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STUDENT HOUSING

JUNE 30, 2019 – MANAGEMENT REPORT

HIGHLIGHTS

ASH REIT is focused on consolidating the fragmented Canadian Purpose-Built Student Accommodation ("PBSA") market. As of June 30, 2019, ASH had acquired seven of Canada's premier PBSA assets and is the largest owner/operator of PBSA focused on the Canadian university market with over 3,300 beds worth over $384 million in four markets.

On June 30, 2019, the REIT announced and distributed $1.50 per Unit ($6.00 annualized distribution) and Fair Market Value ("FMV") per REIT Unit of $104.56 (an increase from $101.83 as of March 31, 2019).

Over its first year, ASH has delivered a return to its initial investors of 10.6% (assuming all cash distributions).

SUBSEQUENT TO QUARTER END

Subsequent to quarter end, Management has been focused on the roll-out of best practices across its entire portfolio and has commenced the integration of the newest portfolio into the operating company.

In addition, Management has been focused on maximizing occupancy at all properties in advance of the upcoming school year and has spent considerable effort to improve the quality of commercial tenants across the portfolio.

ASH remains in advanced discussions with vendors of PBSA assets worth over $500 million and expects to raise additional capital to fund certain acquisitions given the quality and scale of the opportunities.

MANAGEMENT OVERVIEW AND UPDATE

We remain excited about the progress we have made in consolidating the Canadian student housing sector over the past twelve months. To date, we have purchased seven of the highest-quality PBSA assets in the country and our asset base has grown to over $384 million, making us the largest owner/operator of PBSA beds servicing tier-1 universities in Canada. Additionally, we are in advanced discussions with owners of tier-1, attractively-priced, PBSA assets across Canada totaling ~$500 million; as a result, we expect to be acquisitive for the foreseeable future. Additionally, we continue to be focused on purchasing institutional-grade PBSA assets without compromising on quality and expect acquisition prices to remain at cap rates favourable to multi-family residential properties in each market.

Over the past few months, we have focused on managing the operations across our portfolio. We focused on the roll-out of best practices and commenced the integration of our properties. In addition, we have focused on maximizing occupancy and optimizing rent in advance of the upcoming school year. We have also spent considerable effort to improve the quality of the commercial tenants across our portfolio, including adding nationally-branded tenants such as Starbucks.

We believe our investors will benefit from increasing our scale and expect to raise capital in Q3 2019 as part of the REIT's continuous offering given the attractiveness of our proprietary pipeline.

Sanjil Shah
Managing Partner

Jonathan Turnbull
Managing Partner

Q2 2019 REIT PERFORMANCE

On June 30, 2019, the REIT distributed $1.50 per REIT Unit ($6.00 annualized distribution) payable to unitholders of record on April 1, 2019 and the FMV per REIT Unit increased from $101.83 to $104.56.

Management believes the REIT's distributions to date, combined with the FMV per REIT Unit increase, is an attractive result for Unitholders relative to (a) the underlying risk of the investment portfolio and (b) the public markets. Since inception, Unitholders have earned an annualized 10.6% return on their Units (assuming all cash distributions), despite the REIT holding substantial amounts of cash for the period (50% of assets on average). Over the same period, the S&P/TSX Composite Index returned 0.64%.

Since closing on the portfolio of four high-quality PBSA properties in Ontario in April 2019, (the "Ontario Portfolio"), the REIT's cash balance reduced substantially. Additionally, the value of the REIT Units increased during the quarter, which was driven by better than expected cash flow from operations and the purchase of the Ontario Portfolio at a discount to Fair Market Value. Management believes the REIT is well positioned with its current capitalization, asset base and acquisition pipeline to grow its FMV per unit consistently over the long-term.

	June 30, 2019
Investments in Real Properties	$384,785,588
Cash & Cash Equivalents	21,006,806
Other Assets	629,524
Debt Obligations	(255,629,891)
Other Liabilities and Performance	(14,653,364)
Fair Market Value (Pre-Distribution)	**$136,138,663**
Less - Distribution to REIT Unit Holders	(1,844,097)
Less - Distribution to General Partner	(614,699)
Fair Market Value (Post-Distribution)	**$133,679,867**
Number of Units	1,278,497
Fair Market Value per Unit	**$104.56**

	Per REIT Unit				
	30-Jun-18	**30-Sep-18**	**31-Dec-18**	**31-Mar-19**	**30-Jun-19**
	$100.00	**$102.15**	**$102.61**	**$103.83**	**$106.56**
Distribution to REIT Unit Holders	-	(1.50)	(1.50)	(1.50)	(1.50)
Distribution to General Partner	-	(0.50)	(0.50)	(0.50)	(0.50)
	$100.00	**$100.15**	**$100.61**	**$101.83**	**$104.56**

CAPITALIZATION

As of June 30, 2019, the REIT held over $384 million in PBSA assets. The REIT's quick growth since launch has positioned it as the logical buyer for potential vendors/developers and provides Management with the ability to consider multiple acquisitions in the near-term and to capitalize on local and national operating synergies.

The REIT raised approximately $11 million immediately following the quarter-end and expects to raise additional capital in Q3 2019 as part of its continuous offering to increase the REIT's capacity to accelerate the pace of acquisitions. Proforma the quarter end, the REIT had an equity value of approximately $145 million, cash on hand of over $25 million, leverage at 66% loan-to-value, and access to additional sources of capital to fund potential near-term acquisitions.

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Summary Capitalization:
($M, unless stated otherwise)

	30-Jun-19	Post-Close	1-Jul-19
Cash	$15.8	$10.6	$26.4
Debt	$255.6		$255.6
Units Outstanding	1,278,497	100,921	1,379,418
Value per Unit	$104.6	$104.6	$104.6
Value of Units	$133.7		$144.2
Debt as % Appraised Value	66%		66%

PROPERTIES

As of June 30, 2019, the REIT owned seven properties with over 3,300 beds in four cities across Ontario. Management is currently evaluating several acquisition opportunities and expects to increase its property and bed count substantially over the next few quarters.

Property	Market	Targeted University	Units	Beds	Acquired
181 Lester St.	Waterloo, ON	University of Waterloo & Wilfrid Laurier University	91	455	Aug 2018
111 Cooper St.	Ottawa, ON	University of Ottawa	224	357	Nov 2018
265 Laurier Ave.	Ottawa, ON	University of Ottawa	159	518	Mar 2019
333 King St.	Waterloo, ON	University of Waterloo & Wilfrid Laurier University	126	536	Apr 2019
339 King St.	Waterloo, ON	University of Waterloo & Wilfrid Laurier University	80	419	Apr 2019
1686 Main St.	Hamilton, ON	McMaster University	107	449	Apr 2019
1700 Simcoe St.	Oshawa, ON	University of Ontario Institute of Technology & Durham College	133	588	Apr 2019
Total			**920**	**3,322**	

181 Lester Street ("Lester")

Property Name:	MyRez
Year Built:	2014
Property Manager:	Campus Living Centres
Proximity to Campus:	0.4km
Investment Date:	August 2018
Purchase Price:	$45,500,000
Ownership:	100.0%
Property Website:	www.offcampusrez.com

111 Cooper Street ("Cooper")

Property Name:	1Eleven
Year Built:	2014/15
Property Manager:	Campus Living Centres
Proximity to Campus:	0.4km
Investment Date:	November 2018
Purchase Price:	$55,000,000
Ownership:	100.0%
Property Website:	www.1eleven.ca

265 Laurier Avenue East ("Laurier")

Property Name:	The Annex
Year Built:	2018
Property Manager:	University of Ottawa
Proximity to Campus:	0.3km
Investment Date:	March 2019
Purchase Price:	$92,000,000
Ownership:	100.0%
Property Website:	www.uottawa.ca/housing/

333 King Street North ("King I")

Property Name:	King Street Tower I
Year Built:	2011
Property Manager:	Campus Living Centres
Proximity to Campus:	0.4km
Investment Date:	April 2019
Purchase Price:	$53,319,372
Ownership:	100.0%
Property Website:	www.kingstreettowers.ca

339 King Street North (“King II”)

Property Name:	King Street Tower II
Year Built:	2013
Property Manager:	Campus Living Centres
Proximity to Campus:	0.4km
Investment Date:	April 2019
Purchase Price:	$41,680,628
Ownership:	100.0%
Property Website:	www.kingstreettowers.ca

1686 Main Street West (“Main”)

Property Name:	West Village Suites
Year Built:	2008
Property Manager:	Campus Living Centres
Proximity to Campus:	0.9km
Investment Date:	April 2019
Purchase Price:	$45,000,000
Ownership:	100.0%
Property Website:	www.westvillagesuites.ca

1700 Simcoe Street North (“Simcoe”)

Property Name:	Village Suites Oshawa
Year Built:	2010
Property Manager:	Campus Living Centres
Proximity to Campus:	0.6km
Investment Date:	April 2019
Purchase Price:	$30,000,000
Ownership:	100.0%
Property Website:	www.villagesuitesoshawa.ca

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M & A ENVIRONMENT

Management is pleased with the progress made on sourcing acquisition opportunities, as well as closing the transactions it believes are the most attractive. Management's ongoing discussions with potential PBSA vendors/developers have exceeded expectations with respect to the quality of assets available, as well as the scale of the roll-up opportunity. Management remains in ongoing discussions with owners of high-quality assets valued at over $500 million and valuation discussions remain at cap rates 100-200bp higher than local multi-family residential properties in each market.

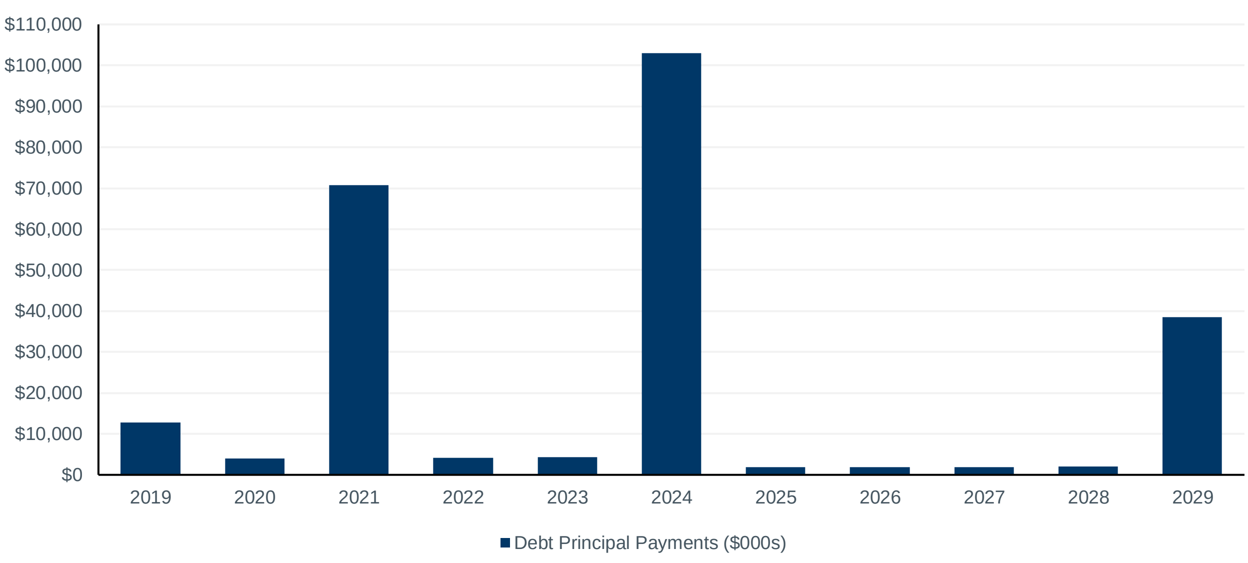
In addition to the acquisition/consolidation strategy, Management has developed relationships with high-quality local and national developers to fuel the REIT's long-term acquisition pipeline with attractive high-quality product.

FINANCING ENVIRONMENT

The REIT has recently entered the market to finance its purchases of the Laurier property as well as the Ontario Portfolio. The response by traditional lenders has been extremely positive and multiple financing proposals were received for each asset.

The decline in Government of Canada 5-year treasury bond rates from ~2.3% at the end of September to ~1.4% as of the end of June has had a positive impact on available terms in the fixed-rate financing market. Management continues to believe that traditional lenders' understanding and appetite for the sector is improving. The recent acquisitions by the REIT have been debt financed in the traditional markets at 65% loan-to-purchase-price with high-quality institutions at 5 to 10-year fixed-rate first mortgages at 2.6% to 3.8%.

The REIT has been successful to date arranging attractive debt financing with world-class lenders for our acquisitions and have been able to spread-out our maturity profile to ensure we have a balanced aggregate maturity schedule. The weighted average interest rate on debt and maturity for the debt portfolio is 3.6% and 5.8 years, respectively.



REIT OPERATIONS

In tandem with ASH's acquisition/growth strategy, Management has been focused on optimizing property operations. As discussed previously, the student housing industry requires detailed operational focus as the sector experiences higher operating expenses than the multi-family sector from salaries and wages, marketing, maintenance, etc.

The REIT's long-term value-creation strategies include (a) optimizing property-level operations and (b) maximizing operating synergies that can be realized from the consolidation of the fragmented market. Management believes that it has made great strides in establishing the infrastructure to manage the REIT's properties to their greatest potential.

Management has been diligent in its effort to roll-out best-practices at all of the buildings the REIT has acquired, which is improving net operating income and improving the perceived value-add and attractiveness of the properties with current and potential tenants. One of Management's long-term goals is to 'de-risk' its portfolio – the best, organic, long-term way to do so is by creating a safe, fun and inclusive living environment that students demand. Since purchasing the portfolio, the REIT has invested in high-speed internet services, updated furniture, improved amenity spaces and other value enhancing services for its tenants. The aforementioned investments and diligent efforts to bring-in the best possible tenants has already started to pay dividends for the REIT's investors, as occupancy levels for the upcoming 2019/20 school year, as well as average revenue per bed per month, are well ahead of last year's pace when the properties were operated by their prior owners.

As can be seen in the below table, as of August 9, 2019, the properties have achieved 97% weighted average occupancy across the portfolio, which is ~2% ahead of last year's pace. In addition, rent per bed has increased by an average of 5.1% relative to the 2018/19 school year. The increase in occupancy and revenues can be attributed to increased demand by the local student demographic for high-quality student housing, combined with improved aggregate product offerings, tenant engagement, lead-generation and follow-up.

Summary Occupancy Statistics:
As of August 9, 2019 vs. August 9, 2018

	Sept 2019/20	2018/19 Delta	2018/19 Rent/Bed/Mo Delta
Lester	100%	0.0%	6.7%
Laurier	100%	0.0%	3.9%
King I & II	100%	0.6%	3.4%
Main	100%	0.0%	2.8%
Cooper	97%	5.0%	7.0%
Simcoe	85%	4.8%	8.8%
Weighted Average	**97%**	**1.6%**	**5.1%**

Management has started to roll-out many energy efficiency and water conservation initiatives across the portfolio. Management believes such efforts will not only benefit the environment but will also be value accretive to investors. The REIT's tenants are extremely unique relative to other asset classes as they are actively committed to preserving the environment, which has allowed Management to more effectively roll-out energy/water efficiency programs with their support. Management's efforts will not only help the environment but will also help build the relationship with tenants, improve the bottom-line and deliver long-term value to investors. Some of the initiatives include:

- Investing and installing LED lighting;
- Investing and installing water flow management devices;
- Investing in water leak detection equipment;
- Introducing utility sharing initiatives;
- Engaging energy efficiency consultants to provide studies on the assets ;
- Engaging an energy management firm to monitor electricity and gas utilization; and
- Engaging a water management solutions firm to develop building-specific reduction strategies

CONFERENCE CALL DETAILS

Management will host a conference call to discuss the REIT's Q2 2019 operating performance and the REIT's longer-term strategy on August 26, 2019 at 2:00PM EST. Please register for the call using the following hyperlink:

Q2 2019 Conference Call

STANDARD DISCLOSURE

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