. In addition to this, there was an increase to mortgages payable of $41,797 resulting from the refinancing of existing properties. The increase to mortgages payable was partly offset by the repayment of the mezzanine loan ($6,051) and mortgages discharged ($19,199).

As at March 31, 2018, $12,388 was drawn on the Credit Facility, reflecting a repayment of $1,933 since December 31, 2017.

Debt Profile

As at March 31, 2018, the Fund's overall leverage, as represented by the ratio of Indebtedness to Gross Book Value was 66.36%. The maximum allowable ratio under the Fund's first amended and restated limited partnership agreement dated October 12, 2016 is 75%. The weighted average mortgage interest rate for the Fund, as at March 31, 2018, was 3.76% and the weighted average term to maturity of the mortgage portfolio was 4.37 years.

The following table summarizes key liquidity metrics:

	As at March 31, 2018	As at December 31, 2017
Indebtedness to Gross Book Value	66.36%	63.81%
Weighted average interest rate - mortgages	3.76%	3.60%
Weighted average term to maturity - mortgages	4.37 years	4.16 years
	For the three months ended March 31, 2018	**For the three months ended March 31, 2017**
Interest Coverage Ratio	1.55 x	2.45 x
Indebtedness Coverage Ratio	1.50 x	2.27 x

The Interest Coverage Ratio and the Indebtedness Coverage Ratio for the three months ended March 31, 2018 was 1.55 times and 1.50 times, respectively. The reduction in the Interest Coverage Ratio and Indebtedness Coverage ratio from the three months ended March 31, 2017 to the three months ended March 31, 2018 was primarily related to the increase in mortgages payable as a result of net acquisitions and refinancings, as well the increase in LIBOR.

The Fund utilizes interest rate cap agreements to provide protection on the rate of interest payable on 11 of its variable rate mortgages as required by the applicable lenders. As the Fund has elected not to use hedge accounting, an unrealized gain of $80 relating to the fair value of the interest rate cap agreements was included in finance costs for the

three months ended March 31, 2018. The Fund's objective in managing interest rate risk is to minimize the volatility of the Fund's income. The Fund can enter into interest rate cap agreements for all its variable rate mortgages. Loan agreements for some of the Properties may require the Fund to enter into an interest rate cap agreements once 30-day U.S. LIBOR reaches stipulated levels.

The following is a summary of the Fund's interest rate cap agreements as at March 31, 2018:

	Notional Amount	Maturity Date	Interest Rate Cap	Carrying Value and Fair Value at March 31, 2018
SMBC Capital Markets, Inc.	31,575	1-Mar-18	4.00%	-
Commonwealth Bank of Australia	33,900	1-Jun-18	3.54%	-
Commonwealth Bank of Australia	21,695	1-Jul-18	4.08%	-
Commonwealth Bank of Australia	36,909	1-Jul-18	4.00%	-
Commonwealth Bank of Australia	37,600	1-Jan-19	4.00%	-
SMBC Capital Markets, Inc.	38,000	1-Feb-19	3.75%	1
SMBC Capital Markets, Inc.	38,540	1-Jul-20	3.65%	27
SMBC Capital Markets, Inc.	46,950	1-Jul-20	3.90%	25
SMBC Capital Markets, Inc.	51,750	1-Jul-20	3.90%	27
The Bank of New York Mellon	33,700	1-May-18	4.06%	-
The Bank of New York Mellon	19,330	2-Nov-18	3.78%	-
	$389,949			$80

The Fund also utilizes interest rate collar agreements to provide protection on the rate of interest payable on its pooled mortgage facilities. On March 29, 2018 the fund entered into an interest rate collar agreement on its second pooled mortgage facility. This agreement provides for a LIBOR floor rate of 1.9% and a LIBOR ceiling rate of 2.5% and covers approximately $305,000 face value of mortgages payable across seven properties. This contract expires in March 2020.

On April 24, 2018 the Fund entered into an interest rate collar agreement on its first pooled mortgage facility. This agreement provides for a LIBOR floor rate of 1.9% and a LIBOR ceiling rate of 2.5% and covers approximately $280,000 face value of mortgages payable across eight properties. This contract expires in April 2020.

As a result of the interest rate cap and collar contracts identified above, the Fund has successfully hedged the variable interest rate risk on approximately $759,000 or 86% of the face value on its mortgages payable.

MORTGAGES PAYABLE

The following table sets out scheduled principal and interests payments and amounts maturing on the mortgages over each of the next five fiscal years and the weighted average interest rate of maturing mortgages based on the Fund's consolidated financial statements as at March 31, 2018:

	Scheduled principal payments	Debt maturing during the year	Total mortgages payable	Percentage of total mortgages payable	Weighted average interest rate of maturing mortgages	Scheduled interest payments
2018	$ -	$ -	$ -	0.00%	0.00%	$ 27,514
2019	288	58,571	58,859	6.69%	3.66%	35,948
2020	1,617	62,800	64,417	7.32%	3.93%	33,577
2021	2,990	279,968	282,958	32.15%	3.85%	31,503
2022	3,122	-	3,122	0.35%	N/A	19,476
Thereafter	6,454	464,307	470,761	53.49%	4.16%	9,064
	$ 14,471	$ 865,646	$ 880,117	100.00%	3.60%	$ 157,082
Unamortized financing costs			(7,794)			
			$ 872,323			

CREDIT FACILITY

On October 19, 2016, the Fund entered into a Credit Facility agreement with a Canadian chartered bank with a maturity date of October 19, 2017 which was secured by a general charge over all the properties, assets and undertakings and is subordinate to any permitted liens. The Credit Facility has two tranches: Tranche A allows the Fund to borrow up to C$10,000 and Tranche B initially allowed the Fund to borrow up to C$13,000.

The Credit Facility was renewed on October 18, 2017 for an additional one-year term, with Tranche B amended to reduce the borrowing capacity to C$8,000. In addition, the interest rate was reduced to the prime rate plus 2.15% (previously prime plus 3.39%) or banker's acceptance ("BA") stamping fee plus 3.15% (previously BA stamping fee plus 4.39%).

Both tranches consist of interest and fees payable on the first day of each month in arrears, up to an including the maturity date. As at March 31, 2018, the Fund had drawn C$8,000 from tranche A and C$8,000 from tranche B, the U.S. dollar equivalent of $12,388, net of unamortized Credit Facility costs of $20. All amounts drawn were BA advances. A 0.50% standby fee is charged on the undrawn amount of the Credit Facility. For the three months ended March 31, 2018, finance costs included $157 related to BA advances and standby fees (three months ended March 31, 2017 - $109).

COMMITMENTS AND CONTINGENCIES

From time to time in the normal course of business, the Fund may be involved in litigation and claims in relation to its investment properties. As at the date hereof, in the opinion of management, none of the litigation or claims, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of the Fund. The Fund has agreed to indemnify, in certain circumstances, the directors and officers of the Fund and its subsidiaries.

NET LIABILITIES ATTRIBUTABLE TO UNITHOLDERS'

The Fund is authorized to issue an unlimited number of units. The beneficial interest in the net income (loss) and comprehensive income (loss) of the Fund is divided into seven classes of units: class A; class C; class D; class E; class F; class H; and class U.

	Class A	Class C	Class D	Class E	Class F	Class H	Class U	Total
Net liabilities attributable to Unitholders, December 31, 2016	$ 86,599	$ 83,852	$ 78,619	$ 17,907	$ 20,985	$ 887	$ 14,442	$ 303,291
Units repurchased and cancelled under NCIB	(2,706)	-	-	-	-	-	-	(2,706)
Re-allocation due to unit conversions	(1,703)	(114)	3,242	2,198	(1,371)	(8)	(2,244)	-
Net loss and comprehensive loss	25,664	26,148	25,562	6,278	6,125	274	3,809	93,860
Net liabilities attributable to Unitholders, December 31, 2017	$ 107,854	$ 109,886	$ 107,423	$ 26,383	$ 25,739	$ 1,153	$ 16,007	$ 394,445
Re-allocation due to unit conversions	(1,149)	0	1,184	98	(35)	0	(98)	0
Net income and comprehensive income	(2,451)	(2,524)	(2,495)	(608)	(590)	(27)	(366)	(9,061)
Net liabilities attributable to Unitholders, March 31, 2018	$ 104,254	$ 107,362	$ 106,112	$ 25,873	$ 25,114	$ 1,126	$ 15,543	$ 385,384

The NCIB commenced on November 1, 2016 and remained in effect until October 31, 2017. On October 26, 2017, the Fund announced the TSX Venture Exchange ("TSX-V") had accepted the renewal of the existing NCIB commencing November 1, 2017, to remain in effect until the earlier of (i) October 31, 2018 or (ii) the date on which the Fund has purchased the maximum number of units permitted under the NCIB. Under the NCIB, the Fund may purchase for cancellation up to a maximum of 1,396,448 class A units and 157,189 class U units, representing 10% of the Fund's public float of class A units and class U units, respectively. The Fund may not purchase more than 2% of the issued and outstanding class A units or class U units during any 30-day period, which as at October 26, 2017, represented 281,264 class A units and 31,635 class U units, respectively. During the three months ended March 31, 2018, no units were repurchased under the NCIB.

A copy of TSX-V Form 5G - Notice of Intention to Make a Normal Course Issuer Bid is available without charge by contacting the Fund.

UNITS

The following table summarizes the changes in units outstanding for the three months ended March 31, 2018:

(in thousands of units)	Class A	Class C	Class D	Class E	Class F	Class H	Class U	Total
Outstanding, as at December 31, 2017	13,997	13,512	13,941	2,606	3,237	150	1,581	49,024
Units reallocated due to conversions	(149)	-	153	10	(4)	-	(10)	-
Units as at March 31, 2018	13,848	13,512	14,094	2,616	3,233	150	1,571	49,024

As at March 31, 2018, there were 49,024,010 units issued and outstanding, comprised of 13,847,615 class A units, 13,511,772 class C units, 14,094,454 class D units, 2,615,866 class E units, 3,233,251 class F units, 149,614 class H units and 1,571,401 class U units.

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

ARRANGEMENTS WITH STARLIGHT

The Fund engaged Starlight to perform certain management services, as outlined below. Starlight is considered a related party to the Fund as Starlight is owned and controlled by Daniel Drimmer who is a Director and Chief Executive Officer of Starlight GP and is also a significant Unitholder of the Fund.

(a) Pursuant to the management agreement dated October 15, 2016 (the "Management Agreement"), the Manager is to perform asset management services for fees equal to 0.35% of the sum of:

I. the appraised values of the properties acquired in connection with the Plan of Arrangement, or in the case of future acquisitions including the IPO Properties, the purchase price of the properties in U.S. dollars; and

II. the cost of any capital expenditures in respect of the Properties since the date of acquisition by the Fund in U.S. dollars.

(b) In addition, the Manager is to receive an amount equal to the service fee paid to registered dealers of the Fund's class A and class U units, paid quarterly in arrears.

For the three months ended March 31, 2018, asset management fees of $1,035 and service fees of $149 (for the three months ended March 31, 2017 – $918 and $163, respectively) were charged to Fund and trust expenses. The amount payable to the Manager as at March 31, 2018 was $495 (December 31, 2017 - $502).

(c) Pursuant to the Management Agreement, Starlight is entitled to receive an acquisition fee in respect of properties acquired, directly or indirectly, by the Fund as a result of such properties having been presented to the Fund by Starlight calculated as follows:

- 1.0% of the purchase price of a property, on the first $100,000 of properties acquired in each calendar year;
- 0.75% of the purchase price of a property, on the next $100,000 of properties acquired in each calendar year; and
- 0.50% of the purchase price on properties in excess of $200,000 of properties acquired in each calendar year.

Acquisition fees are paid at the time of acquisition and are initially capitalized to investment properties on acquisition. The acquisitions of Sand Lake for $69,300 and Alexander Village for $59,100 were from an affiliated entity of the Manager. During the three months ended March 31, 2018, acquisition fees paid to the Manager related to acquisitions were a total of $1,213. The purchase price for these acquisitions were based on or lower than third party appraised valuations, with the acquired assets continuing to improve the geographical diversification of the Fund and lowering the average age of the portfolio.

In addition, the Fund reimburses the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement or such other services which the Fund and the Manager agree in writing are to be provided from time to time by the Manager.

The Management Agreement expires on the winding-up or dissolution of the Fund, unless and until the Management Agreement is terminated in accordance with the termination provisions.

CARRIED INTEREST

The Manager and the President of the Fund, as holders of the class B partnership units of Starlight Investment Partnership ("SIP") are entitled to 25% of the excess distributable cash after returning: (i) 6.5% per annum on the initial investment amount contributed, less the aggregate agents fees payable, if any, in respect of the units of the Fund calculated on a cumulative basis from the effective date of the Plan of Arrangement (the "Minimum Return" as defined in the Prospectus); and (ii) the return of the initial investment amount contributed for units of the Fund pursuant to the Plan of Arrangement and the Offering, less the aggregate agents fees payable.

In the event the Minimum Return is not received by Unitholders, an amount of up to 20% of the deemed value, net of taxes payable, paid as a carried interest in connection with the Plan of Arrangement shall be payable to the Fund.

As at March 31, 2018, the Fund had not recognized a liability to SIP in relation to the carried interest.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the significant accounting policies is available in Note 2 to the 2017 audited consolidated financial statements of the Fund. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at each financial statement date, and revenues and expenses for the periods indicated. Actual results could differ from those estimates.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that it believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these consolidated financial statements.

The estimates used in determining the recorded amount for assets and liabilities in the consolidated financial statements include the following:

ACCOUNTING FOR ACQUISITIONS

Management must assess whether the acquisition of a property should be accounted for as an asset purchase or business combination. This assessment affects the accounting treatment of transaction costs, the allocation of the costs associated with the acquisition and whether or not goodwill is recognized. The Fund's acquisitions are generally determined to be asset purchases, as the Fund does not acquire an integrated set of processes as part of the acquisition transaction. The acquisition of Fund 1, Fund 2, Fund 3 and Fund 4 and their subsidiaries was considered by management to be out of the scope of IFRS 3 – business combinations as the Funds were commonly controlled.

INVESTMENT PROPERTIES

The estimates used when determining the fair value of investment properties are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of each investment property.

The stabilized future cash flows of each investment property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. Management determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts and third-party appraisals.

FINANCIAL INSTRUMENTS

Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the Fund to its counterparties, the credit risk of the Fund's counterparties relative to the Fund, the estimated future cash flows and discount rates.

LEASES

The Fund makes judgments in determining whether certain leases, in particular tenant leases are accounted for under IFRS as either operating or finance leases. The Fund has determined that all its leases are operating leases.

Income Taxes

The Fund applies judgment in determining the tax rates applicable to its subsidiaries and identifying the temporary differences in each of such legal subsidiaries in respect of which deferred income taxes are recognized. Deferred taxes relate to temporary differences arising from its subsidiaries and are measured based on tax rates that are expected to be applied in the year when the asset is realized, or the liability is settled.

Temporary differences are differences that are expected to reverse in the future and arise from differences between accounting and tax asset values.

The Fund's estimate of deferred taxes is based on the assumption that the Fund's liquidating event occurs either through a direct sale of the properties or through a disposition of its ownership interests in its U.S. subsidiaries.

Should the Fund's liquidating event occur through a sale of the Fund's limited partnership interests, the estimated deferred taxes would not be incurred by the Fund.

Consolidation

The Fund has determined that it controls all of its subsidiaries, including the significant subsidiaries (as defined in the audited consolidated financial statements for the year ended December 31, 2017). In making this determination it considered the relationships between the Fund, the Manager, and the significant subsidiaries including ownership interests, voting rights and management agreements. Through this analysis it was determined that the Manager is an agent of the Fund.

Carried Interest

The determination by the Fund as at each Statement of Financial Position date as to whether a provision for carried interest should be recognized to holders of the class B limited partnership units of SIP is based, among other criteria, on the Fund's analysis of the net liabilities attributable to Unitholders, distributions paid to Unitholders since the formation of the Fund and the Fund's ability to meet the requirement to return the initial investment amount contributed from the limited partners of the Fund and the Minimum Return.

FUTURE ACCOUNTING POLICY CHANGES

The future accounting policy changes are discussed in the Fund's audited consolidated financial statements for the year ended December 31, 2017 and the notes contained therein as well as the Fund's condensed consolidated interim financial statements for the three months ended March 31, 2018.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the units of the Fund and activities of the Fund. Risks and uncertainties are disclosed in the Fund's MD&A for the year ended December 31, 2017. The Fund's MD&A for the year ended December 31, 2017 is available on SEDAR at www.sedar.com. Current and prospective investors of the Fund should carefully consider such risk factors. Other than set out or contemplated herein, management is not aware of any significant changes in risk and uncertainties since March 7, 2018, the date of the Fund's MD&A for the year ended December 31, 2017.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Fund maintains information systems, procedures and controls to ensure all information disclosed externally is as complete, reliable and timely as possible. Such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

All control systems have inherent limitations, including well-designed and operated systems. No control system can provide complete assurance that the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. These inherent limitations include, without limitation, the possibility management's assumptions and judgements may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated

errors. As a growing enterprise, management anticipates that the Fund will be continually evolving and enhancing its systems of controls and procedures.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

Based on their evaluations, the Chief Executive Officer and the Chief Financial Officer have concluded that the Fund's internal controls over financial reporting were effective and do not contain any material weaknesses, as at March 31, 2018.

SUBSEQUENT EVENTS

On April 24, 2018, the Fund entered into an interest rate collar agreement to provide protection on the rate of interest payable on its first pooled mortgage facility. This agreement provides for a LIBOR floor rate of 1.9% and a LIBOR ceiling rate of 2.5% and covers approximately $280,000 in face value of mortgages payable across eight properties.

FUTURE OUTLOOK

The Fund has completed the strategic rebalancing of its portfolio and believes it has a high quality (2012 average vintage) portfolio with assets that are economically sized and geographically diversified. Properties will continue to benefit from stable demand for residential rental accommodation. The Primary Markets continue to exhibit sustained job and population growth and a shift away from home ownership, including as a result of lifestyle choice. The supply of comparable, multi-suite residential rental properties continues to be at reasonable levels given the strength of demand drivers. The properties are located in 13 attractive U.S. sun-belt markets and this geographical diversification mitigates the concentration risk that could exist in any one market. The strong economic performance across the U.S. and in the Primary Markets is supportive for multi-family real estate fundamentals and the U.S. economy. The properties are performing well with strong occupancy as well as rent and NOI growth. The Fund expects to produce consistent investment returns for Unitholders.

QUARTERLY INFORMATION

	Three months ended March 31, 2018[1]	Three months ended December 31, 2017[2]	Three months ended September 30, 2017[3]	Three months ended June 30, 2017[4]	Three months ended March 31, 2017[5]	Three months ended December 31, 2016[6]	August 26, 2016 to September 30, 2016[7]
Revenue from property operations	$ 26,044	$ 24,998	$ 25,450	$ 24,568	$ 24,311	$ 19,679	$ -
Property operating costs	(6,694)	(6,750)	(7,028)	(6,483)	(6,232)	(5,241)	-
Property taxes	(16,739)	1,604	-	-	(16,898)	(3,027)	-
Income from rental operations	2,611	19,852	18,422	18,085	1,181	11,411	-
Distributions to Unitholders	(6,237)	(6,151)	(6,150)	(6,082)	(6,178)	(5,108)	-
Dividends to Preferred Shareholders - U.S. REITs series A	(19)	(19)	(20)	(20)	(19)	(31)	-
Finance costs	(11,310)	(7,584)	(6,715)	(7,682)	(5,292)	(5,273)	-
Fund and trust expenses	(1,449)	(1,350)	(1,372)	(1,327)	(1,421)	(7,906)	-
Transaction Costs	(391)	(11)	-	(1,056)	-	-	-
Unrealized foreign exchange gain (loss)	461	(75)	(552)	(382)	(86)	204	-
Realized foreign exchange (loss) gain	(208)	(114)	85	57	(10)	444	-
Fair value adjustment of investment properties	919	1,020	81,654	8,301	9,695	1,090	-
Fair value adjustment IFRIC 21	12,358	(4,482)	(4,267)	(3,919)	12,644		
Income taxes:							
Current	(841)	(58)	(48)	(99)	(106)	(49)	-
Deferred	(4,849)	44,742	(40,426)	(2,598)	(6,074)	(2,680)	-
Income before net (loss) income from property held for sale	$ (8,955)	$ 45,770	$ 40,611	$ 3,278	$ 4,334	$ (7,898)	$ -
Net (loss) income from properties held for sale	(106)	(463)	330	-	-	-	-
Net income (loss) and comprehensive income (loss)	**$ (9,061)**	**$ 45,307**	**$ 40,941**	**$ 3,278**	**$ 4,334**	**$ (7,898)**	**$ -**
FFO	$1,564	$6,592	$6,170	$3,796	$6,651	($1,854)	n/a
AFFO	$5,611	$6,634	$6,302	$6,884	$6,997	$5,649	n/a
Distributions	6,237	6,151	6,150	6,082	6,178	5,108	n/a
FFO per Unit - basic and diluted	$0.03	$0.13	$0.13	$0.08	$0.13	($0.04)	n/a
AFFO per Unit - basic and diluted	$0.11	$0.14	$0.13	$0.14	$0.14	$0.11	n/a
Distributions per Unit [7]	$0.13	$0.13	$0.13	$0.13	$0.13	$0.10	n/a

Notes:

(1) During the three months ended March 31, 2018, the Fund sold Villages at Sunset Ridge and Greenhaven Apartments. The Fund also acquired Sand Lake and Alexander Village.

(2) During the three months ended December 31, 2017, the Fund sold The Reserve at Jones Road and acquired The Callie.

(3) During the three months ended September 30, 2017, the Fund acquired Copperfield Apartments.

(4) During the three months ended June 30, 2017, the Fund sold Residences at Cinco Ranch, Belle Haven Apartments, and Villages of Tow ne Lake and acquired Spectra North and Carrick Bend.

(5) During the three months ended March 31, 2017, the Fund did not dispose or acquire any Properties.

(6) During the three months ended December 31, 2016, the Fund acquired the Arranagement Properties - October 15, 2016 and the IPO Properties.

(7) During the period from August 26, 2016 to September 30, 2016 the Fund did not ow n any Properties.

(8) Distributions per unit for each period are based on the total distributions per w eighted average unit outstanding during the period.

Additional information relating to the Fund can be found on SEDAR at www.sedar.com.

Dated: May 16, 2018

Toronto, Ontario, Canada