

Indigo Apartments – Raleigh, North Carolina

STARLIGHT U.S. RESIDENTIAL (MULTI-FAMILY) INVESTMENT LP
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

November 19, 2026

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Bainbridge Sunlake
268 suites
Tampa, Florida



Indigo Apartments
489 suites
Raleigh, North Carolina



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the unaudited condensed consolidated interim financial statements of Starlight U.S. Residential (Multi-Family) Investment LP (the "SURF LP") dated November 19, 2026 for the three months ended September 30, 2026 ("Q3-2026") and for the nine months ended September 30, 2026 ("YTD-2026") should be read in conjunction with SURF LP's unaudited condensed consolidated interim financial statements for the three months ended September 30, 2025 ("Q3-2025") and the nine months ended September 30, 2025 ("YTD-2025") and SURF LP's audited consolidated financial statements for the year ended December 31, 2025, both of which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). These documents are available on SEDAR+ at www.sedarplus.ca.

SURF LP'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 class A limited partnership unit of SURF LP ("Unit or "SURF LP Unit") and average monthly rent ("AMR")[1]. All references to "C$" are to Canadian dollars. Non-IFRS measures are reported throughout this MD&A. For further information on non-IFRS measures, please refer to the "Non-IFRS Financial Measures" section.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information within the meaning of Canadian securities laws and which reflect SURF LP's current expectations regarding future events, including the overall financial performance of SURF LP and its properties (the "Properties"), the impact of elevated levels of inflation and interest rates, uncertainty surrounding U.S. tariffs, the ability of SURF LP to repay indebtedness when due, SURF LP's ability to negotiate further extensions with its lenders, the potential implications of a default under loans payable, the impact of any remedies exercised by a lender as a result of any default of a loan incurred by SURF LP's capital management and liquidity measures. Forward-looking information is provided for the purposes of assisting the reader in understanding SURF LP'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, the impact of inflation levels and interest rates, the ability of SURF LP to make any future distributions, the trading price of SURF LP's TSX Venture class A Unit, acquisitions, financing, performance, achievements, events, prospects or opportunities for SURF LP 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, AMR, taxes, and plans and objectives of or involving SURF LP. Particularly, matters described in "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 statements involve 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, that assumptions may not be correct, and that objectives, strategic goals and priorities may not be achieved. Those risks and uncertainties include: the extent and sustainability of potential higher levels of inflation and the potential impact on SURF LP's operating costs; the impact of any tariffs and retaliatory tariffs on the economy; the effects of global economic uncertainty and geopolitical instability on financial markets and borrowing costs; the pace at which and degree of any changes in interest rates that impact SURF LP's weighted average interest rate may occur; the ability of SURF LP to make any future distributions; the trading price of the Units; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Properties or SURF LP's legal entities; the impact of elevated interest rates and inflation as well as supply chain issues have on new supply of multi-family communities; the realization of property value appreciation and the timing thereof; the extent to which favourable operating conditions achieved during historical periods may continue in future periods; the applicability of any government regulation concerning SURF LP's residents or rents; SURF LP's ability to continue as a going concern; the impact of any remedies exercised by a lender as a result of any default of a loan incurred by SURF LP; and the availability of debt financing or ability of SURF LP to extend loans as loans payable become due including any impact such extensions may have on SURF LP's ability to hold such properties until the manager (as defined below) desires to sell such properties. A variety of factors, many of which are beyond SURF LP's control, affect the operations, performance and results of SURF LP and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

[1] The metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

There are numerous risks and uncertainties which include, but are not limited to, risks related to SURF LP's partners' capital ("Partners' Capital"), and risks related to SURF LP and its business. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements. Although SURF LP believes the expectations reflected in such forward-looking information are reasonable and represent SURF LP's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause SURF LP'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 SURF LP's expectations include, among other things, the availability of suitable properties for purchase by SURF LP, the availability of mortgage financing including the ability of SURF LP to refinance or extend existing loans payable on favourable terms including any impact such extensions may have on SURF LP's ability to hold such properties until the manager (as defined below) desires to sell such properties, and general economic and market factors, including interest rates, inflation, business competition, the impact of any remedies exercised by a lender as a result of any default of a loan incurred by SURF LP and changes in government regulations or in tax laws.

See the "Risks and Uncertainties" section and 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.

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: unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions; the impact of elevated levels of inflation on SURF LP's operating costs; the impact of future interest rates on SURF LP's financial performance; the availability of debt financing as loans payable become due and any resulting impact on SURF LP's liquidity; the trading price of the Units; the applicability of any government regulation concerning SURF LP's residents or rents; the realization of property value appreciation and the timing thereof; the inventory of residential real estate properties; the availability of residential properties for potential future acquisition, if any, and the price at which such properties may be acquired; the ability of SURF LP to benefit from any value add program SURF LP conducts at certain properties; the price at which the Properties may be disposed and the timing thereof; closing and other transaction costs in connection with the acquisition and disposition of the Properties; the extent of competition for residential properties; the impact of interest costs, inflation and supply chain issues have on new supply of multi-family communities; the extent to which favourable operating conditions achieved during historical periods may continue in future periods; the growth in net operating income ("NOI") generated from its value-add initiatives; the population of residential real estate market participants; assumptions about the markets in which SURF LP operates; expenditures and fees in connection with the maintenance, operation and administration of the Properties; the ability of Starlight Investments US AM Group LP or its affiliates (the "Manager") to manage and operate the Properties or achieve similar returns to previous investment funds managed by the Manager; the global and North American economic environment; foreign currency exchange rates; the ability of SURF LP to realize the estimated gap in market versus in-place rents ("Estimated Gap to Market Versus In-Place Rents") through future rental rate increases; the impact of any remedies exercised as a result of any default of a loan incurred by SURF LP; and governmental regulations or tax laws. Given this period of uncertainty, there can be no assurance regarding: (a) operations and performance or the volatility of the Units; (b) SURF LP's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) the Manager or any of its affiliates, will continue its involvement as asset manager of SURF LP in accordance with its current asset management agreement; and (e) other risks inherent to SURF LP's business and/or factors beyond its control which could have a material adverse effect on SURF LP.

The forward-looking information included in this MD&A relates 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 securities law, SURF LP undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

NON-IFRS FINANCIAL MEASURES

Certain terms used in this MD&A such as adjusted funds from operations ("AFFO"), AMR, adjusted net income and comprehensive income ("Adjusted Net Income and Comprehensive Income"), cash provided by operating activities including interest costs, economic occupancy, physical occupancy, Estimated Gap to Market Versus In-Place Rents, funds from operations ("FFO"), gross book value ("Gross Book Value"), indebtedness ("Indebtedness"), indebtedness coverage ratio ("Indebtedness Coverage Ratio"), indebtedness to gross book value ("Indebtedness to Gross Book Value"), interest coverage ratio ("Interest Coverage Ratio"), same property NOI, and 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, Adjusted Net Income and Comprehensive Income, cash provided by operating activities including interest costs, economic occupancy, physical occupancy, Estimated Gap to Market Versus In-Place Rents, FFO, Gross Book Value, Indebtedness, Indebtedness Coverage Ratio, Indebtedness to Gross Book Value, Interest Coverage Ratio, same property NOI and NOI, as computed by SURF LP, may not be comparable to similar measures as reported by other issuers or companies in similar or different industries. SURF LP uses these measures to better assess SURF LP's underlying performance and provides these additional measures so that investors may do the same.

Adjusted Net Income and Comprehensive Income is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS before deferred taxes and provisions for carried interest plus amortization of financing costs and loan premiums, fair value adjustments on derivative instruments, distributions to Partners (as defined below), less finance income and adjusted for other non-cash items. Other non-cash items include unrealized foreign exchange gains and losses. Adjusted Net Income and Comprehensive Income is used in calculating certain ratios described below.

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) deduction of a reserve for normalized maintenance capital expenditures and suite make-ready costs, as determined by the Manager; (iv) vacancy costs associated with any suite upgrade program; and (v) any accrued interest costs or debt service shortfall funding provided by lenders that are deferred and payable upon maturity of the applicable loan payable. 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 possibility and sustainability of future distributions paid to Partners (as defined below) 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 ("RPAC") definition, as SURF LP adjusts for non-cash items to better measure the possibility and sustainability of future distributions. This MD&A does not include a presentation of adjusted cash flow from operations as defined by RPAC. The most comparable IFRS measures for AFFO are cash flow from operating activities and net income (loss) and comprehensive income (loss).

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 costs, is a measure of the amount of cash generated from operating activities including interest costs, and is presented in this MD&A as the Manager considers this non-IFRS measure when determining the sustainability of future distributions paid to Partners (as defined below).

Economic occupancy is calculated by taking effective net rent after considering vacancy and concessions and dividing by gross potential rent. SURF LP considers this an important operating metric to evaluate the extent to which revenue potential is being realized. SURF LP also uses physical occupancy, which is calculated by taking the number of occupied suites as at the reporting date divided by the total number of suites owned by SURF LP as at the reporting date.

Estimated Gap to Market Versus In-Place Rents is defined as the estimated market rent for each applicable property divided by the applicable AMR for each property.

FFO is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS, excluding fair value adjustments on investment properties, fair value adjustments on derivative instruments, distributions to Partners (as defined below) classified as equity, deferred income tax expense, realized or unrealized foreign exchange gains and losses, provisions for carried interest and any amounts allocated to the non-controlling interest. 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 calculated in accordance with RPAC. The most comparable IFRS measures to FFO are cash flow from operating activities and net income (loss) and comprehensive income (loss).

Gross Book Value is defined as the fair market value of the investment properties as determined in accordance with IFRS. Gross Book Value is presented in this MD&A as SURF LP considers this non-IFRS measure to be an important measure of SURF LP's financial condition. The most comparable IFRS measure for Gross Book Value is investment properties.

Indebtedness is defined as the principal amount of loans payable outstanding as at a specific reporting date. Indebtedness is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of SURF LP's financial condition. The most comparable SURF LP measure for Indebtedness is loans payable.

Indebtedness Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest (excluding any accrued interest costs or debt service shortfall funding provided by lenders that are deferred and payable upon maturity of the applicable loan payable) and mandatory principal payments on SURF LP's loans payable for a specific reporting period. Generally, a higher Indebtedness Coverage Ratio demonstrates a stronger ability to satisfy SURF LP'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 SURF LP to make cash distributions to Partners (as defined below).

Indebtedness to Gross Book Value is defined as SURF LP's Indebtedness divided by the Gross Book Value of the Properties. 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 SURF LP's financial condition.

Interest Coverage Ratio is defined as Adjusted Net Income and Comprehensive Income plus interest expense divided by interest expense (excluding any accrued interest costs or debt service shortfall funding provided by lenders that are deferred and payable upon maturity of the applicable loan payable). 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 SURF LP to make cash distributions to Partners (as defined below).

NOI, or Adjusted Income from Operations is defined as all property revenue, less direct property costs such as utilities, property taxes (International Financial Reporting Interpretations Committee Interpretation 21, Levies ("IFRIC 21") adjustment included in each reporting period), repairs and maintenance, on-site salaries, insurance, bad debt expenses, property management fees, and other property-specific administrative costs. NOI Margin is defined as NOI divided by revenue from property operations. NOI and NOI Margin are presented in this MD&A as the Manager considers these non-IFRS measures to be important measures of SURF LP's operating performance and uses these measures to assess SURF LP's property operating performance on an unlevered basis. The most comparable measure to IFRS is net income (loss) and comprehensive income (loss).

Same property operating results and same property NOI (revenue less property operating costs and property taxes) have been presented in this MD&A for the Properties 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. Same property NOI and same property NOI Margin are presented in this MD&A as the Manager considers these non-IFRS measures to be important measures of SURF LP's operating performance.

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

FUTURE OUTLOOK

Since early 2022, concerns over elevated levels of inflation have resulted in a significant increase in interest rates with the U.S. Federal Reserve raising the Federal Funds Rate by approximately 525 basis points. During 2024, the U.S. Federal Reserve reduced the Federal Funds Rate by 100 basis points and in 2025, reduced the rate by a further 75 basis points. In September 2026, the U.S. Federal Reserve increased the Federal Funds Rate by 25 basis points in response to renewed inflationary pressures, its first increase since 2023, leading to a rate of approximately 3.75% as at the date of this MD&A. Short-term interest rate increases throughout the life of SURF LP had led to increases in borrowing costs and reduced cash flow for Starlight U.S. Residential Fund (the "Fund") given that SURF LP employed a variable rate debt strategy to provide maximum flexibility upon the eventual sale of the Properties during or at the end of SURF LP's term. Historically, investments in multi-family properties have provided an effective hedge against inflation given the short-term nature of each resident lease which has been somewhat reflected in the rent growth achieved at the Properties.

Although inflation moderated significantly from its peak, inflation has since remained above the U.S. Federal Reserve's target and has recently re-accelerated, driven in part by higher energy prices. Geopolitical conflicts have continued to cause volatility in global energy markets, with oil prices rising significantly during 2026 and adding to inflationary pressures. Markets and the Federal Reserve continue to closely monitor inflation and unemployment figures as well as the potential impacts of changes to legislation, regulation and trade policy resulting from the current U.S. administration, and further increases to short-term interest rates may occur, which could increase borrowing costs. Although operating fundamentals have been favourable as evidenced by the operating results achieved by SURF LP since 2023, long-term U.S. treasuries have continued to be volatile, with the ten-year treasury yield increasing from approximately 3.80% as at September 30, 2024 to 4.57% as at December 31, 2024, and from 4.44% as at June 30, 2026 to 5.29% as at September 30, 2026. Capitalization rates typically correlate over time to changes in long-term interest rates with the noted increase in long-term U.S. treasury yields reducing investment transaction volumes throughout 2024 and into Q3-2026 which negatively impacted SURF LP's appraised values for the investment properties.

SURF LP strives to maintain strong and collaborative relationships with its lenders but the elevated level of interest rates and associated impact on capitalization rates mentioned above had a negative impact on SURF LP's overall leverage position and debt service coverage ratios, both of which are typical financial benchmarks required to extend certain loans and as a result, these changes have impacted SURF LP's ability to exercise certain extension options available under existing loans payable.

Under the terms of each applicable loan agreement, SURF LP has the right to make a principal repayment towards such loan in order to achieve the extension tests that otherwise may not be achieved. Given SURF LP was formed as a "closed-end" investment vehicle, SURF LP is restricted from raising any additional equity, which may have otherwise assisted in making any principal repayments of the loans payable in order to meet certain extension conditions. In the event SURF LP is not able to refinance the loan or if SURF LP does not have sufficient liquidity or other sources of capital sufficient to make any such principal repayments required to achieve the applicable loan extension tests and SURF LP is not able to otherwise negotiate an extension of such loan, the applicable lender may provide formal notice of an event of default expressing its right to demand repayment of the borrowings relating to such property. Under this scenario, SURF LP may be obligated to sell such properties which may not be able to be completed on terms that are acceptable to SURF LP or may be required to explore other options in the best economic interests of SURF LP in order to discharge its obligations under any of the applicable loan agreements. SURF LP's loans payable also do not carry cross-default provisions.

The loan payable secured by interests in Ventura Apartments property ("Ventura") matured on February 9, 2026 and despite continuing to enter into good faith negotiations with the first mortgage lender for Ventura, during the first quarter of 2026, SURF LP received a maturity default notice (the "Notice") from the lender of the loan secured by Ventura (the "Lender") demanding repayment of such loan. On June 12, 2026, the Lender assigned the loan to a new lender. Notwithstanding SURF LP's continued good faith negotiations, the new lender elected to exercise the remedies available to it under the loan agreement and on September 10, 2026, foreclosure proceedings of Ventura were finalized through a public auction, which resulted in the transfer of ownership of Ventura to a third party. The transfer of Ventura resulted in no net proceeds to SURF LP and SURF LP recognized a gain on extinguishment of such debt of $19,983. The loan secured by Ventura did not carry cross-default provisions with any other loans payable outstanding for SURF LP.

On July 17, 2025, SURF LP extended the loan payable secured by Bainbridge Sunlake ("Sunlake") property to June 1, 2026. Notwithstanding the June 1, 2026 maturity date, SURF LP received a maturity default notice from the lender of the Sunlake loan payable during the fourth quarter of 2025, which outlined certain remedies available to such lender. The Sunlake loan payable has since matured and SURF LP continues to enter into good faith negotiations to modify or extend the Sunlake loan payable. As at the date hereof, the lender has not exercised any remedies available. SURF LP does not expect a material impact on its net asset value as a result of any remedies the lender may exercise.

For one of SURF LP's two properties, the fair value reported for such property as at September 30, 2026 was lower than the principal outstanding under the loans payable secured by such property and as a result, the sale of such property may not be sufficient to repay those loans in full if such sale was required. In certain instances, the lenders also hold restricted cash as part of the security for such loans which in a liquidation event may be used to repay any indebtedness that may be required to be repaid by SURF LP. SURF LP's secured loans are non-recourse subject to standard limited recourse provisions and are entered into by the subsidiaries of SURF LP that own only the associated secured property. As a result, the liability for any such loan would typically be limited to the value of the associated secured property, including any restricted cash reserves or other amounts held by the applicable lenders, other than in certain instances which may obligate SURF LP to incur certain costs or other amounts subject to certain performance conditions (see "Capital Structure and Debt Profile").

The primary markets of SURF LP, which include Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington ("Primary Markets") have seen an elevated level of new supply delivered during 2023 and 2024 which contributed to the deceleration in rent growth in the Primary Markets during late 2023, relative to levels achieved in 2022 and earlier in 2023. Interest rates also continue to remain elevated which, along with higher levels of inflation and a softening in market conditions in late 2023, has significantly disrupted active and new construction of comparable communities in the Primary Markets that would otherwise have been delivered in the second half of 2025 or 2026. This potential reduction in construction may create a temporary imbalance in the supply of comparable multi-suite residential properties in future periods. This imbalance, alongside the continued economic strength and solid fundamentals may be supportive of favourable supply and demand conditions for the Properties in future periods and could result in future increases in occupancy and rent growth.

SURF LP previously amended several of its loan agreements, deferred the payment of asset management fees, completed the reorganization of the Fund and SURF LP has continued to focus on maximizing NOI at the Properties to preserve as much liquidity as possible. There are no assurances that the aforementioned financing activities and remaining property dispositions will be successfully completed which indicates the existence of a material uncertainty that may cast doubt upon SURF LP's ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. SURF LP's condensed consolidated interim financial statements for the three and nine months ended September 30, 2026 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that may be necessary if SURF LP were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments, if required, may be material.

During this period of capital markets uncertainty, SURF LP may also enter into additional financing, evaluate potential asset sales to allow SURF LP to maintain sufficient liquidity or evaluate other alternatives in the best economic interests of the Partners (as defined below).

INVESTMENT OVERVIEW, OBJECTIVES AND STRATEGY

SURF LP is a “closed-end” limited partnership, established under and governed by the laws of the Province of Ontario, pursuant to an amended and restated limited partnership agreement (the “LPA”). Until December 29, 2025, SURF LP was a wholly owned subsidiary of the Fund. On December 30, 2025 (the “Reorganization Date”), SURF LP and the Fund completed a reorganization transaction (the “Reorganization”), pursuant to which unitholders of the Fund (the “Former Unitholders”) and holders of class B LP Units (“Class B LP Units”) in SURF LP (“Class B LP Unitholders”) received Canadian dollar denominated SURF LP Units based on a defined exchange ratio. As a result, the Former Unitholders and Class B LP Unitholders (collectively the “Partners”) became the unitholders of SURF LP and its subsidiaries. The registered office of SURF LP is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3.

In connection with the Reorganization, the LPA of SURF LP was amended and restated as of the Reorganization Date to reflect, where applicable, the terms of the Fund’s amended and restated declaration of trust (the “Declaration of Trust”). SURF LP became a reporting issuer in the applicable Canadian jurisdictions, with SURF LP Units listed on the TSX Venture Exchange (“TSXV”) under the symbol “SURF.UN”. The term of SURF LP (the “Term”) has been extended to November 15, 2029, representing a three-year extension from the Fund’s prior expiry date of November 15, 2026. As a result of the Reorganization, SURF LP now carries on the multi-family residential real estate business previously carried on by the Fund.

On November 15, 2021, SURF LP had equity contributed by the Partners which included the Fund contributing a portion of the proceeds of its initial public offering (the "Offering"), which was completed on the same day. The Offering, together with a concurrent private placement of class I trust units amounting to aggregate gross proceeds of $249,568 by issuing the following trust units of the Fund: 3,422,689 class A Units; 3,430,000 class C Units (including 750,000 Class B LP Units assumed to be converted into class C Units for this purpose); 10,923,370 class D Units, 6,561,866 class F Units and 3,500,000 class I Units at a price of C$10.00 per Unit and 699,990 class E Units; 801,485 class G Units and 1,188,200 class U Units, at a price of $10.00 per Unit. The class A and class U Units distributed under the Offering were listed on the TSXV under the symbols SURF.A and SURF.U, respectively. Class A, C, D, F, I and Class B LP Units were Canadian dollar denominated Units and class E, G and U were U.S. dollar denominated Units. Conversions could be made between certain classes of Units based on conversion ratios (the “Conversion Ratios”) calculated consistent with the Declaration of Trust. Upon completion of the Reorganization, all Units of the Fund, including the Class B LP Units of SURF LP, were converted into 32,583,440 SURF LP Units, and Starlight U.S. Residential Fund ceased to be a reporting issuer. The Fund’s class A and class U Units were delisted from the TSXV effective at the close of business on December 23, 2025. SURF LP Units commenced trading on the TSXV under the symbol “SURF.UN” at the opening of trading on December 31, 2025. As noted above, the Units previously outstanding in the Fund were exchanged for SURF LP Units.

Following completion of the Offering, SURF LP acquired three class “A” institutional quality multi-family properties comprising a total of 1,133 suites which include Sunlake, Indigo Apartments (“Indigo”) and Lyric Apartments (“Lyric”), located in the States of Florida, North Carolina and Nevada, in the Tampa, Raleigh and Las Vegas metropolitan areas, respectively. Subsequent to the Offering, SURF LP acquired an additional multi-family property, Emerson at Buda (“Emerson”), located in Austin, Texas in 2021. During the year ended December 31, 2022, SURF LP acquired Eight at East, a multi-family property comprising 264 suites in Orlando, Florida and a 90% interest in Ventura Mezz LLC (the remaining 10% interest in Ventura Mezz LLC is owned by an affiliate of the Manager), which indirectly owns the Ventura, a multi-family property comprising 272 suites in Phoenix, Arizona.

SURF LP’s Investment Strategy:

SURF LP was established for the primary purpose of directly or indirectly acquiring, owning and operating a portfolio primarily comprised of income-producing residential multi-family real estate properties that demonstrate value based on pricing and local supply and demand trends to achieve SURF LP’s target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, value-add capital expenditures and active asset management, and are located in the Primary Markets, with a particular focus on the suburban areas of the primary submarkets, being Atlanta, Georgia; Austin, Texas; Boise, Idaho; Charleston, South Carolina; Charlotte, North Carolina; Dallas, Texas; Denver, Colorado; Houston, Texas; Las Vegas, Nevada; Miami, Florida; Nashville, Tennessee; Orlando, Florida; Phoenix, Arizona; Portland, Oregon; Raleigh, North Carolina; Salt Lake City, Utah; San Diego, California; Seattle, Washington; and Tampa, Florida (“Primary Submarkets”). The Manager believes the U.S. residential multi-family real estate sector presents a compelling investment opportunity and provides competitive long-term returns when compared to other real estate asset classes.

SURF LP's investment objectives are to:

1. Directly or indirectly acquire, own and operate a portfolio primarily composed of income-producing residential multi-family properties that demonstrate value based on pricing and local supply and demand trends to achieve SURF LP's target metrics and are located in the Primary Markets, with a particular focus on the suburban areas of Primary Submarkets;
2. Make stable monthly cash distributions; and
3. Increase NOI through active asset management, which may include high return, value-add capital expenditures, lease up of non-stabilized properties, utilizing revenue management software to increase rental rates, revenue enhancement through ancillary income opportunities and operating expense reductions through, best-in-class property management and economies of scale, with the goal of ultimately directly or indirectly disposing of its interests in the assets.

The Manager targets acquisitions in the Primary Markets, with a particular focus on the suburban areas of the Primary Submarkets, where markets feature:

(a) compelling employment, population, and economic growth rates;

(b) 'landlord friendly' legal environments; and

(c) comfortable climates and quality of life.

ACQUISITION OF U.S. RESIDENTIAL REAL ESTATE

1. Identify acquisition opportunities in the U.S. residential market through the Manager's strong pipeline of exclusive acquisition opportunities by leveraging the Manager's relationships with principals, operators, and brokers located in SURF LP's target markets and by its ability to source "off market" opportunities.
2. Target residential assets that are:

   (a) garden and wrap-style, suburban, Class "A" institutional quality multi-family properties that demonstrate value based on pricing and local supply and demand trends to achieve SURF LP's target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, value-add capital expenditures and active asset management;

   (b) suburban and have a vintage of 1990 or later, with no less than 200 suites to ensure economies of scale;

   (c) strategically located properties in the Primary Markets, with a particular focus on the suburban areas of the Primary Submarkets, with strong long-term job, population and economic growth rates;

   (d) strategically located properties within their respective suburban submarkets with barriers to new development; and

   (e) stabilized, with the potential to benefit from an active asset management strategy or non-stabilized, with significant value upside.
3. Complete a comprehensive due diligence program, including cash flow and value-add return modeling, operating expense reviews, and, where applicable, 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.
5. Explore, from time to time, co-investment opportunities involving SURF LP and one or more co-investors.

ASSET VALUE ENHANCEMENT THROUGH ACTIVE ASSET MANAGEMENT STRATEGY

1. Utilize the Manager's network to source attractive future acquisitions from private equity funds, operators, and other real estate asset managers.
2. Increase rental rates through value-add capital improvement programs, including:

   (a) targeted value-add capital expenditures of $2,500 to $15,000 per rental suite (e.g. kitchens, bathrooms, flooring, etc.);

   (b) $500,000 to $1,500,000 for common area upgrades (e.g. clubhouses and resident amenity spaces), as well as modernization improvements; and

   (c) the use of yield management software.

3. Implement revenue management software and seek ancillary income opportunities (e.g. ancillary fees on new leases, bulk cable, door-to-door waste pick-up service, smart home technology, pet rent, garage rent, storage rental fees, washers and dryers, implementation of identification and verification programs and package handling solutions for package delivery to residents) where achievable.
4. Reduce operating expenses such as staffing, maintenance contracts, advertising, general and administrative expenses and insurance through economies of scale.
5. Utilize reputable best-in-class U.S. based property managers.

VALUE REALIZATION THROUGH STRATEGIC DISPOSITIONS

1. Asset value increases are expected by the Manager to be realized through a combination of NOI growth, through, among other things, active asset management and capital expenditures resulting in increased rental rates, and a pricing premium on the aggregated portfolio.
2. The Manager, on behalf of SURF LP, may execute dispositions, directly or indirectly 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Starlight Group and the Manager, collectively referred to as "Starlight", are committed to adopting a comprehensive approach to environmental, social and governance ("ESG") practices for all entities within the Starlight, embedding these principles into every aspect of Starlight's business, with the intention of driving long-term value. Starlight's ESG strategy and commitments are supported by its Sustainability Action Plan which outlines short-targets, programs, and performance indicators. Since its first submission in 2021, Starlight has received top ranking from the Global Real Estate Sustainability Benchmark ("GRESB") for its sustainability efforts, including exceeding the benchmark averages in carbon emissions and resource reduction, tenant engagement, and risk management.

ESG disclosure standards

Starlight's ESG strategy and programs are aligned with external standards and best practices, including the Global Reporting Initiative Sustainability Reporting Standards, and GRESB. Starlight has also taken guidance from the International Sustainability Standards Board's IFRS Sustainability Standards S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. These standards help shape SURF LP's commitments and ensure accountability in its data, initiatives and goals.

Starlight's commitments are aligned with the United Nations' Sustainable Development Goals ("SDGs") – a set of integrated goals that call on countries and industries to help end poverty, protect the planet and ensure peace and prosperity. Our ESG strategy at Starlight contributes to the following UN SDGs:



Importance of ESG

Starlight has engaged its stakeholders to determine the ESG topics that are most important to its investors, partners, affiliates and communities, and where Starlight has a significant impact. Conducting this exercise helps to determine which topics are most relevant for Starlight to address and which contribute to advancing its purpose of investing with impact. The resulting matrix is a cumulative product of extensive research, workshops, one-on-one discussions and data cross-referencing from across the real estate industry.

Environmental impact	**Social Impact**	**Governance**
• Carbon emissions and	• Employee well-being and	• Cybersecurity
• Energy efficiency	• Community well-being and engagement	• Corporate governance
• Circularity and resources	• Inclusion, Diversity, Equity and Allyship ("IDEA")	• Certifications and reporting standards
• Low-carbon infrastructure	• Affordability	• Risk management
• Resilience	• Community engagement	• Regulations
• Materials	• Partnerships	
• Biodiversity	• Indigenous relations	

This matrix has assisted SURF LP to develop a strategy that embeds ESG in every aspect of its business, including operations, investment activities and corporate functions, which:

(a) promote resource efficiency, reducing costs and minimize environmental degradation;

(b) increase property values, contributing to stakeholder satisfaction, and drive long-term net asset value ("NAV") growth for Partners;

(c) enhance the appeal of the Properties, helping to attract and retain residents and build lasting collaborative relationships; and

(d) manage risk and comply with evolving regulations, insurance requirements, enhancing operations, management, and governance practices.

ESG commitment

Starlight's core ESG commitments are as follows:

People and Culture	Social Impact	Operations and Development	Transparency and Accountability
To attract and retain top talent and foster a diverse and inclusive culture where individuals can thrive.	To bring value to local communities, enhance resident well-being and provide healthy and equitable living and working spaces.	To create and maintain low-carbon, resource efficient, resilient spaces and complete communities.	To demonstrate transparency in its governance practices and proactively respond to existing and future risks.

ESG AS IT RELATES TO SURF LP

Pursuant to the mandate of board of directors of SURF LP (the "Board"), in addition to specific governance matters, the Board oversees and monitors SURF LP's general strategy, policies and initiatives related to the environmental and social matters and the alignment of the strategy with SURF LP's overall business objectives and at least annually reviews the same. As SURF LP's Term is not expected to continue beyond 2050, the 2050 net carbon emissions target is not applicable and as a result SURF LP has not disclosed long-term initiatives and targets surrounding ESG.

Although SURF LP has not published long-term initiatives and targets surrounding ESG, the Manager continues to evaluate ways to integrate ESG into SURF LP's performance.

SURF LP is committed to strong governance practices. It continues to review and enhance its governance policies to align with SURF LP's strategic direction, regulatory and ESG requirements and sound governance practices. The following are some of the highlights of its governance policies and practices:

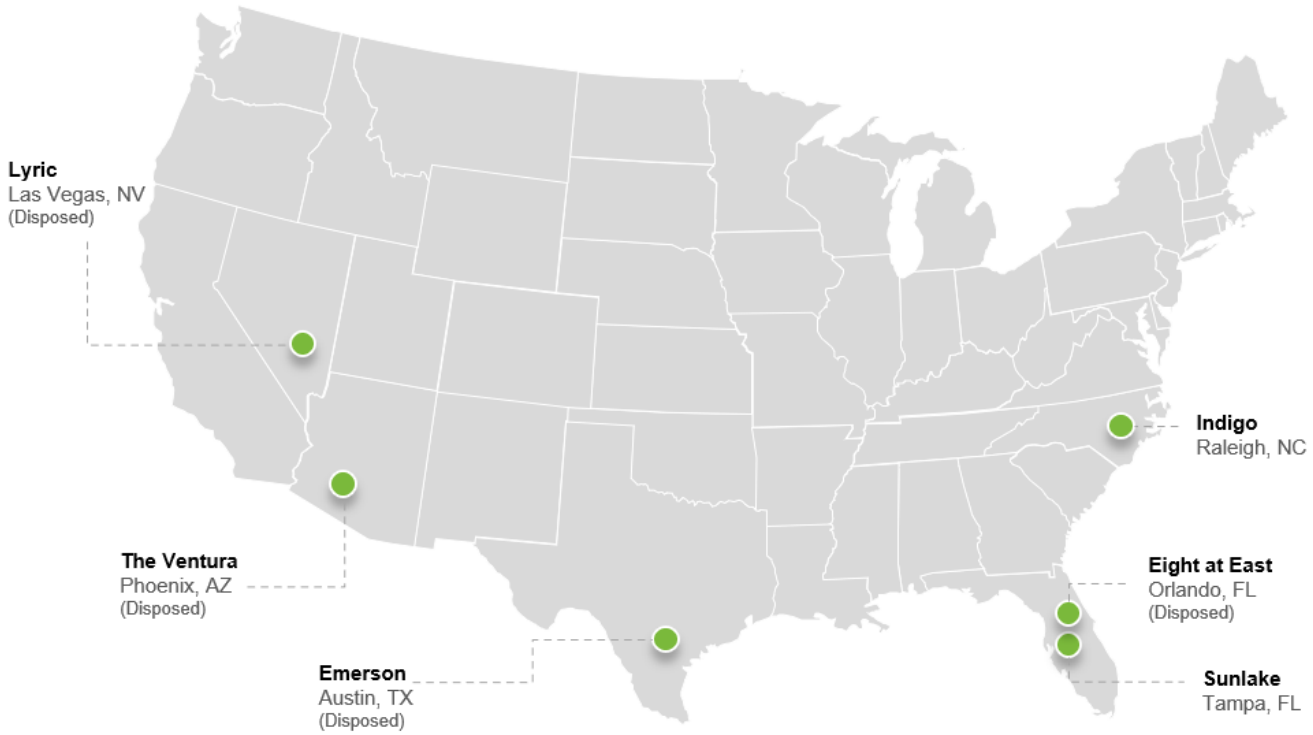
- 1/3 of the Board are women
- Board is responsible for the oversight of the ESG strategy and ESG initiatives developed by management
- Code of business conduct and ethics that promotes honest and ethical conduct between the directors, officers and employees of SURF LP's asset manager
- Independent directors are not overboarded
- Board mandate and committee charters are regularly reviewed to ensure they remain current

SURF LP strives to understand and address the social impact of its business. SURF LP's initiatives extend beyond financial success to encompass the well-being of its employees, residents' communities and the environment. SURF LP has introduced many social initiatives through Starlight including summer internship programs, ESG workshops, resident relief programs, partnerships with humanitarian aid agencies and IDEA. During 2025 and into Q3-2026, SURF LP held social events at its Properties that included holiday celebrations, nutrition events, fitness classes and monthly food socials for the residents.

Risks related to ESG

For information on detailed risks related to ESG, please refer to the "Risks and Uncertainties" section in SURF LP's MD&A for the year ended December 31, 2025.

PORTFOLIO SUMMARY



SURF LP's Properties are located in suburban areas of the Primary Markets within close proximity to major employment centres and attractive resident amenities including shopping and entertainment centres. Each Property has a mix of studio, one-bedroom, two-bedroom and three-bedroom suites as well as townhomes at certain Properties with the mix of suite types typically varying to align with the local resident demographics at each Property. Further details on the Properties can be found on the website at www.starlightinvest.com under SURF LP's profile.

An overview of the Properties owned as at September 30, 2026 is presented in the table below:

Property	Address	Distance to downtown[1]	Primary Markets	Suites	Vintage	Rentable area[2]	Avg. suite size[2]	Land area (Acres)	Date acquired
Sunlake	2700 Summershine St., Land O' Lakes	32	Tampa, Florida	268	2021	271,646	1,014	20.00	11/15/2021
Indigo	100 Adelaide Cir, Morrisville	25	Raleigh, North Carolina	489	2005	400,340	819	41.30	11/15/2021
Total ownership as at September 30, 2026				**757**	**2013**	**671,986**	**888**	**61.30**	

[1] Represents the approximate distance in kilometers from each Property to the city centre of the applicable Primary Markets.

[2] Area is measured in square feet.

On April 29, 2025, August 12, 2025, October 21, 2025 and September 10, 2026, SURF LP completed the dispositions of Lyric, Eight at East, Emerson and Ventura, respectively.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

This section includes highlights of the financial and operating performance of SURF LP as at September 30, 2026 and for the periods ended Q3-2026 and YTD-2026 including a comparison to SURF LP's financial and operational performance as at September 30, 2025 and for the periods ended Q3-2025 and YTD-2025. Certain figures discussed below exclude the amounts attributable to the non-controlling interest in Ventura and include results for the operating performance of SURF LP's assets before and after the Reorganization.

SURF LP financial results for Q3-2026 and YTD-2026 include the two Properties (Q3-2025 and YTD-2025 - four Properties owned during each reporting period). As such, the variances reflected in the results of operations of SURF LP between Q3-2026 and Q3-2025 as well as between YTD-2026 and YTD-2025 are impacted by the disposition of certain Properties. Properties disposed during the year ended December 31, 2025, have also been excluded from the same property results (see "Results of Operations - Same Property").

HIGHLIGHTS FOR Q3-2026

- Revenue from property operations for Q3-2026 was $4,819 (Q3-2025 - $6,866) representing a decrease of 29.8% relative to Q3-2025, primarily due to SURF LP completing the dispositions of Lyric, Eight at East, Emerson and Ventura in Q2-2025, Q3-2025, Q4-2025 and Q3-2026, respectively ("Primary Variance Driver") as well as a decrease in same property revenue of 0.7% primarily due to reductions in AMR at Sunlake resulting from heavy competition from new supply and aggressive leasing in the market partially offset by improvements in economic occupancy at Indigo (see "Results of Operations - Same Property").
- NOI[1] for Q3-2026 was $3,000 (Q3-2025 - $3,964), representing a decrease of 24.3% relative to Q3-2025, primarily due to the Primary Variance Driver, partially offset by an increase in same property NOI[1] of 1.0% as a result of the decrease in same property property taxes (see "Results of Operations - Same Property").
- SURF LP reported a net income and comprehensive income attributable to Partners for Q3-2026 of $14,646 (Q3-2025 - loss of $208). The increase was primarily due to a gain on extinguishment of debt resulting from disposition of Ventura, partially offset by the impact of the Primary Variance Driver and a fair value loss on investment properties in Q3-2026 compared to a fair value gain in Q3-2025.
- SURF LP completed eleven in-suite light value-add upgrades at the Properties during Q3-2026, which generated an average rental premium of $200 and an average return on cost of approximately 21.1%.
- SURF LP achieved economic occupancy[1] of 94.0% during Q3-2026 and as at November 18, 2026, had collected approximately 99.8% of rents for Q3-2026, with further amounts expected to be collected in future periods, demonstrating SURF LP's high quality resident base and operating performance.
- On September 10, 2026, foreclosure proceedings for the Ventura property were finalized through a public auction which resulted in the transfer of ownership of Ventura to a third party. As a result of the transfer of ownership, any net assets of the Ventura property were transferred to the lender and SURF LP discharged its obligation to pay the outstanding loan principal balance on Ventura of $98,283 resulting in a gain recognized on the extinguishment of such debt amounting to $19,983. The loan secured by Ventura did not carry cross-default provisions with any other loans payable outstanding for SURF LP.

HIGHLIGHTS FOR YTD-2026

- Revenue from property operations for YTD-2026 was $14,618 (YTD-2025 - $24,975), representing a decrease of 41.5% relative to YTD-2025, primarily due to the Primary Variance Driver and a decrease of 1.1% in same property revenue primarily as a result of a reduction in same property AMR (see "Results of Operations - Same Property").
- NOI for YTD-2026 was $9,166 (YTD-2025 - $14,881), representing a decrease of 38.4% relative to YTD-2025, primarily due to the Primary Variance Driver, partially offset by an increase in same property NOI of 2.6% as a result of the decrease in same property operating costs and property taxes (see "Results of Operations - Same Property").
- SURF LP reported a net loss and comprehensive loss attributable to Partners for YTD-2026 of $7,917 (YTD-2025 - $37,148). The decrease in net loss was primarily due to the gain on extinguishment of debt during Q3-2026 as well as a higher fair value loss on investment properties during the prior year period, partially offset by lower NOI due to the Primary Variance Driver.
- SURF LP completed 33 in-suite light value-add upgrades at the Properties during YTD-2026, which generated an average rental premium of $212 and an average return on cost of approximately 23.2%.

[1] The metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	September 30, 2026	December 31, 2025
Key multi-family operational information		
Number of multi-family properties owned	2	3
Total multi-family suites	757	1,029
Economic occupancy[1]	94.0%	93.5%
Physical occupancy[1][2]	92.3%	94.2%
AMR (in actual dollars)[1]	$ 1,510	$ 1,552
AMR per square foot (in actual dollars)[1]	$ 1.71	$ 1.71
Estimated Gap to Market Versus In-Place Rents[2]	(2.5)%	(0.4)%
Selected financial information		
Gross Book Value[2]	$ 167,900	$ 265,700
Indebtedness[2][3]	$ 161,475	$ 256,400
Indebtedness to Gross Book Value[2][3]	96.2%	96.5%
Weighted average interest rate - as at period end[4]	7.98%	7.73%
Weighted average term to maturity	1.42 years	1.13 years

	Q3-2026	Q3-2025	YTD-2026	YTD-2025
Summarized income statement (excluding non-controlling interest)[5]				
Revenue from property operations	$ 4,819	$ 6,866	$ 14,618	$ 24,975
Property operating	(1,331)	(1,954)	(3,949)	(6,865)
Property taxes[6]	(488)	(948)	(1,503)	(3,229)
Adjusted Income from Operations / NOI	3,000	3,964	9,166	14,881
Partnership expenses	(380)	(993)	(1,213)	(2,736)
Finance costs[7]	(4,844)	(6,659)	(15,224)	(22,639)
Gain on extinguishment of debt	17,703	—	17,703	—
Other income and expense[8]	(833)	3,480	(18,349)	(26,654)
Net income (loss) and comprehensive income (loss) - attributable to Partners[5]	$ 14,646	$ (208)	$ (7,917)	$ (37,148)
Other selected financial information				
FFO[2]	$ 15,462	$ (3,106)	$ 10,382	$ (7,610)
AFFO[2]	(1,339)	(1,057)	(2,932)	(2,680)
Weighted average interest rate - average during period[4]	7.80%	7.54%	7.76%	7.26%
Interest Coverage Ratio[2][9]	0.67x	0.79x	0.74x	0.85x
Indebtedness Coverage Ratio[2][9]	0.66x	0.79x	0.74x	0.85x

[1] Economic occupancy for Q3-2026 and December 31, 2025 and physical occupancy as at the end of each applicable reporting period. The decrease in AMR from December 31, 2025 to Q3-2026 was primarily due to the disposition of Ventura, which had a higher AMR than the remaining Properties (see "Results of Operations").

[2] This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures"). The decrease in AFFO from Q3-2025 to Q3-2026 is primarily due to a decrease in accrued interest costs added back to AFFO as deferred interest was no longer recognized upon loans payable that matured during YTD-2026. The decrease in Interest and Indebtedness Coverage Ratios during Q3-2026 relative to Q3-2025 is due to the Primary Variance Driver and a decrease in deferred interest costs which are payable at maturity of the loans. The AFFO, Interest Coverage Ratio and Indebtedness Coverage Ratio presented herein exclude $618 and $3,429 of interest costs or debt service shortfall funding for Q3-2026 and YTD-2026 (Q3-2025 and YTD-2025 - $1,784 and $3,822) from applicable lenders which are payable upon maturity of the applicable loan payable (see "Financing Activities").

[3] The maximum allowable leverage ratio under the LPA restricts SURF LP from entering into any additional indebtedness whereby, at the time of entering into such indebtedness, the leverage ratio would exceed 75% (as defined in the LPA). As at the date of this MD&A, SURF LP's met the maximum leverage condition and continues to focus on managing SURF LP's capital structure, including the overall leverage. For further details on Indebtedness to Gross Book Value of 96.2%, see "Capital Structure and Debt Profile".

[4] The weighted average interest rate on loans payable is presented as at September 30, 2026 reflecting the prevailing index rate, 30-day New York Federal Reserve Secured Overnight Financing Rate ("NY SOFR") or one-month term Secured Overnight Financing Rate ("Term SOFR" and together with NY SOFR, "SOFR"), as at that date or based on the average rate for the applicable periods as it relates to quarterly rates (see "Loans Payable"). The weighted average interest rate presented above as at September 30, 2026 included the maximum interest rate on the Unsecured Financing of 12.00% and also included the impact of deferred interest costs or deferred debt service shortfall funding. The increase in the weighted average interest rate between the comparative periods in the table above was primarily due to SURF LP extending certain higher leverage loans at higher interest rates. SURF LP continues to focus on managing these debt maturities to provide an opportunity to potentially capitalize on any improvements in the real estate investment market.

[5] SURF LP acquired a 90% interest in Ventura on May 25, 2022, with the remaining non-controlling interest owned by an affiliate of the Manager (see "Related Party Transactions and Arrangements"). The summarized income statement figures presented above reflect the net income (loss) attributable to Partners only, and excludes any amounts attributable to the non-controlling interest. For income statement figures presented in accordance with IFRS, see "Financial Performance" section.

[6] Property taxes include the IFRIC 21 fair value adjustment and treats property taxes as an expense that is amortized during the fiscal year for the purpose of calculating NOI.

[7] Finance costs include interest expense on loans payable, non-cash amortization of deferred financing, and fair value changes in derivative financial instruments (see "Other Income and Expenses") (see "Non-IFRS Financial Measures - FFO and AFFO").

[8] Includes dividends to preferred shareholders, unrealized foreign exchange gain (loss), realized foreign exchange gain (loss), fair value adjustment of investment properties and deferred income taxes. Refer to "Financial Performance" for detailed income statement information as well as "Other Income and Expenses" section for commentary on variances related to each significant variance included within other income and expense items.

[9] SURF LP's Interest Coverage Ratio were 0.67x and 0.74x and Indebtedness Coverage Ratio were 0.66x and 0.74x during Q3-2026 and YTD-2026, respectively, primarily due to the Primary Variance Driver and a decrease in deferred interest costs which are payable at maturity of the loans. The Indebtedness Coverage Ratio included principal payments on the Indigo loan payable which commenced during Q3-2026 and excluded the principal repayment amounts paid under the Lyric, Eight at East, Emerson and Ventura loans payable as a result of these being related to the sale of the properties. SURF LP continues to monitor Interest Coverage Ratio and Indebtedness Coverage Ratio with the goal of preserving liquidity.

FINANCIAL PERFORMANCE

The table below presents the financial performance of SURF LP in accordance with IFRS for Q3-2026 and the previous seven quarters:

	Q3-2026[1]	Q2-2026	Q1-2026	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Revenue from property operations	$ 4,959	$ 5,049	$ 5,042	$ 5,636	$ 7,015	$ 8,460	$ 9,952	$ 9,896
Property operating	(1,362)	(1,357)	(1,337)	(1,409)	(1,993)	(2,387)	(2,598)	(2,692)
Property taxes	(494)	(515)	(514)	(375)	(955)	(1,104)	(1,192)	(895)
Income from rental operations	**3,103**	**3,177**	**3,191**	**3,852**	**4,067**	**4,969**	**6,162**	**6,309**
Partnership expenses	(380)	(407)	(426)	(1,009)	(993)	(1,142)	(601)	(566)
Finance costs[2]	(4,991)	(5,398)	(5,356)	(4,198)	(6,858)	(7,879)	(8,483)	(8,686)
Gain on extinguishment of debt	19,983	—	—	—	—	—	—	—
Dividends to preferred shareholders	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Fair value adjustment of investment properties	(812)	(2,922)	(15,109)	(390)	3,396	(9,186)	(21,466)	(39,125)
Income tax expense								
Current	(17)	(16)	(17)	(9)	(13)	(15)	(16)	(16)
Net income (loss) and comprehensive income (loss)	**$ 16,882**	**$ (5,570)**	**$ (17,721)**	**$ (1,758)**	**$ (405)**	**$ (13,257)**	**$ (24,408)**	**$ (42,088)**
Net income (loss) and comprehensive income (loss) attributable to:								
Partners	14,646	(5,463)	(17,100)	(1,647)	(208)	(12,920)	(24,020)	(41,306)
Non-controlling interests	2,236	(107)	(621)	(111)	(197)	(337)	(388)	(782)
Net income (loss) and comprehensive income (loss)	**$ 16,882**	**$ (5,570)**	**$ (17,721)**	**$ (1,758)**	**$ (405)**	**$ (13,257)**	**$ (24,408)**	**$ (42,088)**
FFO	$ 15,462	$ (2,554)	$ (2,526)	$ (657)	$ (3,106)	$ (2,674)	$ (1,830)	$ (2,011)
AFFO[3]	(1,339)	(1,111)	(482)	303	(1,057)	(1,030)	(593)	(611)

[1] SURF LP acquired a 90% interest in Ventura on May 25, 2022, with the remaining Ventura non-controlling interest owned by an affiliate of the Manager. The figures presented above for all the periods reflect the net income (loss) and comprehensive income (loss) of SURF LP including 100% of the income and expenses of Ventura, consistent with SURF LP's condensed consolidated interim financial statements presented in accordance with IFRS. For figures which exclude the income and expenses attributable to the Ventura non-controlling interest which are included throughout this MD&A, see "Financial and Operational Highlights" table.

[2] Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs, and fair value changes on derivative instruments (see "Other Income and Expenses").

[3] AFFO presented herein also exclude $618, $1,108, $1,703, $1,866, $1,784, $1,295, $743 and $964 for Q3-2026, Q2-2026, Q1-2026, Q4-2025, Q3-2025, Q2-2025, Q1-2025 and Q4-2024 respectively of interest costs or debt service shortfall funding from applicable lenders which are payable upon maturity of the applicable loan payable. The reduction in AFFO from Q2-2026 to Q3-2026 was primarily as a result of the impact of a decrease in accrued interest costs added back to AFFO in Q3-2026 as deferred interest was no longer recognized upon loans payable that matured during YTD-2026 as well as a decrease in NOI.

RESULTS OF OPERATIONS

The results for Q3-2026 and YTD-2026 reflected the operations for the remaining two Properties as well as 72 and 253 days of operating activity for Ventura for each period. In comparison, the results for Q3-2025 reflected the operations of SURF LP's four Properties owned as at September 30, 2025 (Sunlake, Indigo, Emerson and Ventura), as well as 43 days of operating activity for Eight at East prior to its disposition on August 12, 2025. YTD-2025 reflected the operations of these four Properties as well as 119 and 224 days of operating activity for Lyric and Eight at East, respectively.

The variances reflected in the results of operations between Q3-2026 and Q3-2025, as well as between YTD-2026 and YTD-2025 were primarily as a result of the Primary Variance Driver. Operating results have also been presented on a same property basis, which include two Properties (see "Results of Operations - Same Property").

The amounts presented throughout this section, including the applicable commentary, exclude any amounts attributable to the Ventura non-controlling interest.

	Q3-2026	Q3-2025	$ Chg	% Chg	YTD-2026	YTD-2025	$ Chg	% Chg
Revenue from property operations	$ 4,819	$ 6,866	$ (2,047)	(29.8)%	$ 14,618	$ 24,975	$ (10,357)	(41.5)%
Property operating	(1,331)	(1,954)	623	31.9%	(3,949)	(6,865)	2,916	42.5%
Property taxes	(488)	(948)	460	48.5%	(1,503)	(3,229)	1,726	53.5%
NOI	**$ 3,000**	**$ 3,964**	**$ (964)**	**(24.3)%**	**$ 9,166**	**$ 14,881**	**$ (5,715)**	**(38.4)%**
NOI Margin[1]	**62.3%**	**57.7%**			**62.7%**	**59.6%**		

[1] This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

REVENUE FROM PROPERTY OPERATIONS

Revenue from property operations includes the monthly rent charges for the lease of suites or homes, other ancillary income and the reimbursement by the residents of the Properties for certain utility expenses incurred. Other ancillary income includes, but is not limited to, amounts from forfeited deposits, late fees, short notice fees, cleaning fees, lease termination fees, application fees and pet fees. Net rental income is the only material component of total revenue from property operations comprising approximately 90%, with other ancillary income and utility expense reimbursements comprising the remaining approximate 10%.

Revenue from property operations for Q3-2026 was $4,819 (Q3-2025 - $6,866), representing a decrease of $2,047 or 29.8% relative to Q3-2025, primarily due to the impact of the Primary Variance Driver, as well as the reduction in same property revenue of 0.7% (see “Results of Operations - Same Property”).

Revenue from property operations for YTD-2026 was $14,618 (YTD-2025 - $24,975), representing a decrease of $10,357 or 41.5% relative to YTD-2025, primarily due to the impact of the Primary Variance Driver, as well as the reduction in same property revenue of 1.1% (see “Results of Operations - Same Property”).

PROPERTY OPERATING COSTS

The main components of the Properties’ operating costs are salaries and benefits (approximately 30%), administrative costs including property management fees (approximately 18%), insurance premiums (approximately 10%), repairs, maintenance and suite turnover expenses (approximately 8%) and all other operating costs (ranging from approximately 5% to 8%). The Properties typically only incur utility costs in respect of the common areas of each Property, resulting in utility cost representing approximately 4% of property operating costs. Given each component of property operating costs is not individually material, such amounts have not been separately disclosed.

Property operating costs for Q3-2026 were $1,331 (Q3-2025 - $1,954), representing a decrease of $623 or 31.9% relative to Q3-2025, primarily due to the Primary Variance Driver, partially offset by an increase in same property operating costs of 3.2% during Q3-2026 relative to Q3-2025 primarily attributable to increases in salaries and repair and maintenance costs (see “Results of Operations - Same Property”).

Property operating costs for YTD-2026 were $3,949 (YTD-2025 - $6,865), representing a decrease of $2,916 or 42.5% relative to YTD-2025, primarily due to the Primary Variance Driver, as well as a decrease in same property operating costs of 1.7% during YTD-2026 relative to YTD-2025 attributable to decreases in marketing costs (see “Results of Operations - Same Property”).

PROPERTY TAXES

SURF LP actively manages the assessed values of the Properties to minimize property taxes by utilizing third party consultants in the respective markets which includes appealing against the assessed values where deemed appropriate by the Manager. Property taxes in the condensed consolidated interim financial statements for Q3-2026 and YTD-2026 have been presented under IFRS and IFRIC 21.

Property taxes for Q3-2026 were $488 (Q3-2025 - $948), representing a decrease of $460 or 48.5% relative to Q3-2025, primarily due to the impact of Primary Variance Driver, as well as a decrease in same property taxes (see “Results of Operations - Same Property”).

Property taxes for YTD-2026 were $1,503 (YTD-2025 - $3,229), representing a decrease of $1,726 or 53.5% relative to YTD-2025, primarily due to the impact of Primary Variance Driver, as well as a decrease in same property taxes (see “Results of Operations - Same Property”).

NOI AND NOI MARGIN

NOI for Q3-2026 was $3,000 (Q3-2025 - $3,964), representing a decrease of $964 or 24.3% relative to Q3-2025, primarily due to the Primary Variance Driver, partially offset by an increase in same property NOI (see “Results of Operations - Same Property”).

NOI for YTD-2026 was $9,166 (YTD-2025 - $14,881), representing a decrease of $5,715 or 38.4% relative to YTD-2025, primarily due to the Primary Variance Driver, partially offset by an increase in same property NOI (see “Results of Operations - Same Property”).

During Q3-2026 and YTD-2026, the NOI Margin was 62.3% and 62.7% (Q3-2025 and YTD-2025 - 57.7% and 59.6%), representing an increase of 460 and an increase of 310 basis points relative to Q3-2025 and YTD-2025, respectively, primarily driven by reductions in same property taxes between the two periods.

AVERAGE MONTHLY RENT AND OCCUPANCY

The following table presents AMR (in actual dollars) as well as economic occupancy for the Properties:

		AMR[1]			Economic occupancy[1]					
Properties	**Suites**	**Q3-2026**	**Q3-2025**	**% Chg**	**Q3-2026**	**Q3-2025**	**% Chg**	**YTD-2026**	**YTD-2025**	**% Chg**
Sunlake	268	$ 1,863	$ 1,880	(0.9)%	92.0 %	92.7 %	(0.7)%	93.7 %	94.5 %	(0.7)%
Indigo	489	1,313	1,312	0.1 %	94.8 %	92.3 %	2.5 %	93.6 %	92.9 %	0.7 %
Ventura[2][3]	—	n/a	1,689	n/a	94.9 %	92.2 %	2.7 %	94.2 %	92.9 %	1.4 %
Lyric[3]	—	n/a	n/a	n/a	n/a	n/a	n/a	n/a	94.1 %	n/a
Emerson[3]	—	n/a	1,316	n/a	n/a	94.0 %	n/a	n/a	92.8 %	n/a
Eight at East[3]	—	n/a	n/a	n/a	n/a	n/a	n/a	n/a	96.0 %	n/a
Total MF Properties	**757**	**$ 1,510**	**$ 1,505**	**0.3 %**	**94.0 %**	**92.7 %**	**1.2 %**	**93.8 %**	**93.8 %**	**— %**
Same property[3]	**757**	**$ 1,510**	**$ 1,513**	**(0.2)%**	**93.6 %**	**92.5 %**	**1.1 %**	**93.7 %**	**93.6 %**	**0.1 %**

[1] Figures represent results as at the reporting period end for AMR and average during the reporting period for economic occupancy.

[2] Figures for Ventura reflect 100% of the property's AMR and economic occupancy.

[3] On April 29, 2025, August 12, 2025, October 21, 2025 and September 10, 2026, SURF LP completed the disposition of Lyric, Eight at East, Emerson and Ventura. Same property figures represent results for the two Properties, excluding Lyric, Eight at East, Emerson and Ventura.

Total portfolio AMR for the Properties for Q3-2026 was $1,510, slightly higher than Q3-2025. Same property AMR for Q3-2026 was $1,510, or 0.2% below Q3-2025, primarily as a result of a decrease in AMR at the Florida property resulting from heavy competition from new supply and aggressive leasing in the market partially offset by a slight increase in AMR at the North Carolina property.

SURF LP's economic occupancy for Q3-2026 and YTD-2026 was 94.0% and 93.8% (Q3-2025 and YTD-2025 - 92.7% and 93.8%), respectively, which increased as compared to Q3-2025 and remained consistent as compared to YTD-2025. The increase relative to Q3-2025 was primarily as a result of higher occupancy at the North Carolina property and at Ventura prior to its disposition, partially offset by lower occupancy at the Florida property, where SURF LP continued to focus on preserving rental rates. As at September 30, 2026, SURF LP continues to focus on maximizing revenue through maintaining targeted occupancy levels, ancillary income growth and continued focus on rental rates.

QUARTERLY AMR AND OCCUPANCY

The table below outlines SURF LP's quarterly AMR and economic occupancy results for Q3-2026 and the previous four quarters:

		Q3-2026		Q2-2026		Q1-2026		Q4-2025		Q3-2025	
Properties	**Suites**	**AMR[1]**	**Econ. occ%[1]**	**AMR[1]**	**Econ. occ%[1]**	**AMR[1]**	**Econ. occ%[1]**	**AMR[1]**	**Econ. occ%[1]**	**AMR[1]**	**Econ. occ%[1]**
Sunlake	268	$ 1,863	92.0 %	$ 1,866	93.3 %	$ 1,883	95.8 %	$ 1,873	93.9 %	$ 1,880	92.7 %
Indigo	489	1,313	94.8 %	1,314	92.4 %	1,311	93.7 %	1,313	93.3 %	1,312	92.3 %
Ventura[2][3]	—	n/a	94.9 %	1,657	94.6 %	1,653	93.2 %	1,665	93.3 %	1,689	92.2 %
Lyric[3]	—	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emerson[3]	—	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,316	94.0 %
Eight at East[3]	—	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total portfolio	**757**	**$ 1,510**	**94.0 %**	**$ 1,548**	**93.3 %**	**$ 1,550**	**94.2 %**	**$ 1,552**	**93.5 %**	**$ 1,505**	**92.7 %**
Same property[3]	**757**	**$ 1,510**	**93.6 %**	**$ 1,509**	**92.8 %**	**$ 1,514**	**94.6 %**	**$ 1,511**	**93.6 %**	**$ 1,513**	**92.5 %**

[1] Figures represent results as at the reporting period end for AMR and average during the reporting period for economic occupancy.

[2] Figures for Ventura reflect 100% of the property's AMR and economic occupancy.

[3] On April 29, 2025, August 12, 2025, October 21, 2025 and September 10, 2026, SURF LP completed the disposition of Lyric, Eight at East, Emerson and Ventura. Same property figures represent results for the two Properties, excluding Lyric, Eight at East, Emerson and Ventura.

SURF LP's total portfolio AMR decreased to $1,510 during Q3-2026 primarily as a result of the disposition of Ventura, which had a higher AMR than the remaining Properties. Same Property AMR of $1,510 was in line with the prior quarter. SURF LP continues to focus on increasing occupancy to SURF LP's targeted range while also optimizing rent growth to maximize revenue.

RESULTS OF OPERATIONS - SAME PROPERTY

The table below presents same property financial results for Q3-2026, Q3-2025, YTD-2026 and YTD-2025 and excludes any amounts attributable to the Ventura, Lyric, Eight at East and Emerson.

	Q3-2026	Q3-2025	$ Chg	% Chg	YTD-2026	YTD-2025	$ Chg	% Chg
Revenue from property operations	$ 3,555	$ 3,580	$ (25)	(0.7)%	$ 10,733	$ 10,847	$ (114)	(1.1)%
Property operating	(1,053)	(1,020)	(33)	(3.2)%	(2,978)	(3,031)	53	1.7 %
Property taxes	(437)	(515)	78	15.1 %	(1,318)	(1,545)	227	14.7 %
NOI	**$ 2,065**	**$ 2,045**	**$ 20**	**1.0 %**	**$ 6,437**	**$ 6,271**	**$ 166**	**2.6 %**
NOI Margin	**58.1 %**	**57.1 %**			**60.0 %**	**57.8 %**		

REVENUE FROM PROPERTY OPERATIONS – SAME PROPERTY

Same property revenue from property operations for Q3-2026 was $3,555 (Q3-2025 - $3,580), representing a decrease of $25 or 0.7% relative to Q3-2025, primarily due to a reduction in same property AMR at the Florida property resulting from heavy competition from new supply and aggressive leasing in the market, partially offset by a 1.1% increase in same property economic occupancy driven by the North Carolina property (see “Average Monthly Rent and Occupancy”).

Same property revenue from property operations for YTD-2026 was $10,733 (YTD-2025 - $10,847), representing a decrease of $114 or 1.1% relative to YTD-2025 primarily driven by reduction in same property AMR due to the same reasons as noted above for Q3-2026.

PROPERTY OPERATING COSTS – SAME PROPERTY

Same property operating costs for Q3-2026 were $1,053 (Q3-2025 - $1,020), representing an increase of $33 or 3.2% relative to Q3-2025, primarily attributable to increases in salaries and repair and maintenance costs. Excluding these items, Q3-2026 same property operating costs would have been in line with Q3-2025.

Same property operating costs for YTD-2026 were $2,978 (YTD-2025 - $3,031), representing a decrease of $53 or 1.7% relative to YTD-2025, primarily attributable to a decrease in marketing costs.

PROPERTY TAXES – SAME PROPERTY

Same property property taxes for Q3-2026 were $437 (Q3-2025 - $515), representing a decrease of $78 or 15.1% relative to Q3-2025. Assuming Q3-2025 was adjusted to the pro-rated final property taxes for the year, Q3-2026 would have decreased by 3.2% relative to Q3-2025 same property taxes. Q3-2026 reflects management’s expectation of a potential decrease in the 2025 assessed value and resulting taxes of SURF LP’s Raleigh property, which remains subject to an ongoing appeal based on a four year reassessment cycle.

Same property property taxes for YTD-2026 were $1,318 (YTD-2025 - $1,545), representing a decrease of $227 or 14.7% relative to YTD-2025, primarily due to YTD-2026 reflects management’s expectation of a potential decrease in the 2025 assessed value and resulting taxes of SURF LP’s Raleigh property, which remains subject to an ongoing appeal based on a four year reassessment cycle. Assuming YTD-2025 was adjusted to the pro-rated final property taxes for the year, YTD-2026 same property taxes would have decreased by 2.6%.

NOI – SAME PROPERTY

Same property NOI for Q3-2026 was $2,065 (Q3-2025 - $2,045), representing an increase of $20 or 1.0% relative to Q3-2025, primarily due to the decrease in property taxes, partially offset by the increase in same property operating costs and the decrease in revenues from property operations as described above.

Same property NOI for YTD-2026 was $6,437 (YTD-2025 - $6,271), representing an increase of $166 or 2.6% relative to YTD-2025, due to the decrease in same property operating costs and property taxes, partially offset by the decrease in revenues from property operations as described above.

During Q3-2026 and YTD-2026, the same property NOI Margin was 58.1% and 60.0% (Q3-2025 and YTD-2025 - 57.1% and 57.8%), respectively, representing an increase of 100 and 220 basis points relative to Q3-2025 and YTD-2025, primarily driven by the reduction in same property taxes between the two periods.

MULTI-FAMILY PROPERTIES: VALUE-ADD INITIATIVES Q3-2026

Common area and suite capital expenditures

SURF LP undertakes certain minor common area and in-suite capital projects at the Properties, which typically include preventative and deferred maintenance projects to maintain or enhance the productive capacity of the Properties as well as

common area upgrades to enhance the resident experience and offered amenities at each Property. SURF LP's light value-add initiatives are expected to result in improvements to common areas, amenities and building exteriors. During Q3-2026, SURF LP completed essential updates, primarily HVAC replacements at the Properties.

SURF LP has capital expenditures required to be incurred in future periods in order to maintain the productive capacity of the Properties to sustain its rental income generating potential over its useful life with such amounts estimated to be $300 per suite per annum. In accordance with IFRS, SURF LP capitalizes all capital improvement expenditures which enhance the service potential of the Properties and extend the useful life of the assets. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated based on a combination of third party property condition assessment reports and management's expertise, 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. SURF LP continues to fund any required capital expenditures at the Properties through cash on hand and other financing sources (see "Liquidity and Capital Resources").

In-suite value-add upgrades

In-suite upgrades typically include quartz countertops, stainless steel appliances and tile backsplashes in the kitchens as well as upgraded cabinetry, kitchen sinks and faucets. The program also typically consists of the addition of framed mirrors to the bathrooms as well as plank flooring and lighting upgrades throughout the suites.

During Q3-2026, SURF LP upgraded and re-leased 11 suites, achieving average rent increases of $200 per month per suite and an estimated average return on investment of 21.1%. Each property may have different scopes of in-suite upgrades completed and as a result, the average cost and rental premium for each property presented below will vary. The following table presents the results achieved on suite upgrades during Q3-2026 and YTD-2026:

	Q3-2026			YTD-2026		
Properties	Number of suites upgraded and leased[1]	Rental premium (per suite, per month) in actual dollars	Return on investment	Number of suites upgraded and leased	Rental premium (per suite, per month) in actual dollars	Return on investment
Sunlake	—	$ —	— %	4	$ 63	72.9 %
Indigo	11	200	21.1 %	29	233	22.4 %
Total portfolio	**11**	**$ 200**	**21.1 %**	**33**	**$ 212**	**23.2 %**

[1] Suite upgrades include installation of washers, dryers and other minor scope in-suite upgrades.

OTHER INCOME AND EXPENSES

FINANCE COSTS

SURF LP's finance costs for Q3-2026 and YTD-2026 compared to Q3-2025 and YTD-2025 are summarized below:

	Q3-2026	Q3-2025	$ Chg	% Chg	YTD-2026	YTD-2025	$ Chg	% Chg
Interest expense on loans payable	$ 4,501	$ 6,302	$ (1,801)	(28.6)%	$ 14,076	$ 19,582	$ (5,506)	(28.1)%
Amortization of financing costs	343	357	(14)	(3.9)%	1,148	1,375	(227)	(16.5)%
Fair value change on derivative financial instruments	—	—	—	— %	—	1,682	(1,682)	(100.0)%
Total finance costs	**$ 4,844**	**$ 6,659**	**$ (1,815)**	**(27.3)%**	**$ 15,224**	**$ 22,639**	**$ (7,415)**	**(32.8)%**
Weighted average interest rate - average during period	**7.80%**	**7.54%**	n/a	n/a	**7.76%**	**7.26%**	n/a	n/a
Indebtedness - average outstanding during period	$ 238,186	$ 340,723	$ (102,537)	(30.1)%	$ 251,438	$ 399,979	$ (148,541)	(37.1)%

Interest expense on loans payable

Interest expenses on loans payable for Q3-2026 and YTD-2026 were $4,501 and $14,076, respectively (Q3-2025 and YTD-2025 - $6,302 and $19,582), representing a decrease of $1,801 or 28.6% and $5,506 or 28.1% relative to Q3-2025 and YTD-2025, primarily due to a decrease in the weighted average outstanding debt resulting from the Primary Variance Driver, partially offset by higher weighted average interest rate due to SURF LP discharging its obligation to purchase an interest rate cap for all of the Properties and other amendments to SURF LP's loans payable throughout 2025 and changes in indebtedness in 2026.

SURF LP's weighted average interest rate during Q3-2026 and YTD-2026 was 7.80% and 7.76% (Q3-2025 and YTD-2025 - 7.54% and 7.26%), representing an increase of 26 and 50 basis points relative to Q3-2025 and YTD-2025 respectively, primarily due to SURF LP extending certain higher leverage loans at higher interest rates as well as SURF LP discharging its obligation to purchase an interest rate cap for all of SURF LP's properties. In addition, the weighted average interest rate included the impact of deferred interest costs or deferred debt service shortfall on certain loans between the two periods.

Amortization of financing costs

Amortization of financing costs for Q3-2026 and YTD-2026 were $343 and $1,148, respectively (Q3-2025 and YTD-2025 - $357 and $1,375), representing a decrease of $14 or 3.9% and $227 or 16.5% relative to Q3-2025 and YTD-2025, primarily due to the repayment of Lyric, Eight at East and Emerson loans payable as a result of disposition of these properties during 2025 and the extinguishment of the Ventura loan payable on the transfer of ownership of Ventura in Q3-2026.

Fair value adjustment on derivative instruments

SURF LP previously utilized interest rate cap agreements to protect its interest costs on its variable rate loans as required by applicable lenders. As at September 30, 2026, SURF LP had discharged its obligation to purchase replacement interest rate caps for all of SURF LP's Properties.

For Q3-2026 and YTD-2026, SURF LP did not record any fair value gain or loss on derivative instruments (Q3-2025 and YTD-2025 - loss of $nil and $1,682), respectively (excluding the amounts attributable to the Ventura non-controlling Interest). The fair value loss on interest rate caps during Q3-2025 and YTD-2025 was primarily as a result of changes in market expectations for SOFR which directly impact the value of such interest rate cap instruments.

Gain on extinguishment of debt

On September 10, 2026, foreclosure proceedings for the Ventura property were finalized through a public auction which resulted in the transfer of ownership of Ventura to a third party. As a result of the transfer of ownership, any net assets of the Ventura property were transferred to the lender and SURF LP discharged its obligation to pay the outstanding loan principal balance on Ventura of $98,283 resulting in a gain recognized on the extinguishment of such debt amounting to $19,983. The loan secured by Ventura did not carry cross-default provisions with any other loans payable outstanding for SURF LP.

DISTRIBUTIONS TO PARTNERS

SURF LP did not declare distributions during Q3-2026 and YTD-2026 (Q3-2025 and YTD-2025 - $nil).

PARTNERSHIP EXPENSES

Partnership expenses include costs incurred by SURF LP that are not directly attributable to the Properties. These costs include items such as legal and audit fees, director fees, investor relations expenses, directors' and officers' insurance premiums, expenses relating to the administration of any distributions paid by SURF LP and other general and administrative expenses associated with the operation of SURF LP. Also included in partnership expenses are asset management fees payable to the Manager (see "Related Party Transactions and Arrangements – Arrangements with the Manager").

Partnership expenses for Q3-2026 were $380 (Q3-2025 - $993), representing a decrease of $613 or 61.7% relative to Q3-2025, primarily due to transaction costs of $595 incurred on the disposition of Eight at East in Q3-2025, with no such costs incurred in Q3-2026, and a decrease in asset management fees of $124 as a result of the Primary Variance Driver.

Partnership expenses for YTD-2026 were $1,213 (YTD-2025 - $2,736), representing a decrease of $1,523 or 55.7% relative to YTD-2025, primarily due to transaction costs of $595 and $651 incurred on the disposition of Eight at East and Lyric, respectively, in YTD-2025, with no such costs incurred in YTD-2026, and a decrease in asset management fees of $569 as a result of the Primary Variance Driver.

INVESTMENT PROPERTIES

SURF LP 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.

Change in investment properties from January 1, 2025 to September 30, 2026:		
Balance, January 1, 2025	$	514,400
Additions		2,646
Dispositions		(223,700)
Fair value adjustment		(27,646)
Balance, December 31, 2025		**265,700**
Additions		1,291
Dispositions		(80,248)
Fair value adjustment		(18,843)
Balance, September 30, 2026	**$**	**167,900**

Reconciliation of cost base of investment properties to their fair value:		September 30, 2026
Cost	$	225,623
Cumulative fair value adjustments		(57,723)
Fair value	**$**	**167,900**

The key valuation assumptions for the investment properties are set out in the following table:

	September 30, 2026	December 31, 2025
Capitalization rate - weighted average	5.20 %	5.10 %
Weighted average capitalization rate - 10 basis point increase[(1)]	$ (3,168)	$ (5,110)
Weighted average capitalization rate - 10 basis point decrease[(1)]	$ 3,292	$ 5,314

[(1)] The impact of change in weighted average capitalization rate to the fair value of SURF LP's investment properties.

During Q3-2026 and YTD-2026, SURF LP recorded a fair value loss on investment properties of $812 and $18,843, respectively (Q3-2025 and YTD-2025 - gain of $3,396 and loss of $27,256), including amounts attributable to the Ventura non-controlling interest. The fair value loss is primarily as a result of cap rate expansion, attributable to increases in U.S. long-term treasury rates which typically correlate to cap rates (see "Future Outlook").

The impact of a 1% change in NOI used to value the investment properties as at September 30, 2026 would affect the fair value of Properties by approximately $2,645 (December 31, 2025 - $3,335).

PROVISION FOR CARRIED INTEREST

On completion of the Reorganization, the Fund and SURF LP signed an agreement with the partners of the Starlight Investment Residential Partnership ("SIRP") to extinguish any entitlements to any previous carried interest provisions which could have been payable by the Fund or SURF LP in future periods.

NON-CONTROLLING INTEREST

On May 25, 2022, SURF LP acquired a 90% indirect ownership interest in Ventura with the remaining Ventura non-controlling interest owned by an affiliate of the Manager. There are no ongoing contractual commitments with the affiliate of the Manager that owns the Ventura non-controlling interest. All decision making in respect of Ventura, including day-to-day and material decisions, will be proportionately made by SURF LP and owner of the Ventura non-controlling interest through established governance practices. For further information on the Ventura non-controlling interest, please refer to SURF LP's condensed consolidated interim financial statements for the three and nine months ended September 30, 2026 and audited consolidated financial statements for the year ended December 31, 2025 available at www.sedarplus.ca.

DISTRIBUTIONS TO UNITHOLDERS RELATIVE TO NET INCOME AND COMPREHENSIVE INCOME ATTRIBUTABLE TO PARTNERS

	Q3-2026	Q3-2025	YTD-2026	YTD-2025
Net income (loss) and comprehensive income (loss) - attributable to Partners	$ 14,646	$ (208)	$ (7,917)	$ (37,148)
(Deduct) / add: non-cash or one-time items and distributions[1]	(16,548)	(2,545)	1,732	30,901
Adjusted net loss and comprehensive loss[2]	(1,902)	(2,753)	(6,185)	(6,247)
Shortfall of adjusted net loss and comprehensive loss over distributions to Partners	**n/a**	**n/a**	**n/a**	**n/a**

[1] Comprised of unrealized foreign exchange gain (loss), deferred income taxes, amortization of financing costs, gain (loss) on extinguishment of debt, fair value adjustment on derivative instruments and fair value adjustment on investment properties.

[2] This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

INCOME TAXES - DEFERRED

For Q3-2026 and YTD-2026, SURF LP recorded deferred income tax recovery of $nil (Q3-2025 and YTD-2025 - $nil). As at September 30, 2026, SURF LP has recorded no provision for deferred tax liabilities (December 31, 2025 - $nil). The deferred income tax expense or recovery relates to differences between the fair value of the investment properties and their tax basis as of September 30, 2026 for both U.S. federal and state tax purposes and changes in such amounts since the beginning of each applicable reporting period. Certain subsidiaries of SURF LP have losses for U.S. tax purposes which may potentially be used to offset any income or gains generated by such subsidiaries of SURF LP, subject to certain U.S. tax rules. As at September 30, 2026, SURF LP estimated the accumulated income for U.S. tax purposes for such applicable subsidiaries to be in excess of $60,754, whereby such amounts would be finalized at the time the final U.S. tax returns for the applicable entities are filed for the 2026 fiscal year. Deferred tax assets have not been booked for such amounts in the condensed consolidated interim financial statements of SURF LP for the nine months ended September 30, 2026. See note 3 to the audited consolidated financial statements of SURF LP for the year ended December 31, 2025.

NON-IFRS FINANCIAL MEASURES - FFO AND AFFO

Non-IFRS financial measures have been presented below for Q3-2026 and YTD-2026 compared to Q3-2025 and YTD-2025.

FFO AND AFFO

A reconciliation of net income (loss) and comprehensive income (loss), determined in accordance with IFRS, to FFO and AFFO is presented below for Q3-2026 and YTD-2026 compared to Q3-2025 and YTD-2025:

	Q3-2026	Q3-2025	YTD-2026	YTD-2025
Net income (loss) and comprehensive income (loss) - attributable to Partners	$ 14,646	$ (208)	$ (7,917)	$ (37,148)
Add / (deduct):				
Dividends to preferred shareholders - U.S. REITs series A	4	4	12	12
Transaction costs	—	595	—	1,246
Fair value adjustment of investment properties[1]	812	(3,497)	18,287	26,598
Fair value adjustment on derivative financial instruments[1]	—	—	—	1,682
FFO	**$ 15,462**	**$ (3,106)**	**$ 10,382**	**$ (7,610)**
Add / (deduct):				
Amortization of financing costs[1]	343	357	1,148	1,375
Gain on extinguishment of debt[1]	(17,703)	—	(17,703)	—
Vacancy costs associated with the suite upgrade program	14	18	38	117
Sustaining capital expenditures and suite renovation reserves	(73)	(110)	(226)	(384)
Accrued interest costs[2]	618	1,784	3,429	3,822
AFFO	**$ (1,339)**	**$ (1,057)**	**$ (2,932)**	**$ (2,680)**

[1] SURF LP acquired a 90% interest in Ventura on May 25, 2022, with the remaining Ventura non-controlling interest owned by an affiliate of the Manager. The figures above reflect FFO and AFFO attributable to Partners only, and excludes any amounts attributable to the Ventura non-controlling interest for each individual line item presented.

[2] These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable (see "Financing Activities").

FFO

Basic and diluted FFO for Q3-2026 was $15,462 (Q3-2025 - $(3,106)), representing an increase in FFO of $18,568 or 597.8% relative to Q3-2025, primarily as a result of the gain on extinguishment of debt of $17,703 related to Ventura (excluding the NCI portion) during Q3-2026, partially offset by the impact of the Primary Variance Driver.

Basic and diluted FFO for YTD-2026 were $10,382 (YTD-2025 - $(7,610)), representing an increase in FFO of $17,992 or 236.4% relative to YTD-2025, primarily due to the reasons described above for Q3-2026. FFO presented herein also included $3,429 of accrued interest costs for YTD-2026 or debt service shortfall funding from applicable lenders which are payable upon maturity of the applicable loan payable, which amounts have been added back in AFFO presented.

AFFO

Basic and diluted AFFO for Q3-2026 were $(1,339) (Q3-2025 - $(1,057)), representing a decrease in AFFO of $282 or 26.7% relative to Q3-2025, primarily due to the impact of a decrease in accrued interest costs added back to AFFO in Q3-2026 as deferred interest on the Ventura loan payable ceased on the transfer of ownership of Ventura on September 10, 2026 and deferred debt service shortfall funding on the Sunlake loan payable decreased following its maturity on June 1, 2026 (see “Financing Activities”) as well as a decrease in NOI (see “Results of Operations”).

Basic and diluted AFFO for YTD-2026 were $(2,932) (YTD-2025 - $(2,680)), representing a decrease in AFFO of $252 or 9.4% relative to YTD-2025, primarily due to a decrease in NOI due to the Primary Variance Driver and a decrease in accrued interest costs added back to AFFO in YTD-2026 as deferred interest was no longer recognized upon loans payable that matured during YTD-2026 as described above (see “Financing Activities”).

During Q3-2026 and YTD-2026, SURF LP covered any operating shortfall through cash on hand (see “Liquidity and Capital Resources”) and other financing activities. SURF LP’s stable operating results continued to be offset by SURF LP’s interest costs, which reflect the higher interest rates on loans previously extended or modified by SURF LP. SURF LP also continues to focus on liquidity management as it relates to the ongoing operations and any debt maturing (see “Future Outlook”).

Sustaining capital expenditures

For the purposes of calculating AFFO, SURF LP utilized a reserve for sustaining capital expenditures and suite or home renovations of $73 and $226 for Q3-2026 and YTD-2026 (Q3-2025 and YTD-2025 - $110 and $384), respectively. This reserve is used in the calculation of AFFO as it removes fluctuations in AFFO resulting from seasonality in actual sustaining capital expenditures and suite or home 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 or home renovation costs incurred during Q3-2026 and YTD-2026 were $67 and $149 (Q3-2025 and YTD-2025 - $107 and $292), respectively.

Cash provided by operating activities reconciliation to FFO and AFFO

Reconciliation of cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q3-2026, YTD-2026, Q3-2025 and YTD-2025 are provided below:

	Q3-2026	Q3-2025	YTD-2026	YTD-2025
Cash provided by operating activities	$ 626	$ 4,596	$ 5,289	$ 15,993
Less: interest costs	(4,645)	(6,500)	(14,585)	(20,159)
Cash used in operating activities - including interest costs[1]	**(4,019)**	**(1,904)**	**(9,296)**	**(4,166)**
Add / (deduct):				
Change in non-cash operating working capital	(706)	(581)	25	(1,525)
Change in restricted cash	2,786	(954)	2,894	(2,050)
Gain on extinguishment of debt[2]	17,703	—	17,703	—
Transaction costs	—	595	—	1,246
Amortization of financing costs	(302)	(262)	(944)	(1,115)
FFO	**15,462**	**(3,106)**	**10,382**	**(7,610)**
Add / (deduct):				
Amortization of financing costs	343	357	1,148	1,375
Gain on extinguishment of debt[2]	(17,703)	—	(17,703)	—
Vacancy costs associated with the suite upgrade program	14	18	38	117
Sustaining capital expenditures and suite renovation reserves	(73)	(110)	(226)	(384)
Accrued interest costs[3]	618	1,784	3,429	3,822
AFFO	**$ (1,339)**	**$ (1,057)**	**$ (2,932)**	**$ (2,680)**

[1] This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "Non-IFRS Financial Measures").

[2] SURF LP acquired a 90% interest in Ventura on May 25, 2022, with the remaining Ventura non-controlling interest owned by an affiliate of the Manager. The figures above reflect FFO and AFFO attributable to Partners only, and excludes any amounts attributable to the Ventura non-controlling interest for each individual line item presented.

[3] These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

SURF LP's first mortgages are subject to a minimum net worth covenants ranging from approximately $50,000 to $75,000 as defined in each applicable loan agreement. As at September 30, 2026, SURF LP did not achieve the minimum net worth covenant for certain of SURF LP's first mortgage loan agreements. SURF LP's loans payable typically carry consolidated SURF LP minimum net worth and minimum liquidity covenants and typically have no specific financial covenants tied to the ongoing operations of the Property. As at September 30, 2026, SURF LP was in compliance with all of its financial covenants other than as mentioned above. Certain of SURF LP's loans also carry certain performance conditions which if not satisfied, may reduce SURF LP's ability to defer a portion of any debt service amounts that SURF LP otherwise may defer. As at September 30, 2026, SURF LP had cash on hand of $1,419.

SURF LP strives to maintain strong and collaborative relationships with its lenders but the elevated level of interest rates and associated impact on capitalization rates described in "Future Outlook" had a negative impact on SURF LP's overall leverage position and debt service coverage ratios, both of which are typical financial benchmarks required to extend certain loans and as a result, these changes have impacted SURF LP's ability to exercise certain extension options available under existing loans payable. Under the terms of each applicable loan agreement, SURF LP has the right to make a principal repayment towards such loan in order to achieve the extension tests that otherwise may not be achieved. Given SURF LP was formed as a "closed-end" investment vehicle, SURF LP is restricted from raising any additional equity, which may have otherwise assisted in making any principal repayments of the loans payable in order to meet certain extension conditions. In the event SURF LP is not able to refinance the loan or if SURF LP does not have sufficient liquidity or other sources of capital sufficient to make any such principal repayments required to achieve the applicable loan extension tests and SURF LP is not able to otherwise negotiate an extension of such loan, the applicable lender may provide formal notice of an event of default expressing its right to demand repayment of the borrowings relating to such property. Under this scenario, SURF LP may be obligated to sell such properties which may not be able to be completed on terms that are acceptable to SURF LP or may be required to explore other options in the best economic interests of SURF LP in order to discharge its obligations under any of the applicable loan agreements. SURF LP's loans payable also do not carry cross-default provisions. Throughout 2025, SURF LP repaid or extinguished the loans payable related to Lyric, Eight at East and Emerson. On July 17, 2025, SURF LP extended the Sunlake loan payable by one-year to June 1, 2026. Notwithstanding the June 1, 2026 maturity date, SURF LP received a

maturity default notice from the lender of Sunlake loan payable during Q4-2025, with SURF LP continuing to enter into good faith negotiations to modify or extend the Sunlake loan payable, despite the maturity default notice received. The Indigo loan matures in 2029. Despite continuing to enter into good faith negotiations to extend or modify the Ventura loan payable, SURF LP received the Notice from the Lender, demanding repayment of such loan. Subsequently, on June 12, 2026, the Lender assigned the loan to a new lender and decided to exercise the remedies available to it under the loan agreement and on September 10, 2026, finalized foreclosure proceedings of Ventura through a public auction, which resulted in the transfer of ownership of Ventura to a third party. The transfer of Ventura resulted in no net proceeds to SURF LP and SURF LP recognized a gain on extinguishment of debt of $19,983. The loan secured by Ventura did not carry cross-default provisions with any other loans payable outstanding for SURF LP (see “Future Outlook” and “Financing Activities”).

The fair value reported for one of SURF LP’s two properties as at September 30, 2026 was lower than the principal outstanding under the loans payable secured by such property and as a result, the sale of such property may not be sufficient to repay the indebtedness outstanding for such property. In certain instances, the lenders also hold restricted cash as part of the security for such loans which in a liquidation event may be used to repay any indebtedness that may be required to be repaid by SURF LP. SURF LP’s secured loans are non-recourse subject to standard limited recourse provisions and are entered into by the subsidiaries of SURF LP that own only the associated secured property (see “Capital Structure and Debt Profile”).

SURF LP continues to focus on managing its liquidity position, including having extended the Term to November 2029, in order to provide SURF LP the opportunity to capitalize on potential improvements in the investment market that are anticipated in future periods, but may not materialize. Furthermore, SURF LP continues to focus on liquidity management as SURF LP previously amended several of its loan agreements, deferred the payment of asset management fees and has continued to focus on maximizing NOI at the Properties to preserve as much liquidity as possible (see “Future Outlook”).

CASH FLOW

Cash provided by operating activities represents the primary source of liquidity to fund any distributions, debt service and capital improvements. SURF LP’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 residents, ancillary revenue, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect SURF LP’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 Q3-2026, YTD-2026, Q3-2025 and YTD-2025:

	Q3-2026	Q3-2025	YTD-2026	YTD-2025
Cash provided by operating activities	$ 626	$ 4,596	$ 5,289	$ 15,993
Cash provided by investing activities	79,788	64,054	78,957	166,002
Cash used in financing activities	(80,281)	(69,941)	(85,894)	(179,070)
Increase (decrease) in cash	**133**	**(1,291)**	**(1,648)**	**2,925**
Cash, beginning of period	1,286	6,296	3,067	2,080
Cash, end of period	**$ 1,419**	**$ 5,005**	**$ 1,419**	**$ 5,005**

Cash provided by operating activities during Q3-2026 and YTD-2026 was $626 and $5,289, which primarily consisted of the operating income generated by the Properties and changes in non-cash operating working capital, partially offset by changes in restricted cash which is held in escrow to fund property taxes and insurance costs and in certain instances, allow SURF LP to draw such amounts to fund eligible capital expenditures at certain properties.

Cash provided by operating activities during Q3-2025 and YTD-2025 was $4,596 and $15,993 respectively, which primarily consisted of the operating income generated by the Properties, changes in non-cash operating working capital and changes in restricted cash.

Cash provided by investing activities for Q3-2026 and YTD-2026 was $79,788 and $78,957, respectively, consisting of $80,248 from the disposition of Ventura, partially offset by capital additions to the Properties of $460 and $1,291 for Q3-2026 and YTD-2026, respectively.

Cash provided by investing activities for Q3-2025 was $64,054, consisting of $64,700 from the disposition of Eight at East, partially offset by capital additions to the Properties of $646.

Cash provided by investing activities for YTD-2025 was $166,002, consisting of $168,200 from the dispositions of Lyric and Eight at East, partially offset by capital additions to the Properties of $2,198.

Cash used in financing activities for Q3-2026 and YTD-2026 was $80,281 and $85,894, respectively, which primarily consisted of the repayment of existing loans payable of $79,778 and $79,778, finance costs paid of $1,117 and $9,534, partially offset by proceeds from draw downs on existing loans of $618 and $3,429, respectively.

Cash used in financing activities for Q3-2025 and YTD-2025 was $69,941 and $179,070, respectively, which primarily consisted of the repayment of existing loans payable of $64,225 and $153,922, transfers to former owner of SURF LP of $258 and $10,326 and finance costs paid of $7,238 and $18,658, partially offset by proceeds from draw downs on existing loans of $1,784 and $3,822, respectively.

CAPITAL STRUCTURE AND DEBT PROFILE

CAPITAL STRUCTURE

SURF LP's capital is the aggregate of Indebtedness and net liabilities attributable to Partners. SURF LP'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 (see "Liquidity and Capital Resources"). The total capital of SURF LP as at September 30, 2026 is summarized below:

	September 30, 2026	December 31, 2025
Loans payable	$ 161,475	$ 256,400
Equity attributable to Partners and non-controlling interests	2,015	8,312
Less: non-controlling interests	—	1,620
Total capital attributable to Partners	**$ 163,490**	**$ 266,332**

	September 30, 2026	December 31, 2025
Indebtedness to Gross Book Value	96.2%	96.5%
Weighted average interest rate - as at period end[1]	7.98%	7.73%
Weighted average loan term to maturity	1.42 years	1.13 years

	Q3-2026	Q3-2025	YTD-2026	YTD-2025
Weighted average interest rate - average during period[1]	7.80%	7.54%	7.76%	7.26%
Interest Coverage Ratio[2]	0.67x	0.79x	0.74x	0.85x

[1] The weighted average interest rate on loans payable was presented as at September 30, 2026 reflecting the prevailing index rate, as applicable to each loan, as at that date (see "Loans Payable") and included the maximum interest rate on the Unsecured Financing of 12.0% (see "Financing Activities"). As at November 18, 2026, SURF LP primarily had fixed rate debt in place on its loans payable which protect SURF LP from increases in SOFR (see "Fair value adjustment on derivative instruments").

[2] These calculations exclude $618 and $3,429 of interest costs or debt service shortfall funding for Q3-2026 and YTD-2026 as these amounts are accrued and payable only at maturity of the applicable loan payable.

As at September 30, 2026, the overall leverage, as represented by the ratio of Indebtedness to Gross Book Value, was 96.2% (December 31, 2025 - 96.5%) and the weighted average term to maturity was 1.42 years (December 31, 2025 - 1.13 years).

The fair value reported for one of SURF LP's two properties as at September 30, 2026 was lower than the principal outstanding under the loans payable secured by such property and as a result, the sale of such property may not be sufficient to repay the indebtedness outstanding for such property. In certain instances, the lenders also hold restricted cash as part of the security for such loans which in a liquidation event may be used to repay any indebtedness that may be required to be repaid by SURF LP. SURF LP's secured loans are non-recourse subject to standard limited recourse provisions and are entered into by the subsidiaries of SURF LP that own only the associated secured property. As a result, the liability for any such loan would typically be limited to the value of the associated secured property, including any restricted cash reserves or other amounts held by the applicable lenders, other than in certain instances which may obligate SURF LP to incur certain costs or other amounts subject to certain performance conditions. The table below separates the net assets related to the property where the reported fair value as at September 30, 2026 was lower than the principal outstanding under the loans payable secured by such properties from other net assets of SURF LP.

	Net assets attributable to Properties where fair value is below loan payable balance[1]	Other net assets of SURF LP	Total
Investment properties, net of loans payable	$ (11,261)	$ 17,686	$ 6,425
Other net assets of SURF LP	(1,075)	(3,335)	(4,410)
Net equity attributable to Partners	**$ (12,336)**	**$ 14,351**	**$ 2,015**

[1] As at September 30, 2026, one of SURF LP's two properties' fair value was lower than corresponding loans payable balance secured by such property.

SURF LP previously amended several of its loan agreements, completed the Reorganization, deferred the payment of asset management fees and has continued to focus on maximizing NOI at the Properties to preserve as much liquidity as possible. There are no assurances that the above financing activities and remaining property dispositions will be successfully completed which indicates the existence of a material uncertainty that may cast doubt upon SURF LP's ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The maximum allowable ratio under the LPA restricts SURF LP from entering into any additional indebtedness whereby at the time of entering into such indebtedness, the leverage ratio would not exceed 75% (as defined in the LPA). As of the date of issuance of this MD&A, SURF LP did not exceed the maximum leverage condition and continues to focus on managing SURF LP's capital structure, including the overall leverage (see "Liquidity and Capital Resources" and "Future Outlook").

For Q3-2026 and YTD-2026, the Interest Coverage Ratio were 0.67x and 0.74x and the Indebtedness Coverage Ratio were 0.66x and 0.74x (Q3-2025 and YTD-2025 - both Interest and Indebtedness Coverage Ratio were 0.79x and 0.85x) respectively. The decrease in both ratios during Q3-2026 relative to Q3-2025 is primarily due to the Primary Variance Driver and a decrease in deferred interest costs which are payable at maturity of the loan. The Indebtedness Coverage Ratio included principal payments on the Indigo loan payable which commenced during Q3-2026 and excluded the principal repayment amounts paid under the Lyric, Eight at East, Emerson and Ventura loans payable as a result of these being related to the sale of the properties.

SURF LP also continues to actively monitor the interest rate environment and any associated impact this may have on SURF LP's financial performance. Any shortfall of operating income relative to interest costs is funded from cash on hand. SURF LP may also enter into additional financing, evaluate potential asset sales of remaining properties or other alternatives in the best economic interests of the Partners in the event liquidity is required to fund the ongoing operations of SURF LP (see "Future Outlook").

LOANS PAYABLE

The following table sets out scheduled principal and interest payments and amounts maturing on the loans over each of the next three fiscal years and the weighted average interest rate of maturing loans based on SURF LP's condensed consolidated interim financial statements as at September 30, 2026:

	Scheduled principal payments	Debt maturing during the year[1]	Total loans payable	Percentage of total loans payable	Weighted average interest rate of maturing loans[2]	Scheduled interest payments[2]
2026 - remainder of year	$ 105	$ 77,760	$ 77,865	48.2 %	8.56 %	$ 1,568
2027	420	—	420	0.3 %	— %	6,205
Thereafter	630	82,560	83,190	51.5 %	7.45 %	9,229
	$ 1,155	**$ 160,320**	**$ 161,475**	**100.0 %**	**7.98 %**	**$ 17,002**
Unamortized financing costs			(93)			
Carrying value			**$ 161,382**			

[1] Debt maturing during the year is based on initial maturity of the existing loan agreements and excludes any extension options.

[2] Scheduled interest payments and interest rates are based on the applicable Term SOFR or NY SOFR rate as at September 30, 2026, including any interest rate caps in place and required based on the terms of existing loan agreements.

FINANCING ACTIVITIES

On May 1, 2024, SURF LP amended the Ventura loan payable to extend the term to February 9, 2026, discharged its obligation to purchase a replacement interest rate cap and defer a portion of the debt service at the property, whereby SURF LP can defer up to certain amounts per month subject to certain terms. The outstanding balance on any deferred amounts

bears interest at 12.0% per annum, compounded monthly, which is accrued and payable at the time of repayment of such loan. Any accrued debt service costs or debt service shortfall funding which have been deferred and are payable upon maturity of the loan are included in interest expense within SURF LP's condensed consolidated interim statement of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2026 with an offsetting amount added to the loans payable principal outstanding which during Q3-2026 and YTD-2026, amounted to $131 and $809. As at the date of the foreclosure, SURF LP had accrued and deferred a total of $5,533 of debt service costs, which were included in the principal balance outstanding (December 31, 2025 - $4,724), whereby such amounts bore interest at 12.0% per annum and the remaining principal outstanding on the Ventura loan payable of $92,750 bore interest at Term SOFR + 3.50%. Subsequently, on June 12, 2026, the Lender assigned the loan to a new lender who decided to exercise the remedies available to it under the loan agreement. On September 10, 2026, the new lender of the Ventura loan payable finalized foreclosure proceedings of Ventura through a public auction, which resulted in the transfer of ownership of Ventura to a third party and the extinguishment of the Ventura loan payable of $98,283, which includes any accrued debt service costs or debt service shortfall funding which had been deferred and were payable upon maturity of the loan. The transfer of Ventura resulted in no net proceeds to SURF LP and SURF LP recognized a gain on extinguishment of debt of $19,983. The loan secured by Ventura did not carry cross-default provisions with any other loans payable of SURF LP (see "Future Outlook").

On June 28, 2024, a subsidiary of SURF LP entered into an unsecured financing of $18,277, bearing monthly interest only payments at a minimum of 4.0% per annum. As per terms of unsecured financing agreement, the maturity date of unsecured financing is aligned with maturity date of Indigo loan payable. To the extent there is sufficient operating cash flow from SURF LP's Indigo property after payment of any associated debt servicing costs for the first mortgage and the minimum 4.0% payment required under the unsecured financing, the monthly interest payment may increase up to a maximum of 12.0% per annum. To the extent the minimum monthly payment is less than the maximum 12.0% interest rate, the excess up to the maximum 12.0% interest rate is accrued and deferred to be payable upon maturity of the unsecured financing. Any accrued debt service costs or debt service shortfall funding which have been deferred and are payable upon maturity of the loan are included in interest expense within the condensed consolidated interim statement of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2026 with an offsetting amount added to the loans payable principal outstanding which during Q3-2026 and YTD-2026, amounted to $421 and $1,227. As at September 30, 2026, SURF LP had accrued and deferred a total of $3,285 of debt service costs which are included in the principal balance outstanding reported at such date (December 31, 2025 - $2,058).

On July 17, 2025, the Sunlake loan payable was extended by one-year to June 1, 2026. As per the terms of the extension, the loan is subject to certain performance conditions during the remaining loan term and bears interest-only payments at a fixed rate of 8.56% per annum with any debt service shortfall, as defined therein, being accrued and deferred until maturity. Any accrued debt service costs or debt service shortfall funding which have been deferred and are payable upon maturity of the loan are included in interest expense in the condensed consolidated interim statement of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2026 with an offsetting amount added to the loans payable principal outstanding which during Q3-2026 and YTD-2026, amounted to $66 and $1,393. As at September 30, 2026, SURF LP had accrued and deferred a total of $2,761 of debt service costs which are included in the principal balance outstanding reported at such date (December 31, 2025 - $1,368). Notwithstanding the June 1, 2026 maturity date, SURF LP received a maturity default notice from the lender of Sunlake loan payable during Q4-2025, which outlined certain remedies available to such lender. SURF LP continues to enter into good faith negotiations to modify and extend the Sunlake loan payable. As at the date hereof, the lender has not exercised any remedies available. SURF LP does not expect a material impact on its net asset value as a result of any remedies the lender may exercise (see "Future Outlook").

SURF LP continues to actively monitor the interest rate environment and any associated impact elevated interest rates may have on SURF LP's financial performance.

COMMITMENTS AND CONTINGENCIES

From time to time in the normal course of business, SURF LP 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 SURF LP. SURF LP has agreed to indemnify, in certain circumstances, the directors and officers of SURF LP and its subsidiaries.

PARTNERS' EQUITY

Prior to the Reorganization, SURF LP was owned by the Fund through class A limited partnership interests and an entity controlled by the Chief Executive Officer of SURF LP, Daniel Drimmer, via Class B LP Units. Each class of membership interest was entitled to a share of any distributions and net assets of the Fund based on certain entitlements for each class.

On completion of the Reorganization, the Former Unitholders of the Fund and Class B LP Unitholders in SURF LP received 32,583,440 Canadian dollar denominated SURF LP Units based on a defined exchange ratio. As a result, the Former Unitholders and Class B LP Unitholders became the unitholders or Partners of SURF LP and its subsidiaries. In addition, the Fund and SURF LP signed an agreement with the partners of SIRP to extinguish any further carried interest liability, SURF LP and its subsidiaries would have for any such amounts (see "Related Party Transactions and Arrangements").

For YTD-2026, SURF LP did not declare distributions to the Partners (YTD-2025 - $nil).

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

ARRANGEMENTS WITH THE MANAGER

SURF LP engaged the Manager to perform certain management services, as outlined below. The Manager is a related party to SURF LP as the Manager is owned and controlled by Daniel Drimmer, a director and President and Chief Executive Officer of Starlight Group and President, Chief Executive Officer and a director of SURF LP. The management agreement dated November 15, 2021, as amended and restated on the Reorganization Date (the "Management Agreement") expires on the winding-up or dissolution of SURF LP, unless and until the Management Agreement is terminated in accordance with the termination provisions.

(a) **Asset management fees:** Pursuant to the Management Agreement, the Manager is to perform asset management services for fees equal to 0.35% of the sum of: (i) the historical purchase price of the Properties acquired; and (ii) the cost of any capital expenditures in respect of the Properties since the date of acquisition by SURF LP. In addition, SURF LP 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 SURF LP and the Manager agree in writing are to be provided from time to time by the Manager.

For Q3-2026 and YTD-2026, SURF LP incurred asset management fees of $270 and $851 (Q3-2025 and YTD-2025 - $394 and $1,420), which were charged to partnership expenses. On January 1, 2024, the Manager agreed to defer SURF LP's obligation to pay all asset management fees until further notice. Asset management fees payable to the Manager as at September 30, 2026 was $4,779 (December 31, 2025 - $3,927).

(b) **Acquisition fees**: Pursuant to the Management Agreement, the Manager is entitled to receive an acquisition fee equal to 1% of the purchase price of a multi-family property acquired, directly or indirectly, by SURF LP as a result of such properties having been presented to SURF LP by the Manager.

For Q3-2026 and YTD-2026, SURF LP did not incur any acquisition fees (Q3-2025 and YTD-2025 - $nil). Acquisition fees are paid at the time of acquisition and are initially capitalized to investment properties on acquisition.

(c) **Guarantee fees:** Pursuant to the Management Agreement as assigned, in the event that the Manager is required by the lenders of SURF LP to provide a financing guarantee in connection with the amount borrowed by SURF LP or its wholly owned subsidiaries to indirectly acquire an interest in the Properties, SURF LP and Starlight U.S. Residential (Multi-Family) REIT Inc. will, in consideration for providing such guarantee, in aggregate, pay the Manager a guarantee fee represented by an annual amount equal to 0.15% of the then-outstanding amount of such guaranteed funds. This fee is calculated and payable in arrears on the first day of each month.

For Q3-2026 and YTD-2026, SURF LP did not incur any guarantee fees (Q3-2025 and YTD-2025 - $2 and $2). The amount payable to the Manager as at September 30, 2026 was $nil (December 31, 2025 - $nil).

Other related party transactions

Aggregate compensation to key management personnel was $nil for Q3-2026 and YTD-2026, as compensation of these individuals is paid by the Manager pursuant to the Management Agreement (Q3-2025 and YTD-2025 - $nil).

SURF LP owns a 90% interest in Ventura Mezz LLC, an entity indirectly owning Ventura, with the remaining 10% ownership of Ventura Mezz LLC acquired by an entity controlled by Daniel Drimmer, a director and President and Chief Executive Officer of Starlight Group and a director and Chief Executive Officer of SURF LP ("Ventura Minority Owner"). There are no ongoing contractual commitments with the Ventura Minority Owner other than typical governing legal documents for Ventura Mezz LLC which outlines that all decision making in respect of such entity, including day-to-day and material decisions, will be proportionately made by SURF LP, including its subsidiaries, and the Ventura Minority Owner through established governance practices. The purchase price of Ventura, including the 10% acquired by the Ventura Minority Owner, was determined based on the agreed upon purchase price with the third party seller and represents the fair value of the property acquired at that time.

CARRIED INTEREST

On completion of the Reorganization, the Fund and SURF LP signed an agreement with the partners of SIRP to extinguish any entitlements to any previous carried interest provisions which could have been payable by the Fund or SURF LP in future periods.

MATERIAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the material accounting policies is provided in note 3 to the audited consolidated financial statements of SURF LP for the year ended December 31, 2025. 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 the condensed consolidated interim 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 condensed consolidated interim financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the condensed consolidated interim financial statements include the following:

(a) **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 impacts the accounting treatment of transaction costs, the allocation of the costs associated with the acquisition and whether or not goodwill is recognized. SURF LP's acquisitions are generally determined to be asset purchases as SURF LP does not acquire an integrated set of activities that together significantly contribute to the ability to create outputs as part of the acquisition transaction. For asset acquisitions, the total cost is allocated to the identifiable assets and liabilities on the basis of their relative fair values on the acquisition date.

(b) **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 SURF LP to its counterparties, the credit risk of SURF LP's counterparties relative to SURF LP, the estimated future cash flows and discount rates.

(c) **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. SURF LP typically determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts through third-party appraisals. In addition, SURF LP obtains valuations from third-party appraisers at least once annually for each Property.

(d) **Income taxes:** SURF LP applies judgment in determining the tax rates applicable to its subsidiaries and identifying the temporary differences in each such legal subsidiary 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 apply 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. SURF LP's estimate of deferred taxes is based on the assumption that SURF LP's liquidating event occurs either through a direct sale of the investment properties or through a disposition of its ownership interests in its U.S. subsidiaries. Should SURF LP's liquidating event occur through a sale of the Partners' capital, the estimated deferred taxes would not be incurred by SURF LP.

(e) **Carried interest:** The determination by SURF LP as at the statement of financial position date as to whether a provision for carried interest should be recognized to the partners of the SIRP is based, among other criteria, on SURF LP's analysis of the equity attributable to the Partners, distributions paid to the Partners, since the formation of the Fund and SURF LP's ability to meet the requirement to return the initial investment amount contributed from the Partners. Pursuant to the terms of the Reorganization, the Fund and SURF LP signed an agreement with the

partners of the SIRP to extinguish any entitlements to these carried interest provisions which could have been payable by the Fund in future periods.

(f) **Leases:** SURF LP makes judgments in determining whether certain leases, in particular resident leases are accounted for under IFRS as either operating or finance leases. SURF LP has determined that all of its leases are operating leases.

(g) **Consolidation:** SURF LP has determined that it controls all of its subsidiaries, including the significant subsidiaries (as defined in the consolidated financial statements for the year ended December 31, 2025). In making this determination, it considered the relationships between SURF LP, 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 SURF LP.

FUTURE ACCOUNTING POLICY CHANGES

The future accounting policy changes are discussed in SURF LP's condensed consolidated interim financial statements for the nine months ended September 30, 2026 and the notes contained therein.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Units of SURF LP and activities of SURF LP. Risks and uncertainties are disclosed in SURF LP's MD&A for the year ended December 31, 2025 and is available at www.sedarplus.ca. Current and prospective investors of SURF LP should carefully consider such risk factors. Other than set out or contemplated herein, management is not aware of any significant changes in the risk and uncertainties since March 24, 2026, the date of SURF LP's MD&A for the year ended December 31, 2025.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

SURF LP 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 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 that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated errors. As a growing enterprise, management anticipates that SURF LP 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.

Additional information relating to SURF LP can be found on SEDAR+ at www.sedarplus.ca.

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