

**Investing in
Apartments for
Income & Stability**



Overview of
Centurion Apartment REIT

Disclaimer Statement

IMPORTANT INFORMATION: This communication is for information purposes only and is not, and under no circumstances is to be construed as, an invitation to make an investment in Centurion Apartment REIT. Investing in the REIT Units involves significant risks. There is currently no secondary market through which the REIT Units may be sold and there can be no assurance that any such market will develop. A return on an investment in REIT Units of Centurion Apartment REIT is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment is at risk, and the anticipated return on such an investment is based on many performance assumptions. Although Centurion Apartment REIT intends to make regular distributions of its available cash to Unitholders, such distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including Centurion Apartment REIT's financial performance, debt covenants and obligations, interest rates, the occupancy rates of Centurion Apartment REIT's properties, working capital requirements and future capital requirements. In addition, the market value of the REIT Units may decline if Centurion Apartment REIT is unable to meet its cash distribution targets in the future, and that decline may be material. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects Centurion.

PAST PERFORMANCE MAY NOT BE REPEATED. Investing in REIT Units can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of performance. An investment in a REIT is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. Only investors who do not require immediate liquidity of their investment should consider a potential purchase of Units. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the REIT Offering Memorandum for a further discussion of the risks of investing in a REIT.

The REIT Units are not "deposits" within the meaning of the Canadian Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that act or any other legislation.

Centurion Apartment REIT

25 Sheppard Avenue West
Suite 710
Toronto, ON
M2N 6S6

Toll Free: 1-888-737-REIT

www.centurionapartmentreit.com

Additional Information

Centurion Apartment REIT: An unincorporated open-end investment trust created by declaration of a trust made as of August 31, 2009. For the purposes of the *Income Tax Act* it is a mutual fund trust.

Legal Advisors: Cassels Brock and Blackwell LLP
Legal advisers of the Centurion Apartment REIT

Auditor: BDO Canada LLP (for Centurion Apartment REIT)
Centurion Apartment REIT Management Inc. will act as the transfer agent and registrar of the REIT Units.

Registrar and Transfer Agent: The Investment Administration Solution Inc.

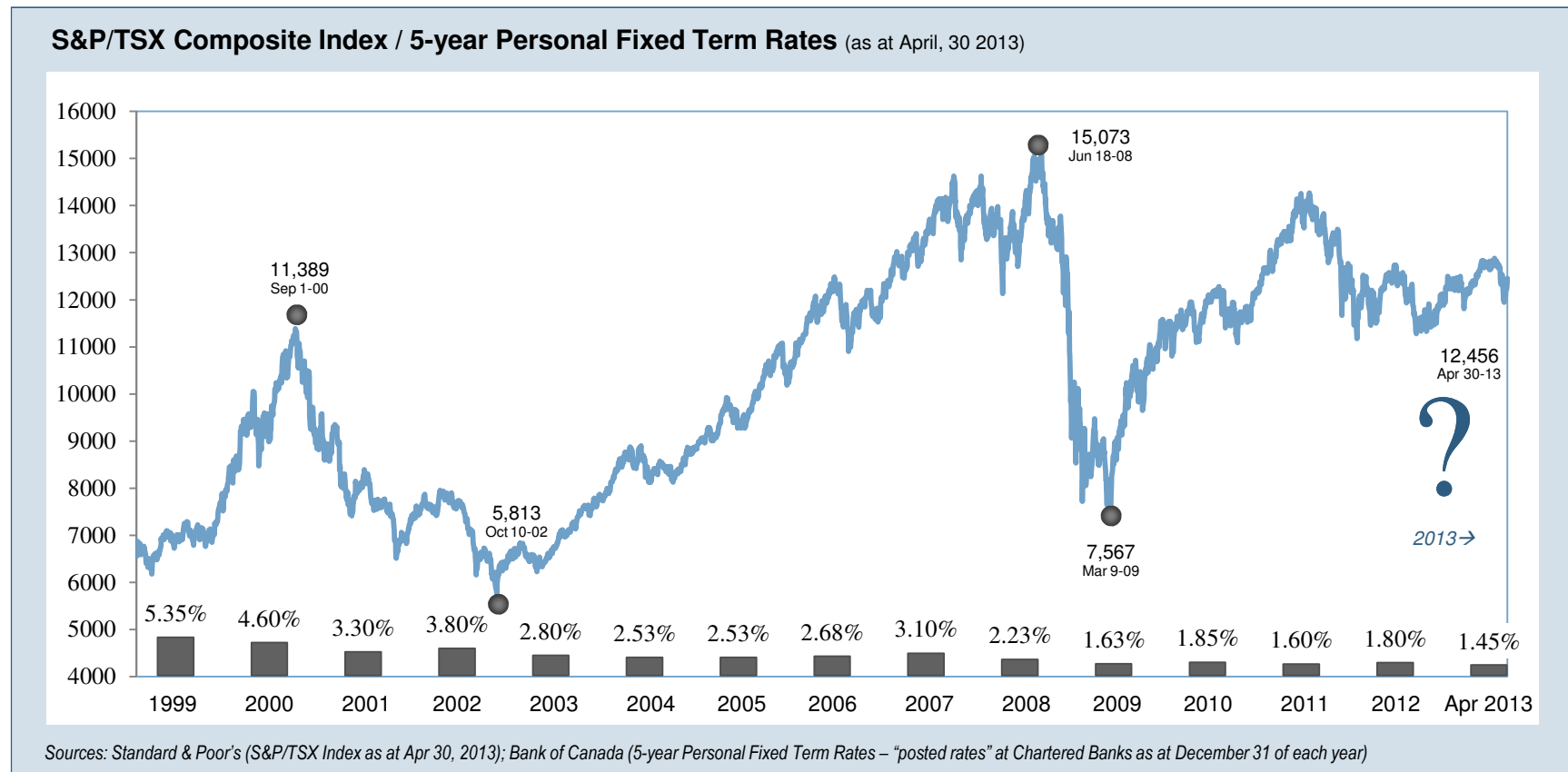
Legal Entity: Centurion Apartment Real Estate Investment Trust

Asset Manager: Centurion Apartment REIT Management Inc.

Property Manager: Centurion Property Associates Inc.

Challenge: Volatile Markets / Low Interest Rates

Riskier asset classes volatile / GIC rates barely cover inflation



Solution: Centurion Apartment REIT

Investing in Apartments for Income & Stability

A timely opportunity to invest in **one of the safest sectors**² within the real estate market – income producing apartment properties in Canada

Key Features

- Monthly distributions
- Tax-advantaged income¹
- Potential for capital growth
- Private apartment REIT
- Low correlation to other income sectors and asset classes⁴

Key Benefits:

- Steady, reliable income to meet investors' financial needs
- More after tax income (vs. other income sources)¹ to afford a better lifestyle
- Moderate capital growth potential to help offset inflationary concerns
- Stable, rational pricing. Lower volatility³
- Real estate can diversify a portfolio and reduce portfolio volatility⁴

Proven Expertise

Apartments can add income and diversification to the portfolio

Private REITs: An Important Consideration

All REITs are governed by boards of trustees and produce audited financial statements. The two main categories of REITs in Canada are public REITs and private REITs

Differences between Public and Private REITs

Publicly-Traded REITs:

- Trade on a public stock exchange (provide instant liquidity)
- Trading daily also means investors can push price up or down, reflecting current market sentiment and regardless of actual market value
- Increased costs due to requirements of a publicly listed stock
- History of more volatile pricing
- Tend to be more highly correlated to stock prices. *Example during recent financial crisis:*

2008: Public REIT Market*: **-34.0%** S&P/TSX*: **-33.0%**

* Source: Morningstar Research Inc.

** Source IPD (2008 Edition); Note: Non listed property ownership is similar to a Private REIT

Private REITs:

- Not traded on a public stock exchange (generally offer 30-day liquidity)
- Value of REIT is based on the value of underlying real estate (not a “traded” market price)
- No additional public listing related regulatory costs
- Stable, rational pricing = lower volatility^{3,5}
- Tend to be far less correlated to major equity markets⁴

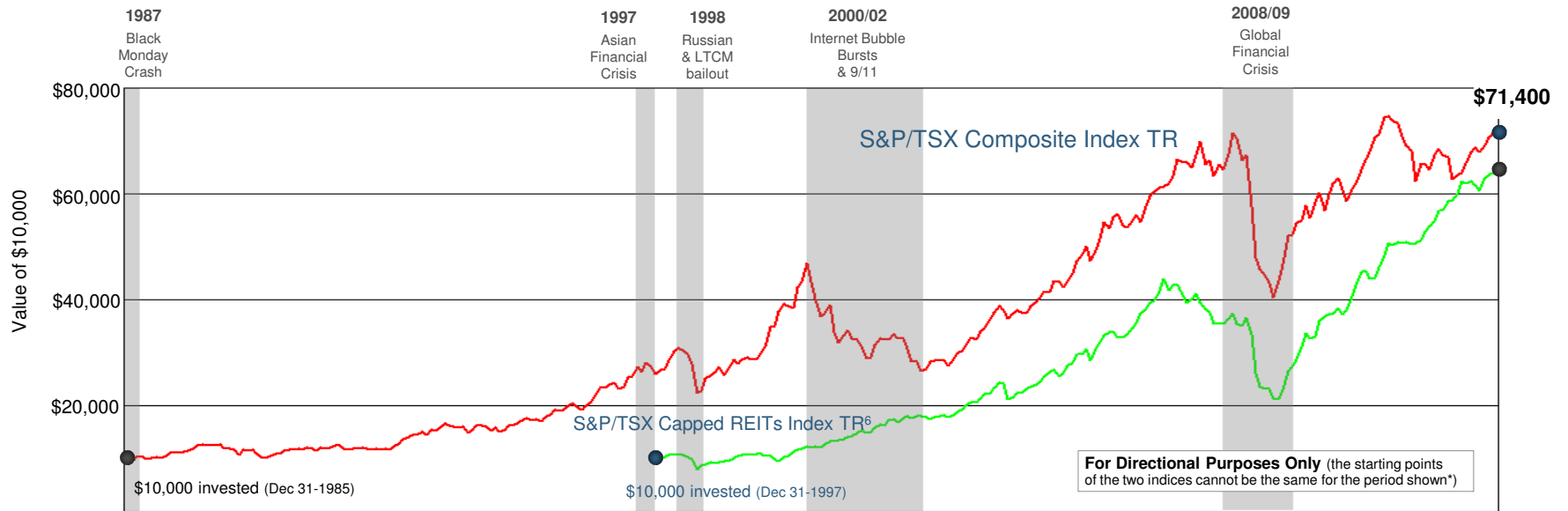
2008: Non Listed Property Ownership**: **+3.7%**

Non Listed Apartment Property**: **+6.4%**

Comparing Asset Class Performance

Publicly-traded REITs tend to exhibit Stock Market volatility & may be correlated ⁶

Growth of \$10,000 invested: past 25-year period as at March 31, 2013 (annual update)



Calendar Returns (%)	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD 2013
S&P/TSX Composite Index TR (%)	11.1	21.4	-14.8	12.0	-1.4	32.5	-0.2	14.5	28.3	15.0	-1.6	31.7	7.4	-12.6	-12.4	26.7	14.5	24.1	17.3	9.8	-33.0	35.1	17.6	-8.7	7.2	3.4
S&P/TSX Capped REITs Index TR (%) [*]	-	-	-	-	-	-	-	-	-	-	-8.5	14.8	21.4	29.9	7.4	25.9	14.0	25.3	24.7	-5.7	-38.3	55.3	22.6	21.7	17	1.7

⁶ Inception date for the S&P/TSX Capped REITs Index was Oct.15, 2002, however, the back calculation pricing is available starting Dec.31,1997. Source: Morningstar Research Inc. as at Mar. 31, 2013. This chart is included to show the volatility of stock market indices in general, the historic correlations between the S&P/TSX Capped REIT index TR and the S&P/TSX Composite Index TR and the performance of these indices during major market corrections during this time frame.

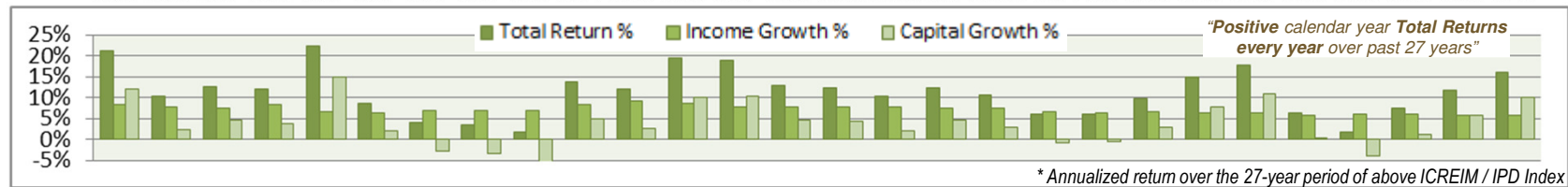
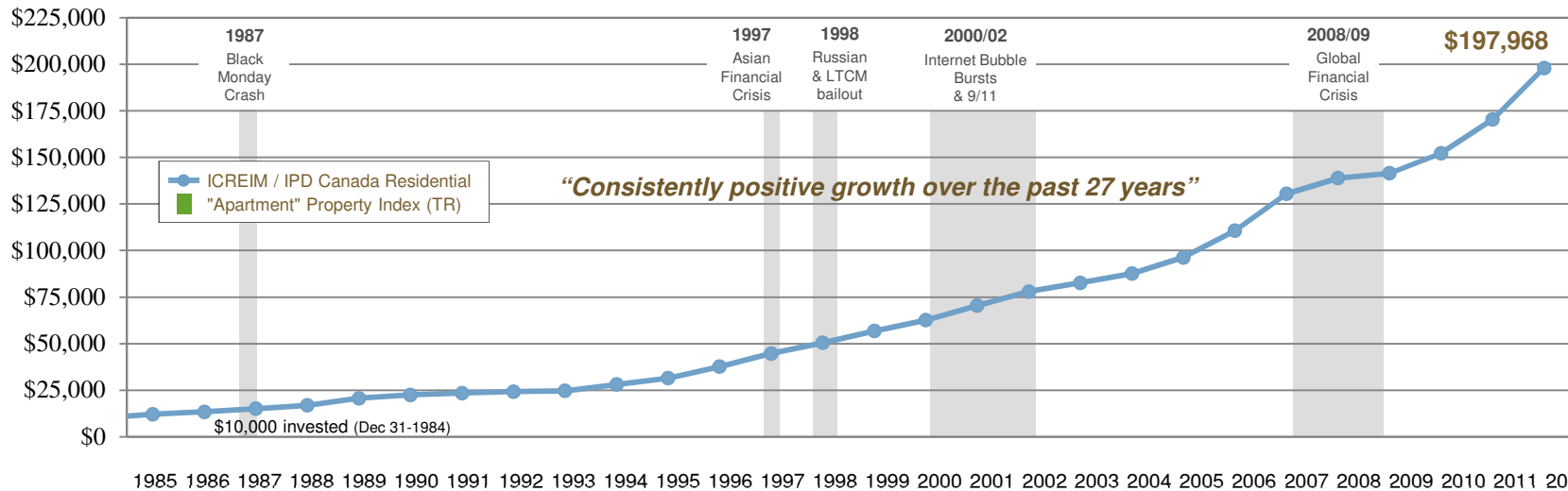
REITs are not guaranteed, their values can change frequently and past performance is no guarantee of future results.



Comparing Asset Class Performance

Private Apartment Property Index exhibits steady growth ⁷

Growth of \$10,000 invested: past 27-year period as at December 31, 2012 (annual update)



⁷ Source: REALPac/IPD Canada Annual Property Index as at Dec. 31, 2012. This index is referenced as it is the longest direct property data series that Centurion Apartment REIT has found that is commonly used by institutional real estate investors. Centurion Apartment REIT believes that it the best available series to demonstrate the long term cash flow, capital growth and volatility characteristics of apartments as an asset class. It is an unlevered index. **PAST PERFORMANCE MAY NOT BE REPEATED.**

REITs are not guaranteed, their values can change frequently and past performance is no guarantee of future results.

Above ICREAM / IPD Index only available with annual data points versus indices on previous slide shown with quarterly data. It is an unleveraged index.

What gives our REIT a unique advantage?

Three fundamental strategies working together

1



Focus on Apartments

Apartments have proven to be the least risky asset class of real estate investment² (apartments are a basic needs industry and tend not to be as impacted by anchor tenant risk as other real estate investments).

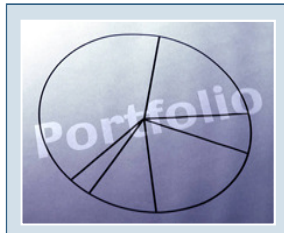
2



Focus on Canada

Solid economy, stable and fiscally responsible government, strong banking and resource sectors = a stable and growing environment to invest in

3



Benefit of a Private REIT

Stable, rational pricing with lower volatility³ and lower correlation⁴ to major equity markets



Investment Process (2-step approach)



Greg Romundt
President &
Asset Manager

Focused, disciplined & proven

1. Value investment style

- Generally outside of major cities
- Generally buildings with fewer than 200 rental units
- Previous owners relatively unsophisticated business operators
- ➔ Off-the-radar of large institutional investors because of size, condition and location

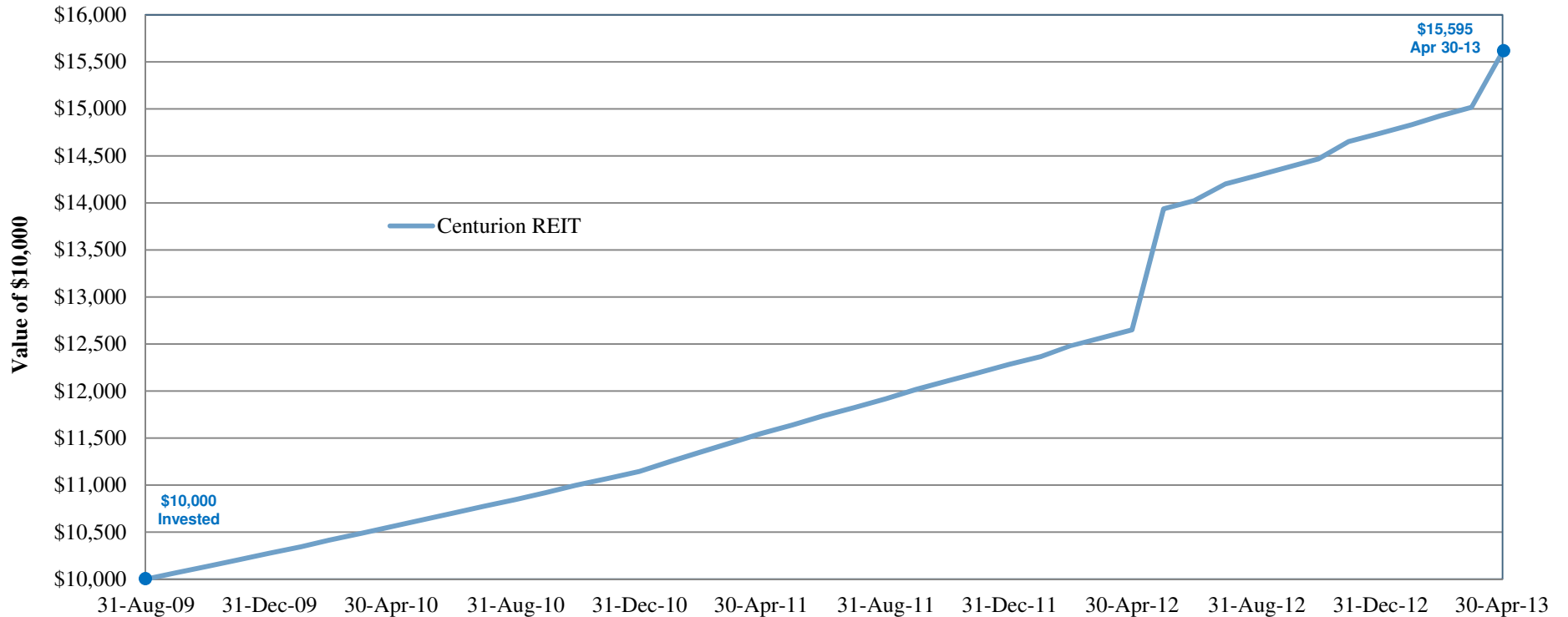
2. Upgrade to maximize income

- Invest in energy efficiency and utility conservation upgrades
- Upgrade apartment suites and tenant profile to increase rents
- Perform ongoing property management maintenance to keep fees in-house
- Refinance at lower rates (leverage scale) to minimize costs
- ➔ Wrap enterprise class management, service and technology systems around investment to maximize income



Performance: Centurion REIT

Growth of \$10,000 invested (since inception of REIT August 31, 2009)⁸



Calendar Returns (%)	2009 ⁽¹⁰⁾	2010	2011	2012	YTD-13
Centurion REIT TR (%)	2.8	8.5	10.2	20.0	5.8

Compounded Returns (%)	1-Year	2-Year	3-Year	Since Inception
Centurion REIT TR (%)	23.3	16.2	13.9	12.9

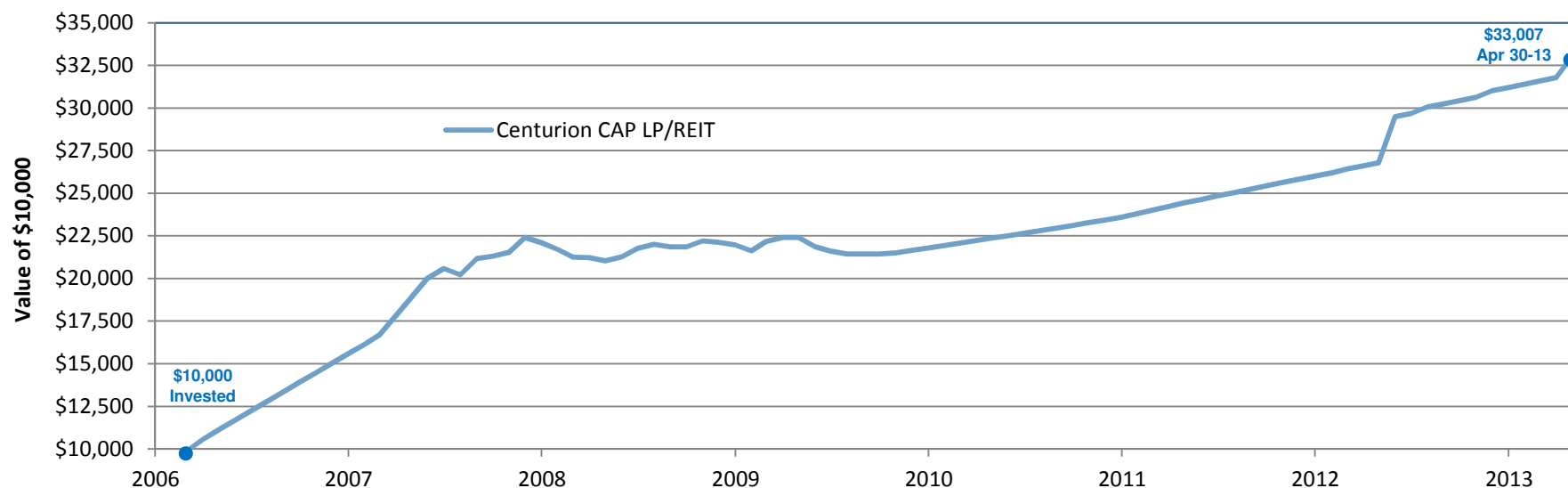
¹⁰ For partial year August 31, 2009 to December 31, 2009

REITs are not guaranteed, their values can change frequently and past performance is no guarantee of future results.
PAST PERFORMANCE MAY NOT BE REPEATED.



Performance: CAPLP/REIT¹²

Growth of \$10,000 invested (since inception of CAPLP/ REIT March 7, 2006)⁸



Calendar Returns (%)	2006 ⁽¹¹⁾	2007	2008	2009	2010	2011	2012	YTD-13	Compound Returns (%)	1-Year	3-Year	5-Year	Since Inception
Centurion REIT TR (%)	55.8	41.9	-0.7	-0.8	8.3	10.2	20.0	5.8	Centurion REIT TR (%)	23.3	13.9	9.4	18.1

¹¹ For partial year March 7, 2006 to December 31, 2006

¹² This chart is shown only to demonstrate the Manager's track record and experience with managing apartments. The chart is a composite of the performance of CAPLP from its launch both before and after its rollover into Centurion Apartment REIT. CAPLP was formed on 7 March 2006. The REIT was formed on 31 August 2009. CAPLP rolled over into the REIT on 30 June 2010. It is important to note that there are a number of material differences between CAPLP and the REIT which include, but are not limited to: 1) CAPLP used higher degrees of leverage than the REIT intends to use which will, in general have the effect of lowering overall returns but also risk in the REIT relative to CAPLP; 2) CAPLP had a different business and operating strategy than the REIT. CAPLP was designed primarily as a capital growth vehicle and didn't distribute cash flow whereas the REIT is designed to be an income vehicle with modest long term growth; 3) CAPLP bought properties that generally needed higher degrees of capital investment than properties the REIT will likely buy and thus CAPLP may have had outsized opportunities for gains relative to opportunities the REIT may pursue in the future; 4) Because the REIT is designed as an income generating vehicle, the REIT will not generally be as aggressive in repositioning properties on as large a scale as may have been done in CAPLP; and 5) the Manager is targeting a more conservative risk profile with the REIT than it had done with a capital growth oriented vehicle like CAPLP and thus anticipates that the returns of the REIT will be lower than have been achieved by CAPLP. These differences and others will mean that the performance and risk characteristics of CAPLP and the REIT will be different and potentially materially different. Potential investors should not look upon the performance of CAPLP as indicative of potential performance of the REIT. CAPLP is closed to new investment.

PAST PERFORMANCE MAY NOT BE REPEATED.



Investing in
Apartments for
Income & Stability



Centurion Apartment REIT

Thank you!