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**TRUE NORTH APARTMENT REIT ANNOUNCES COMPLETION OF PREVIOUSLY
ANNOUNCED \$286 MILLION TRANSFORMATIVE ACQUISITION OF
2,824 SUITE PROPERTY PORTFOLIO**

Toronto, ON (June 27, 2014) – True North Apartment Real Estate Investment Trust (the “**REIT**”) (TSX: TN.UN) announced today that it has completed its previously announced acquisition (the “**Acquisition**”) of a portfolio of 29 properties (the “**Acquisition Properties**”) comprising an aggregate of 2,824 residential suites located in Ontario and Alberta. The REIT completed the Acquisition by acquiring control of TN4 Limited Partnership, TN5 Limited Partnership and TN6 Limited Partnership (collectively, the “**New Partnerships**”), each of which was previously controlled by Daniel Drimmer, the Chairman of the Board of Trustees of the REIT and a significant unitholder of the REIT.

The purchase price for the Acquisition Properties and an instalment note of approximately \$286.0 million (inclusive of an issue price premium of approximately \$8.4 million (as at May 28, 2014) on the 8,890,467 Class B limited partnership units (“**Class B LP Units**”) of the New Partnerships issued to the vendors of the Acquisition Properties (the “**Vendors**”), but exclusive of transaction costs) was satisfied by a combination of: (i) approximately \$12.9 million in cash; (ii) the assumption of approximately \$65.6 million aggregate principal amount of existing mortgage debt; (iii) approximately \$127.5 million aggregate principal amount of new mortgage debt, including a \$0.75 million vendor take-back mortgage from the Vendors; and (iv) the issuance to the Vendors of approximately \$80.0 million of Class B LP Units at a price of \$9.00 per Class B LP Unit and accompanying special voting units of the REIT (which provide the holder with voting rights in respect of the REIT).

As the Acquisition was considered a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, the REIT was required to obtain prior approval of the Acquisition (the “**Unitholder Approval**”) by a majority of the minority unitholders of the REIT at its annual and special meeting (the “**Meeting**”) of unitholders (“**Unitholders**”) on June 26, 2014. As previously announced, the Acquisition received the requisite Unitholder Approval at the Meeting.

In order to finance the cash payment component of the purchase price and the costs of the Acquisition, the REIT completed a “bought deal” public offering of \$20.0 million aggregate principal amount of 5.75% extendible convertible unsecured subordinated debentures (the “**Debentures**”) on June 16, 2014 to a syndicate of underwriters (the “**Underwriters**”) co-led by CIBC and Raymond James Ltd. An additional \$3.0 million aggregate principal amount of Debentures was issued to the Underwriters on June 19, 2014 upon the full exercise of the over-

allotment option granted to the Underwriters, bringing the cumulative aggregate gross proceeds of the offering to \$23.0 million. The net proceeds from the over-allotment option will be used to repay indebtedness, for future acquisitions and/or general trust purposes.

Contemporaneously with the closing of the Acquisition, the maturity date of the Debentures was automatically extended to June 30, 2019 (the “**Maturity Date**”). The Debentures have a coupon of 5.75% per annum and will pay interest semi-annually in arrears on June 30 and December 31 in each year commencing on December 31, 2014. Each \$1,000 principal amount of Debentures is convertible at the option of the holder at any time after the date hereof and prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date fixed by the REIT for redemption (if applicable), into approximately 107.5 trust units of the REIT (“**Units**”), representing a conversion price of \$9.30 per Unit. The Debentures commenced trading on the Toronto Stock Exchange under the symbol “TN.DB” on June 16, 2014.

As of June 27, 2014, there were 18,754,789 Units and 13,294,941 Class B LP Units (economically equivalent to and exchangeable for Units) outstanding.

Forward-looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT’s financial position and results of operations 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 the REIT’s future outlook and anticipated events, including the anticipated use of the net proceeds from the sale of Debentures, and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the REIT. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the REIT or the real estate industry are forward-looking statements. 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”, “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 necessarily involve known and unknown risks and uncertainties, that 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 will not be achieved. A variety of factors, many of which are beyond the REIT’s control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in the REIT’s materials filed with Canadian securities regulatory authorities from time to time on www.sedar.com. 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 that actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future

developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will continue to provide the REIT with access to equity and/or debt at reasonable rates when required; Starlight Investments Ltd. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks identified or referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this press release are dated, and relate only to events or information, as of the date of this press release. Except as specifically required by law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

About the REIT

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario.

The REIT focuses on a long-term strategy to generate stable cash distributions on a tax-efficient basis for Unitholders. The REIT intends to actively look for opportunities to expand its asset base and increase its distributable cash flow through acquisitions of additional multi-suite residential rental properties across Canada, the United States and other jurisdictions where opportunities may arise. Additional information concerning the REIT is available at www.sedar.com.

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