



PRO REAL ESTATE INVESTMENT TRUST

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2015**

November 25, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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A MESSAGE FROM THE CEO

Dear Fellow Unitholders

We are pleased to present our financial results for the three and nine-month periods ended September 30, 2015. PROREIT has recorded strong financial and operating growth in every period since the REIT was created in 2012, and including the third quarter and nine-month reporting period ended September 30, 2015.

Our growth in the quarter is due primarily to the ongoing impact of our successful external and internal growth strategies. Over the past several quarters, we have continued to execute a vigorous acquisition strategy, which has resulted in strong increases in property revenue, net operating income (NOI) and adjusted funds from operations (AFFO). Since the end of the third quarter 2014, we have acquired 22 properties (and sold one), adding approximately 1.3 million square feet in gross leasable area (GLA) to our portfolio. We are also now adding incremental net operating income through the development of existing properties.

In addition, with our recent growth, daily average trading volume in our Units has broadened, making it easier for investors to buy and sell PROREIT units. As a result, our REIT is welcoming an expanding base of retail unitholders.

With 32 properties and more than \$200 million in gross book value invested in 1.7 million square feet of leasable area, our goal is to continue building PROREIT into a large-capitalization pan-Canadian REIT with high quality commercial real estate in the retail, office and industrial sectors, and most importantly, producing stable returns.

Third Quarter Highlights

Boulevard Industrial REIT Acquisition - On September 30, 2015, PROREIT closed its previously announced acquisition of Boulevard Industrial REIT. The Boulevard portfolio includes three high quality light industrial buildings that are 95% occupied by 15 tenants with average lease terms of 4.65 years. The financial covenants of the tenants are generally strong with national and investment grade tenants occupying over 90% of the gross leasable area. The transaction, which was accomplished by way of a court-approved plan of arrangement, brings a significant number of new unitholders to PROREIT.

Normal Course Issuer Bid - Recent volatility in financial markets continues to have an impact on the real estate investment trust sector, resulting in many REITs trading at exceptionally high yield levels relative to long-term Canada bonds, and at discounts to their net asset values. PROREIT's Management and Trustees believe that this is certainly the case for our units. As such, in August 2015, we announced a normal course issuer bid program. This would permit the REIT to purchase up to 1,411,832 Units, representing 5% of the REIT's issued and outstanding Units over a one-year period. Purchases are expected to be more modest than this as borrowing discipline must be maintained, but subsequent to September 30, 2015, PROREIT has acquired 69,400 units for cancellation under the issuer bid.

Third Quarter 2015 Financial Results

For the three months ended September 30, 2015, PROREIT recorded property revenue of \$4.88 million, a 160% increase compared to property revenues of \$1.88 million for the three months ended September 30, 2014. Nine-month property revenues increased 119% to \$12.63 million.

NOI increased 153% to \$3.06 million in the third quarter compared to \$1.21 million in the third quarter of 2014. For the nine months ended September 30, 2015, NOI was \$7.84 million, an increase of 120% over the same nine-month period in 2014.

During the quarter, the REIT generated AFFO of \$1.74 million or \$0.0540 of AFFO per basic unit compared to \$575 thousand or \$0.0542 per basic unit in the third quarter of 2014. For the nine months ended September 30, AFFO increased 151% to \$4.40 million. For both the three and nine-month periods, the increase in AFFO is directly related to the acquisition of 14 properties in October 2014 and the seven properties acquired in June 2015.

For the three months ended September 30, 2015, the REIT declared three distributions totalling \$0.0525 per trust unit of the REIT. The AFFO payout ratio was 97.2% in the third quarter 2015 compared to 96.8% in the same quarter in 2014. The AFFO payout ratio is temporarily higher than normal primarily due to the distributions declared and paid for the month of September 2015, which includes 1,940,135 Units issued in connection with the acquisition of Boulevard Industrial REIT on the last day of the quarter. The three properties acquired in that transaction did not contribute to AFFO for the three and nine-months ended September 30, 2015. On a pro forma basis, if the three properties acquired on September 30, 2015 had contributed a full month of AFFO and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 29 properties, the pro forma AFFO payout ratio would have been approximately 94% for the three and nine-months ended September 30, 2015.

At September 30, 2015, total assets stood at \$203.7 million, an increase of 112% compared to total assets of \$96.02 million at September 30, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total debt to gross book value was at 60.84% at the end of the three months ended September 30, 2015, compared to 44.15% for the same date in 2014. The ratio in 2014 reflected the proceeds of our public offering completed in September of that year, prior to their deployment for property purchases. Our current stabilized ratio is in the 58-60% range. The weighted average interest rate on mortgage debt improved to 3.71% from 4.14% at the end of the third quarter last year.

Third Quarter 2015 Operating Results

At PROREIT, we continued to meet our operational targets this past quarter. At September 30th, the occupancy rate stood at 95.8%, compared to 89.5% a year earlier. The change is a direct result of the property acquisitions in October 2014 and June 2015.

These activities included the rental to a major national retailer of 22,000 square feet of space at our property in Woodstock, New Brunswick. Across our portfolio, approximately 33,000 square feet of new lease commitments were signed in the third quarter. The full impact of the recent commitments will be felt in ensuing quarters.

Our weighted average lease term is 6.7 years, effectively unchanged from the same quarter last year.

At September 30, 2015, the REIT's portfolio consisted of 32 properties, located in prime locations within their respective markets, representing a total gross leasable area of 1,667,491 square feet. The increase of 1,270,754 square feet compared to September 30, 2014 is a result of the acquisition of 14 properties completed in October 2014, the acquisition of 7 properties completed in June 2015 offset by the sale of 1 property in March 2015, and the addition of three properties as of September 30, 2015, the date of the closing of the Boulevard Industrial REIT transaction.

Subsequent Events:

In addition to our financial and operating successes during the third quarter, our management team has continued efforts to increase NOI at existing properties. Several initiatives were recorded subsequent to the end of the quarter.

Recent Leasing and Development Activity - As previously announced, PROREIT signed a lease with a national retailer during the summer of 2015 to take up 22,000 square feet at the REIT's Carleton Mall property in Woodstock, New Brunswick. Hart Stores has opened their new store and began paying rent on November 1, 2015. The remaining 2,456 square feet of space in the mall has been rented to another well-known national retailer. Once all tenants have moved in, the Carleton Mall will be fully leased, compared to 81% occupancy when we purchased the property.

On the undeveloped land at our 135 Main Street property in Moncton, New Brunswick, we have signed binding offers to lease with two tenants, representing 75% pre-leasing of a 7,200 square foot retail strip. Financing for the project has been secured with a major Canadian chartered bank and development is underway, with the intent to deliver to tenants in the second quarter of 2016.

Expansion & Renewal of Borrowing Facilities - PROREIT has also arranged significant changes to its present borrowing facilities that will increase flexibility and lower costs going forward. On a combined basis, our operating and term facilities have both been renewed for combined average terms in excess of two years, with total available lines expanded by \$9 million to a total of over \$20 million, all at reduced rates.

Outlook

Capital markets remain challenging for the REIT sector in general at the current time but we believe we are in the bottom of the market cycle. The spread between long-term Canada bond yields and distribution yields on Canadian REITs is at an all-time high, which will probably not persist. The current yield on PROREIT units is very attractive for unitholders at over 10% and the units trade well below their net asset value.

We believe that our growing asset base, diverse, high quality tenants, and long-term lease maturities, combined with our team's resolve to deliver on our operational goals, underscore the increasing quality of an investment in PROREIT.

(signed) James Beckerleg
President and Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	September 30 2015	September 30 2014
Operational data		
Number of properties	32	9
Gross leasable area ("GLA") (square feet)	1,667,491	396,737
Occupancy rate	95.8%	89.5 %
Weighted average lease term to maturity (years)	6.7	6.8

	3 Months Ended September 30 2015	3 Months Ended September 30 2014	9 Months Ended September 30 2015	9 Months Ended September 30 2014
<i>(CAD \$ thousands except per unit amounts and unless otherwise stated)</i>				

Financial data				
Property revenue	\$ 4,878	\$ 1,877	\$ 12,632	\$ 5,760
Net operating income (NOI) ⁽¹⁾	\$ 3,062	\$ 1,209	\$ 7,836	\$ 3,569
Total assets	\$ 203,707	\$ 96,016	\$ 203,707	\$ 96,016
Debt to gross book value ⁽¹⁾	60.84%	44.15%	60.84%	44.15%
Weighted average interest rate on mortgage debt	3.71%	4.14%	3.71%	4.14%
Funds from Operations (FFO) ⁽¹⁾	\$ 1,501	\$ 408	\$ 3,867	\$ 1,296
Basic FFO per unit ⁽¹⁾	\$ 0.0467	\$ 0.0385	\$ 0.1418	\$ 0.1232
Diluted FFO per unit ⁽¹⁾	\$ 0.0457	\$ 0.0374	\$ 0.1409	\$ 0.1200
Adjusted Funds from Operations (AFFO) ⁽¹⁾	\$ 1,736	\$ 575	\$ 4,396	\$ 1,752
Basic AFFO per unit ⁽¹⁾	\$ 0.0540	\$ 0.0542	\$ 0.1612	\$ 0.1665
Diluted AFFO per unit ⁽¹⁾	\$ 0.0529	\$ 0.0527	\$ 0.1601	\$ 0.1622
AFFO payout ratio – Basic ⁽¹⁾	97.2%	96.8%	97.7%	94.6%
AFFO payout ratio – Diluted ⁽¹⁾	99.3%	99.6%	98.4%	97.1%
Pro Forma AFFO payout ratio – Basic ⁽²⁾	94%		94%	

⁽¹⁾ Non-IFRS financial measure. See "Non-IFRS Financial Measures" for definition.

⁽²⁾ On a pro-forma basis, if the 3 properties acquired September 30, 2015 contributed a full month of AFFO and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 29 properties, the pro forma AFFO payout ratio would have been approximately 94% for three and nine month periods ended September 30, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") sets out PRO Real Estate Investment Trust's (the "REIT") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and condition for the three and nine month periods ended September 30, 2015. This MD&A is based on financial statements prepared in accordance with International accounting standards ("IAS") 34: Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). This MD&A should be read in conjunction with the REIT's condensed consolidated interim financial statements and accompanying notes for the nine month period ended September 30, 2015, together with the audited consolidated financial statement and accompanying notes and MD&A for the year ended December 31, 2014.

The REIT's reporting currency is the Canadian dollar. All amounts except unit, per unit amounts and as otherwise stated, have been rounded to the nearest CAD thousands. This MD&A is current as of November 25, 2015.

Information about the REIT can be found in the REIT's filings with securities regulatory authorities, including the REIT's annual information form for the twelve month period ended December 31, 2014, which are available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A contains or incorporates comments that constitute forward-looking statements within the meaning of applicable securities legislation. Statements other than statements of historical fact contained in this MD&A may be forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and the REIT's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the plans and objectives of the REIT or the management or board of trustees, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities; and statements regarding future economic performance of the REIT. The REIT has based these forward-looking statements on its current expectations about future events. Some specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to (i) the intention of the REIT to pay stable distributions; (ii) the ability of the REIT to execute its growth strategies; (iii) the forecasted financial results of the REIT; (iv) the expected tax treatment of the REIT's distributions to the unitholders; (v) the ability of the REIT to qualify as a "real estate investment trust"; and (vi) the access of the REIT to the debt markets.

Forward-looking statements do not take into account the effect of transactions or other items announced or occurring after the date of this MD&A. For example, they do not include the effect of acquisitions, dispositions, other business transactions, asset write-downs or other changes announced or occurring after the forward-looking statements are made.

Although the REIT believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct, and since forward-looking statements inherently involve risks and uncertainties, undue reliance should not be placed on such statements. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this MD&A as well as the following (i) the REIT will receive financing on favourable terms; (ii) the future level of indebtedness of the REIT and its future growth potential will remain consistent with the REIT's current expectations; (iii) there will be no changes to tax laws adversely affecting the REIT's financing capacity or operations; (iv) the workforce of the REIT will remain stable and consistent with the REIT's current expectations; (v) the impact of the current economic climate and the current global financial conditions on the REIT's operations, including its financing capacity, and asset value, will remain consistent with the REIT's current expectations; (vi) there will be no material changes to government and environmental regulations adversely affecting the REIT's operations; (vii) the performance of the REIT's investments in Canada will proceed on a basis consistent with the REIT's current expectations; (viii) conditions in the real estate market, including competition for acquisitions, will be consistent with the current climate; and (ix) capital markets will provide the REIT with readily available access to equity and/or debt.

Certain material risk factors or assumptions are applied in forward-looking statements, and actual results may materially differ from these expressed or implied in such forward-looking statements. The forward-looking statements are subject to inherent uncertainties and risks, including but not limited to, the factors discussed under "Risks and Uncertainties" in this MD&A and those discussed in the REIT's materials filed with the Canadian securities regulatory authorities from time to time, including those discussed under "Risk Factors" in the REIT's latest annual information form, available on SEDAR at www.sedar.com. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements.

The forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this MD&A are made as of the date of this MD&A. The REIT, except as required by applicable securities laws, does not undertake to update any such forward-looking statements whether as a result of new information, future events or otherwise. For more information on the risk factors that could cause the REIT's actual results to differ from current expectation, please see "Risks and Uncertainties" in this MD&A.

NON-IFRS FINANCIAL MEASURES

Net operating income ("NOI"), funds from operations ("FFO"), adjusted funds from operations ("AFFO"), and gross book value ("Gross Book Value") are performance measures that are often used by real estate investment trusts. The REIT believes that NOI and FFO are important measures of operating performance, while AFFO is an important measure of economic performance and is indicative of the REIT's ability to pay distributions. NOI, FFO, AFFO and Gross Book Value are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. These terms are reconciled to the condensed consolidated interim financial statements of the REIT for the three and nine month periods ended September 30, 2015 in Part IV of this MD&A.

"NOI" is defined as revenues from investment properties less property operating expenses such as taxes, utilities, property level general administrative costs, advertising, repairs and maintenance. NOI does not include charges for interest and other amortization.

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"FFO" is defined as net income of the REIT calculated in accordance with IFRS, excluding: (i) fair value adjustments on investment properties; (ii) gains (or losses) from sales of investment properties; (iii) fair value adjustments and other effects of redeemable units classified as liabilities; (iv) acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination; and (v) deferred income tax expense, plus depreciation and amortization and certain other non-cash adjustments, after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect FFO on the same basis as consolidated properties.

"AFFO" is defined as FFO of the REIT, subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on mortgages acquired, amortization of deferred financing costs, amortization of tenant incentives and leasing costs, straight-line adjustments to rent and compensation expense related to unit-based incentive plans; and (ii) deducting a reserve for normalized maintenance capital expenditures and normalized leasing costs, as determined by the REIT. Other adjustments may be made to AFFO as determined by the Trustees in their discretion.

"Gross Book Value" is defined in the Declaration of Trust (as defined herein) and is a measure of the REIT's asset base and financial position.

Management believes that the AFFO of the REIT is a useful performance measure that may assist prospective investors in assessing an investment in trust units of the REIT ("Units"). In particular, management considers AFFO to be a meaningful measure of cash flow performance because it more clearly measures normalized and stabilized cash flow, as opposed to cash flow from operating activities calculated in accordance with IFRS, which reflects seasonal fluctuations in working capital and other items. The REIT intends to analyze its cash distributions against AFFO to assess the stability of its cash distributions to unitholders.

NOI, FFO and AFFO should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS. Management's method of calculating NOI, FFO and AFFO may differ from other issuers' methods of calculating NOI, FFO and AFFO, and accordingly, may not be comparable to the NOI, FFO or AFFO reported by other issuers.

PART II

REIT OVERVIEW

The REIT is an unincorporated open ended real estate investment trust established pursuant to a declaration of trust dated February 7, 2013 and amended on March 11, 2013 (the "Declaration of Trust") and was established under the laws of the Province of Ontario. The REIT's Units and REIT unit purchase warrants are listed on the TSX Venture Exchange (the "Exchange") under the symbols PRV.UN and PRV.WT respectively. The principal, registered and head office of the REIT is located at 2000 Peel Street, Suite 758, Montréal, Québec, H3A 2W5.

The REIT owns a portfolio of Canadian commercial investment properties, comprised of retail, office, commercial mixed-use and industrial properties. At September 30, 2015, the REIT owned approximately 1.7 million square feet of GLA located in Quebec, Atlantic Canada, Ontario and Western Canada.

OBJECTIVES AND STRATEGIES

Objectives

The objectives of the REIT are to: (i) provide unitholders with stable and growing cash distributions from investments in real estate properties in Canada, on a tax efficient basis; (ii) expand the asset base of the REIT and enhance the value of the REIT's assets to maximize long-term Unit value; and (iii) increase the REIT's net operating income and AFFO per Unit, through internal growth strategies and accretive acquisitions.

Strategy

To meet its objectives, the REIT has implemented the following key strategic elements:

Stable cash distributions

- **High-quality commercial real estate.** The REIT's portfolio is diversified by property type and geography across Quebec, New Brunswick, Nova Scotia, Ontario and Alberta. The majority of the properties are situated in prime locations within their respective markets, along major traffic arteries benefitting from high visibility and access. Management believes the quality and diversity of the portfolio will enable the REIT to attract new tenants and retain existing tenants.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Geographical focus on stable Eastern Canadian Markets, with careful growth in Western Canadian Markets.** The REIT targets property acquisitions in primary and secondary markets across Canada, with a particular focus on Quebec, Atlantic Canada, and Ontario in the East, and, selectively Alberta and British Columbia in the West. Management believes that its strategy of focusing on stable markets in Eastern Canada and selective expansion in high growth markets in Western Canada will enable the REIT to assemble a portfolio underpinned by strong and consistently stable economic fundamentals, with exposure to organic growth opportunities.
- **High-quality tenants with long term leases.** The REIT has a diversified tenant profile reflecting an attractive mix of government, national, regional and local tenants as well as a diversified mix of tenants by industry. The REIT's portfolio lease maturities are well staggered into the future. Management of the REIT believes it fostered strong relationships with its tenants, which management expects to be an important factor in the REIT's ability to attract tenants to new properties or replace leases as vacancies arise in the REIT's properties.

Enhance Value

- **Experienced management team and Board with a proven track record of value creation.** In aggregate, the REIT's executive officers and Trustees have over 100 years of operating, acquisitions, and financing experience in the Canadian real estate industry. They have extensive relationships with a broad network of real estate industry owners and service professionals across Canada, and expect to leverage these relationships to source accretive high-quality acquisitions. Given the management team's experience in the Quebec, Atlantic Canada, Ontario and Western Canadian markets, it possesses a unique and valuable set of skills and relationships that can be leveraged to the benefit of the REIT.
- **Alignment of interests through an efficient management structure, strong corporate governance and significant retained interest.** The REIT is externally managed by an experienced team of real estate professionals utilizing an efficient management structure. Management believes that its interests are aligned with that of unitholders given their low cost and simple management structure relative to industry peers, its pre-determined internalization strategy, and an adherence to strong corporate governance practices, including a Board comprised of a majority of independent Trustees, all of whom have experience in the Canadian commercial real estate and capital markets.
- **Strategic relationship with Lotus Crux enhances geographical expertise, especially in Ontario and in Western Canada, and provides a pipeline for future acquisitions and investment opportunities.** The REIT is a party to a strategic investment agreement with Lotus Crux Acquisition LP ("Lotus Crux"), which management of the REIT believes will provide the REIT with enhanced coverage of major Canadian markets, especially in Western Canada, as well as access to Lotus Crux's network of relationships with real estate market participants in these markets, resulting in access to a pipeline of potential acquisition and investment opportunities not otherwise available to the REIT.

Expand the Asset Base

- **Internal Growth Strategies**
The REIT's internal growth strategy includes the following:
 - Nurturing existing tenant relationships, ensuring tenant retention and accommodating tenant growth.
 - Increasing rental income and minimizing operating expenses through operating improvements and preventative maintenance programs.
 - Pursuing expansion and redevelopment opportunities within the REIT's portfolio.
- **External Growth Strategies**
The REIT's external growth strategy includes the following:
 - Acquiring stable investments properties that are accretive to the REIT.
 - Acquiring a broad range of commercial properties within its target markets to maximize diversification within its portfolio.
 - Pursuing selective development and expansion opportunities within the REIT's portfolio.
 - Strategic relation with Lotus Crux allowing access to a unique pipeline of potential future acquisitions and investments.

SUMMARY OF SIGNIFICANT EVENTS

On July 31, 2015, the REIT announced that it had entered into an arrangement agreement pursuant to which the REIT would acquire all of the outstanding trust units of Boulevard Industrial Real Estate Investment Trust ("Boulevard") in a friendly transaction approved unanimously by the boards of trustees of both the REIT and Boulevard.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Trustees, management and certain other unitholders of Boulevard who collectively held approximately 26% of the total trust units of Boulevard outstanding entered into agreements pursuant to which they have agreed to vote their units in favour of the transaction. The Plan of Arrangement was voted upon by Boulevard unitholders and debenture holders at a meeting called for such purpose. The trustees of Boulevard unanimously recommended that Boulevard unitholders vote in favour of the Plan of Arrangement based on advice from a special committee of independent trustees.

On September 30, 2015, the REIT announced that it had closed its previously announced transaction to acquire the outstanding trust units of Boulevard, by way of a plan of arrangement. Pursuant to the plan of arrangement, which was approved by the Ontario Superior Court of Justice (Commercial List) on September 25, 2015, unitholders of Boulevard will receive 0.04651 of a trust unit of the REIT for each trust unit of Boulevard they hold.

On September 30, 2015, the REIT repaid \$3,617 in cash to the holders of outstanding Boulevard convertible debentures. This represented an amount equal to 101% of the principal amount plus accrued and unpaid interest, plus an additional 30 days of interest. In addition, the REIT also repaid both Boulevard credit facilities in the amount \$1,312 and approximately \$1 million of payables including transaction costs of \$683. Upon completion of this transaction, Boulevard units and convertible debentures were delisted from the TSX venture exchange.

The acquisition of Boulevard increases scale of the REIT's portfolio to over \$200 million of gross book value and is expected to be accretive to the REIT's net asset value and AFFO per unit. The REIT acquired three high quality industrial properties, and the unitholders of Boulevard benefit from ongoing participation in a well-sponsored entity with scale, portfolio diversification, a strong balance sheet, a well-respected management team and an ability to raise capital. The Unitholders of both REITs will benefit from an increased market capitalization and liquidity.

SUBSEQUENT EVENTS

On October 21, 2015, the REIT announced a cash distribution of \$0.0175 per Unit for the month of October 2015. The distribution was paid on November 16, 2015 to unitholders of record as at October 30, 2015.

The REIT has signed an offer to renew its existing \$9 million credit facility for an additional two year term. Under the revised terms, the REIT will have \$10 million of availability, an increase of \$1.0 million, plus an additional \$1.5 million in construction financing available for a new retail pad development. The advances under the renewed facility bear interest at a rate of prime plus 157.5 basis points or bankers' acceptance rates plus 257.5 basis points, 5 basis points lower than the previous facility.

On November 19, 2015, the REIT announced a cash distribution of \$0.0175 per Unit for the month of November 2015. The distribution is payable on December 15, 2015 to unitholders of record as at November 30, 2015.

The REIT has also amended certain terms of its term loan and extended its maturity from April 2016 to February 2018. The term loan availability will increase from its current \$3.5 million to \$10.0 million availability with an interest rate reduction of 75 basis points.

OUTLOOK

The REIT's focus includes the delivery of growth through acquisitions, by expanding deeper into existing geographical markets where the REIT already has a presence, and expanding into the adjacent markets. This will capitalize on the REIT's existing market knowledge and help achieve economies of scale.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PART III

RESULTS OF OPERATIONS

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2015	3 Months Ended September 30 2014	9 Months Ended September 30 2015	9 Months Ended September 30 2014
Property revenue	\$ 4,878	\$ 1,877	\$ 12,632	\$ 5,760
Property operating expenses	1,816	668	4,796	2,191
Net operating income (NOI)	3,062	1,209	7,836	3,569
General and administrative expenses	238	124	666	326
Long-term incentive plan expense	185	127	272	316
Depreciation of property and equipment	7	6	19	18
Interest and financing costs	1,138	550	2,963	1,628
Distributions – Class B LP Units	203	175	665	526
Fair value adjustment – Class B LP Units	(425)	167	(766)	(501)
Fair value adjustment – investment properties	917	51	1,333	164
Fair value adjustment – Warrants	(200)	-	(133)	-
Write-off of deferred acquisition costs	-	-	68	3
Net comprehensive income	\$ 999	\$ 9	\$ 2,749	\$ 1,089

Comparison of the Results from Operations

The REIT's results of operations for the three and nine month periods ended September 30, 2015 are not directly comparable to the three and nine month periods ended September 30, 2014 as the REIT owned nine investment properties September 30, 2014 compared to 32 properties it owned at September 30, 2015. The three properties acquired on September 30, 2015 from the Boulevard transaction (see "Summary of Significant Events" section) did not have an impact on the statement of comprehensive income for the three and nine month periods ended September 30, 2015. Notwithstanding the foregoing, year-over-year figures for the three and nine month periods ended September 30, 2015 and 2014 are presented in this MD&A. The principal reason for the variances between the financial figures presented in such year-over-year periods are the disparity in the number of properties and their respective results of operations during such comparative periods.

Overall Analysis

Property Revenue

Property revenue includes rents from tenants under lease agreement, straight-line rent, percentage rents, property taxes and operating cost recoveries and other incidental income.

For the three and nine month periods ended September 30, 2015, property revenue increased by \$3,001 and \$6,872 respectively compared to the same periods in 2014. The increase is primarily driven by the incremental revenues from the 14 property acquisitions completed in the latter half of 2014 and the seven property acquisitions completed in June 2015.

Property Operating Expenses

Property operating expenses are expenses directly related to real estate operations and are generally charged back to lessees as provided for in the contractual terms of the leases. Operating expenses include property taxes and public utilities, costs related to indoor and outdoor maintenance, heating, ventilation and air conditioning, elevators, insurance, janitorial services and management and operating fees. The amount of operating expenses that the REIT can recover from its lessees depends on the occupancy rate of the properties and the nature of the existing leases containing clauses regarding the recovery of expenses. The majority of the REIT's leases are net rental leases under which tenants are required to pay their share of the properties' operating expenses.

Property operating expense was \$1,816 and \$4,796 for the three and nine month periods ended September 30, 2015 respectively. The increase of \$1,148 and \$2,605 compared to the same periods in 2014 is due to the 14 property acquisitions that closed in October 2014 and the seven property acquisitions that closed June 2015.

General and Administrative Expenses

General and administrative expenses include corporate expenses, office expenses, legal and professional fees, asset management fees and other overhead expenses which are indirectly associated with the operation and leasing of investment properties.

General and administrative expenses for the three month periods ended September 30, 2015 and 2014 were \$238 and \$124 respectively. The increase of \$114 is due to the increase in professional fees of \$30 and increase in marketing related fees of \$7. The remaining increase is attributed to expenses incurred in the normal course of operations in relation to the increased size of the REIT compared to the same period in 2014 including increases in the contracted asset management fees of \$65.

General and administrative expenses for the nine month periods ended September 30, 2015 and 2014 were \$666 and \$326 respectively. The increase of \$340 is due to the increase in professional fees including audit related fees of \$105 and increase in marketing related fees of \$26. The remaining increase is attributed to expenses incurred in the normal course of operations in relation to the increased size of the REIT compared to the same period in 2014 including increases in the contracted asset management fees of \$147.

Long-Term Incentive Plan

Long-term incentive plan expense of \$185 and \$272 during the three and nine month periods ended September 30, 2015 relates to deferred and restricted units which vest over a three year period, and is a non-cash item. The variance in long-term incentive plan expense is explained by the expense of \$261 and \$506 for the three and nine month periods ended September 30, 2015 offset by a fair value gain of \$76 and \$234 respectively.

Interest and Financing Costs

Interest and financing costs were \$1,138 and \$2,963 for the three and nine month periods ended September 30, 2015. The increase of \$588 and \$1,335 compared is primarily a result of the additional interest expense on mortgage financing obtained to acquire the 14 properties in October 2014 (\$37,500 of additional mortgages payable) and 7 properties in June 2015 (\$19,500 of additional mortgages payable) offset by the decrease in weighted average contractual rate of the mortgages (3.71% at September 30, 2015 compared to 4.14% at September 30, 2014).

Distributions – Class B LP Units

Distributions on the Class B LP Units were \$203 and \$665 for the three and nine month periods ended September 30, 2015. The increase of \$28 and \$139 compared to the same periods in 2014 is a result from the increase in the number of Class B LP Units issued and outstanding. The REIT issued an additional 1,847,826 and 530,436 Class B LP Units in connection with several of the properties acquired in October 2014 and in June 2015 respectively offset by 1,858,696 Class B LP Units in issue that were exchanged into Units of the REIT at the option of the unitholder.

Fair Value Adjustment – Class B LP Units

A fair value gain of \$425 and \$766 on the Class B LP Units was recorded in the three and nine month periods ended September 30, 2015 respectively, resulting from a decrease in the quoted market price of the REIT's publically traded Units. This is a non-cash item.

Fair Value Adjustment – Investment Properties

The REIT has selected the fair value method to account for real estate classified as investment property and records investment properties at their purchase price including transaction costs (less any purchase price adjustments) in the quarter of acquisition. Any changes in the fair value of investment properties are recognized as fair value gains and losses in the statement of comprehensive income in the quarter in which they occur.

The fair value loss of \$917 and \$1,333 for the three and nine month periods ended September 30, 2015 is primarily related to certain non-recoverable capital expenditures and leasing costs incurred.

The REIT calculates fair value using both the discounted cash flow method and direct capitalization method which are generally accepted appraisal methodologies. Fair value is based on, among other things, assumptions of future cash flows in respect of current and future leases, capitalization rates, terminal capitalization rates, discount rates, market rents, tenant inducements and leasing cost assumptions and expected lease rollovers. Fair values are supported by a combination of internal financial information, market data and external independent valuations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fair Value Adjustment – Warrants

Warrants comprise of REIT unit purchase warrants and Class B LP warrants, collectively referred to as “Warrants”. The Warrants are measured at fair value and presented as part of non-current liabilities in the statement of financial position, with changes in fair value recorded in the statement of comprehensive income. The fair value of the Warrants is determined with reference to the market price on the date of measurement.

A fair value gain of \$200 and \$133 on the Warrants was recorded in the three and nine month periods ended September 30, 2015 resulting from a decrease in the quoted market price of the REIT's publicly traded warrants. This is a non-cash item.

Write-off of Deferred Acquisition Costs

Write-off of deferred acquisition costs for the nine month period ended September 30, 2015 was \$68. These costs represent expenses previously capitalized in relation to specific future acquisitions that are no longer being contemplated.

SEGMENTED ANALYSIS

The REIT's segments include four classifications of investment properties – Retail, Office, Commercial Mixed Use and Industrial. All of the REIT's activities are located in one geographical segment – Canada. The accounting policies followed for each segment are the same as disclosed in the REIT's condensed consolidated interim financial statements. Operating performance is evaluated by the REIT's management primarily based on NOI, which is defined as property revenue less property operating expenses. General and administrative expenses, depreciation and amortization, interest and financing costs are not allocated to operating segments. Segment assets include investment properties; segment liabilities include mortgages attributable to specific segments, but excludes the REIT's term loan, credit facility and their respective unamortized financing costs. Other assets and liabilities are not attributed to operating segments.

<i>(CAD \$ thousands)</i>	Retail		Office		Commercial Mixed Use		Industrial		Total	
	\$	%	\$	%	\$	%	\$	%	\$	
3 months ended September 30, 2015										
Property revenue	2,257	46.3	795	16.3	746	15.3	1,080	22.1	4,878	
Net operating income	1,404	45.9	404	13.2	476	15.5	778	25.4	3,062	
3 months ended September 30, 2014										
Property revenue	878	46.8	601	32.0	398	21.2	-	-	1,877	
Net operating income	610	50.5	332	27.5	267	22.0	-	-	1,209	
9 Months Ended September 30, 2015										
Investment properties	86,808	43.9	21,468	10.9	28,857	14.6	60,630	30.6	197,763	
Mortgages payable	48,936	46.0	4,008	3.8	11,994	11.3	41,405	38.9	106,343	
Property revenue	5,966	47.2	2,096	16.6	2,249	17.8	2,321	18.4	12,632	
Net operating income	3,628	46.3	1,045	13.3	1,398	17.8	1,765	22.6	7,836	
9 Months Ended September 30, 2014										
Investment properties	36,478	52.9	15,644	22.7	16,744	24.4	-	-	68,866	
Mortgages payable	18,437	63.1	1,578	5.4	9,184	31.5	-	-	29,199	
Property revenue	2,643	45.9	1,879	32.6	1,238	21.5	-	-	5,760	
Net operating income	1,799	50.4	956	26.8	814	22.8	-	-	3,569	

The main driver for the increase in revenues, NOI, fair values of investment properties and mortgages payables in the Retail, Office, Commercial Mixed Use and Industrial segments is the acquisition of the 14 properties in October 2014 and the acquisition of the 7 properties in June 2015. The REIT completed the sale of 985 Godin, an industrial property, during the three month period ended March 31, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Retail segment consists of 16 properties (September 30, 2014 – 5 properties), having a total gross leasable area of approximately 523,000 square feet (September 30, 2014 - ~172,000 square feet).

The Office segment consists of 4 properties (September 30, 2014 – 3 properties), having a total gross leasable area of approximately 154,000 square feet (September 30, 2014 - ~125,000 square feet).

The Commercial Mixed Use segment consists of 3 properties (September 30, 2014 – 1 property), having a total gross leasable area of approximately 225,000 square feet (September 30, 2014 - ~100,000 square feet).

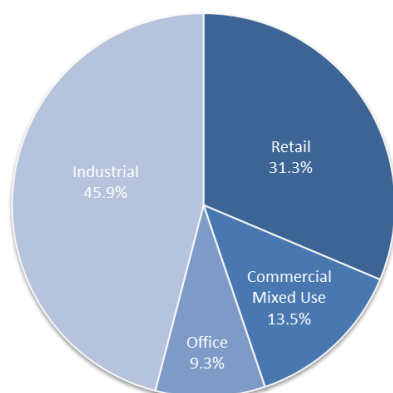
The Industrial segment consists of 9 properties (September 30, 2014 – Nil), having a total gross leasable area of approximately 766,000 square feet (September 30, 2014 – Nil).

PORTFOLIO PROFILE

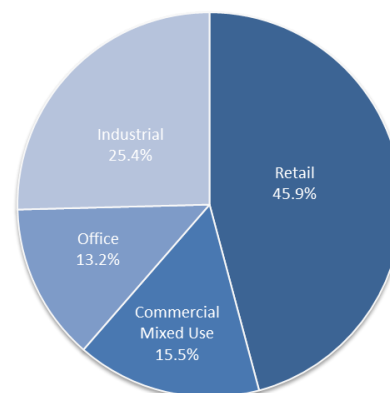
At September 30, 2015, the REIT's portfolio consisted of 32 properties, located in prime locations within their respective markets, representing a total gross leasable area of 1,667,491 square feet. The increase of 1,270,754 square feet compared to September 30, 2014 is a result of the acquisition of 14 properties completed in October 2014, the acquisition of 7 properties completed in June 2015, and the acquisition of 3 properties in September 2015 offset by the sale of 1 property in March 2015. Change in occupancy rates at September 30, 2015 compared to September 30, 2014 is a direct result of the property acquisitions in October 2014, June 2015 and September 2015.

<i>(CAD \$ thousands unless otherwise stated)</i>	9 Months Ended / At September 30, 2015				9 Months Ended / At September 30, 2014			
	# of Properties	Occupancy	GLA (sq. ft.)	NOI	# of Properties	Occupancy	GLA (sq. ft.)	NOI
Retail	16	94.6%	522,626	\$ 3,628	5	86.6%	171,795	\$ 1,799
Office	4	87.8%	154,357	1,045	3	85.0%	125,407	956
Commercial Mixed Use	3	95.0%	224,532	1,398	1	100.0%	99,535	814
Industrial	9	98.4%	765,976	1,765	-	-	-	-
Total	32	95.8%	1,667,491	\$ 7,836	9	89.5%	396,737	\$ 3,569

**GLA by Asset Class
September 30, 2015**



**NOI by Asset Class
9 Months Ended September 30, 2015**



MANAGEMENT'S DISCUSSION AND ANALYSIS

PART IV

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities, available funding under the REIT's credit facility and cash on hand represent the primary sources of liquidity to fund distributions, debt service, capital expenditures, tenant inducements and leasing costs. The REIT's cash flow from operations is dependent upon the rental occupancy levels, the rental rates on its leases, the collectability of rent from its tenants, recoveries of operating costs and operating costs. Material changes in these factors may adversely affect the REIT's net cash flows from operating activities and liquidity (see "Risks and Uncertainties" section).

The REIT expects to be able to meet all of its obligations as they become due in the short-term and the long-term. The REIT expects to have sufficient liquidity as a result of cash on hand, cash flow from operating activities and the ability to raise equity.

	3 Months Ended September 30 2015	3 Months Ended September 30 2014	9 Months Ended September 30 2015	9 Months Ended September 30 2014
<i>(CAD \$ thousands)</i>				
Cash provided from (used in):				
Operating activities	\$ 392	\$ 1,496	\$ 3,111	\$ 1,899
Financing activities	(778)	23,264	30,464	23,149
Investing activities	(912)	(288)	(32,057)	(964)
Change in cash during the period	(1,308)	24,472	1,518	24,084
Cash, beginning of period	3,414	508	588	896
Cash, end of period	\$ 2,106	\$ 24,980	\$ 2,106	\$ 24,980

Three Month Period Ended September 30, 2015

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided from operating activities of \$392 for the third quarter 2015 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the three month period ended September 30, 2015 of \$778 is attributed to repayment of Boulevard convertible debentures, repayment of Boulevard credit facilities and the payment of Boulevard transaction costs totaling \$5,612 (see "Summary of Significant Events" section), increase in debt of \$7,000, offset by the repayment of debt of \$674, distributions paid of \$1,340 and financing costs incurred of \$162.

Cash used in investing activities of \$912 during the third quarter of 2015 primarily consists of non-recoverable capital expenditures and leasing costs of \$897.

Nine Month Period Ended September 30, 2015

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided from operating activities of \$3,111 for the nine month period ended September 30, 2015 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash provided by financing activities during the nine month period ended September 30, 2015 of \$30,464 is attributed to the closing of the public offering on June 9, 2015 of \$15,243, repayment of Boulevard convertible debentures, repayment of Boulevard credit facilities and the payment of Boulevard transaction costs totaling \$5,612 (see Summary of Significant Events" section), increase in debt of \$26,500, increase in the credit facility of \$1,700 offset by the repayment of debt of \$3,860, distributions paid of \$3,185 and financing costs incurred of \$322.

Cash used in investing activities of \$32,057 during the nine month period ended September 30, 2015 primarily consists of 7 property acquisitions of \$33,106, capital expenditures and leasing costs of \$1,855 offset by the net proceeds of sale of \$2,921 associated with the sale of 985 Godin in March 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITALIZATION AND DEBT PROFILE

<i>(CAD \$ thousands)</i>	September 30 2015
Mortgages payable (net of financing costs of \$1,097)	\$ 105,043
Term loans (net of financing costs of \$234)	7,766
Vendor take-back mortgage	1,300
Credit facility (net of financing costs of \$11)	8,514
Class B LP Units	7,606
Warrants	67
Unitholders' equity	66,265
Total Capitalization	\$ 196,561

The REIT has a revolving credit facility of \$9.0 million which bears interest at prime plus 162.5 basis points or bankers' acceptance rate plus 262.5 basis points. The credit facility is secured by a pool of first and second charges on certain investment properties with a fair value of approximately \$23,603 at September 30, 2015.

As at September 30, 2015, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.71% (December 31, 2014 – 3.74%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately \$184,752 at September 30, 2015 (December 31, 2014 - \$126,232).

The first term loan is interest bearing only at the rate greater of 8.50% or the financial institution prime rate plus 5.0% per annum. The term loan is secured by a pool of second and third charges on certain investment properties with a fair value of approximately \$64,703 at September 30, 2015.

In connection with the acquisition of Boulevard (see "Summary of Significant Events" section), the REIT entered into a second term loan in the amount of \$6 million bearing interest only at 8.00% per annum and matures in March 2017. This term loan is secured by a pool of second charges on certain investment properties with a fair value of approximately \$18,400 (December 31, 2014 - \$Nil) and was used to repay Boulevard's convertible debentures in the amount of \$3,617, two credit facilities in the amount of \$1,312 and approximately \$1 million in payables including transaction costs of \$683.

The vendor take-back mortgage is interest bearing only at 3.5% per annum and matures in September 2016.

The mortgages payable, term loan and vendor take-back mortgage are repayable no later than 2025.

Contractual Obligations

The following table represents the REIT's contractual obligations at September 30, 2015:

<i>(CAD \$ thousands)</i>	1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Later
Due within:						
Debt principal instalments	\$ 3,173	\$ 3,262	\$ 3,209	\$ 2,561	\$ 1,926	\$ 3,627
Debt principal maturities	3,300	7,336	18,912	13,115	24,592	30,427
Debt interest	3,959	3,713	3,427	2,466	1,880	2,993
Credit facility	8,525	-	-	-	-	-
Accounts payable and other liabilities	5,647	-	-	-	-	-
Rent	11	-	-	-	-	-
	\$ 24,615	\$ 14,311	\$ 25,548	\$ 18,142	\$ 28,398	\$ 37,047

The REIT expects to have sufficient liquidity as a result from cash flow from operating activities and the ability to raise equity.

Debt Ratios

The REIT is free to determine the appropriate level of capital in context with its cash flow requirements, overall business risks and potential business opportunities. As a result of this, the REIT will make adjustments to its capital based on its investment strategies and changes to economic conditions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The REIT objective is to maintain a combination of short, medium and long-term debt maturities that are appropriate for the overall debt level of its portfolio, taking into account availability of financing and market conditions, and the financial characteristics of each property.

The REIT's other objectives when managing capital on a long-term basis include enhancing the value of the assets and maximizing unit value through the ongoing active management of the REIT's assets, expanding the asset base through acquisitions of additional properties and the re-development of projects which are leased to creditworthy tenants, and generating sufficient returns to provide unitholders with stable and growing cash distributions. The REIT's strategy is driven by policies as set out in the Declaration of Trust, as well as requirements from certain lenders.

The requirements of the REIT's operating policies as outlined in the Declaration of Trust include requirements that the REIT will not:

- (a) incur or assume indebtedness on properties in excess of 75% of the property's market value; and
- (b) incur or assume indebtedness which would cause the total indebtedness of the REIT to exceed 70% of Gross Book Value.

Gross Book Value is calculated as follows:

<i>(CAD \$ thousands unless otherwise stated)</i>	September 30 2015
Total assets, including investment properties stated at fair value	\$ 203,707
Accumulated depreciation on property and equipment	61
Gross Book Value	203,768
Debt, excluding unamortized financing costs	\$ 115,440
Credit facility, excluding unamortized financing costs	8,525
Debt	\$ 123,965
Debt, as above, as a percentage of Gross Book Value	60.84%

The REIT complied with all financial covenants during the three month period ended September 30, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

<i>(CAD \$ thousands except unit, per unit amount and unless otherwise stated)</i>	3 Months Ended September 30 2015	3 Months Ended September 30 2014	9 Months Ended September 30 2015	9 Months Ended September 30 2014
Net comprehensive income for the period	\$ 999	\$ 9	\$ 2,749	\$ 1,089
Add:				
Depreciation of property and equipment	7	6	19	18
Distributions – Class B LP Units	203	175	665	526
Fair value adjustment – investment properties	917	51	1,333	164
Fair value adjustment – Class B LP Units	(425)	167	(766)	(501)
Fair value adjustment – Warrants	(200)	-	(133)	-
FFO	\$ 1,501	\$ 408	\$ 3,867	\$ 1,296
Deduct:				
Straight-line rent adjustment	(18)	(19)	(54)	(57)
Maintenance capital expenditures	-	-	-	(5)
Stabilized leasing costs	(56)	(21)	(105)	(28)
Add:				
Long-term incentive plan	185	127	272	316
Amortization of financing costs	124	80	348	227
Write-off of deferred acquisition costs	-	-	68	3
AFFO	\$ 1,736	\$ 575	\$ 4,396	\$ 1,752
Basic FFO per unit ⁽¹⁾	0.0467	0.0385	0.1418	0.1232
Diluted FFO per unit ⁽¹⁾	0.0457	0.0374	0.1409	0.1200
Basic AFFO per unit ⁽¹⁾	0.0540	0.0542	0.1612	0.1665
Diluted AFFO per unit ⁽¹⁾	0.0529	0.0527	0.1601	0.1622
Distributions declared per Unit and Class B LP Unit	0.0525	0.0525	0.1575	0.1575
AFFO payout ratio – Basic	97.2%	96.8%	97.7%	94.6%
AFFO payout ratio – Diluted	99.3%	99.6%	98.4%	97.1%
Pro Forma AFFO payout ratio – Basic ⁽²⁾	94%	-	94%	-
Basic weighted average number of units ⁽¹⁾	32,132,271	10,613,597	27,278,104	10,520,429
Diluted weighted average number of units ⁽¹⁾	32,844,028	10,923,179	27,452,202	10,797,181

⁽¹⁾ FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted number of basic or diluted units, added to the weighted average number of Class B LP Units outstanding during the period.

⁽²⁾ On a pro-forma basis, if the 3 properties acquired September 30, 2015 contributed a full month of AFFO and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 29 properties, the pro forma AFFO payout ratio would have been approximately 94% for three and nine month periods ended September 30, 2015.

The increase in FFO of \$1,093 and \$2,571 and the increase in AFFO of \$1,161 and \$2,644 for the three and nine month periods ended September 30, 2015, respectively compared to the same period in 2014 is directly related to the acquisition of the 14 properties in October 2014 and the 7 properties acquired in June 2015. Basic and diluted AFFO per Unit were 0.0540 and 0.0529 respectively for the three month period ended September 30, 2015, with a corresponding basic and diluted payout ratio of 97.2% and 99.3% respectively. The AFFO payout ratio is higher than management's expectation primarily due to the distributions declared and paid for the month of September 2015 which include the 1,940,135 Units issued in connection with the acquisition of Boulevard (see "Summary of Significant Events" section). The 3 properties were acquired on September 30, 2015 as such these properties did not contribute to AFFO for the three and nine month periods ended September 30, 2015.

On a pro-forma basis, if the 3 properties acquired on September 30, 2015 contributed a full month of AFFO and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 29 properties, the pro forma AFFO payout ratio would have been approximately 94% for three and nine month periods ended September 30, 2015.

Distributions

The REIT's Board of Trustees has full discretion with respect to the timing and extent of distributions, including the adoption, amendment or revocation of any distribution policy. In determining the amount of monthly cash distributions paid to unitholders, the Board of Trustees applies

MANAGEMENT'S DISCUSSION AND ANALYSIS

discretionary judgment to forward-looking cash flow information, including forecasts and budgets. Management considers AFFO to be a meaningful measure of cash flow performance because it more clearly measures normalized and stabilized cash flow, as opposed to cash flow from operating activities calculated in accordance with IFRS, which reflects seasonal fluctuations in working capital and other items. The excess of AFFO over cash distributions represents a measure of operating cash flow retained in the business.

It is the REIT's intention to make distributions to unitholders at least equal to the amount of net income and net realized capital gains of the REIT as is necessary to ensure that the REIT will not be liable for current income taxes.

The REIT has implemented a distribution reinvestment plan ("DRIP") pursuant to which holders of Units or Class B LP Units may elect to have their cash distributions of the REIT or PRLP automatically reinvested in additional Units at a 3% discount to the weighted average closing price of the Units for the last five trading days preceding the applicable distribution payment date on which trades of the Units were recorded.

The distributions declared during the three and nine month periods ended September 30, 2015 resulted in 80,376 and 181,058 Units issued or issuable under the DRIP respectively.

Distributions of \$0.0525 and \$0.1575 per Unit and Class B LP Unit were declared during the three and nine month periods ended September 30, 2015 and 2014. Distributions were paid on or about the 15th day of the month following the declaration.

The following reconciles AFFO to cash flows from operating activities reported in the condensed consolidated interim financial statements.

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2015	3 Months Ended September 30 2014	9 Months Ended September 30 2015	9 Months Ended September 30 2014
Cash flow provided from operating activities	\$ 392	\$ 1,496	\$ 3,111	\$ 1,899
Add (deduct):				
Changes in non-cash working capital	1,197	(1,075)	725	(643)
Distributions – Class B LP Units	203	175	665	526
Stabilized leasing costs	(56)	(21)	(105)	(28)
Maintenance capital expenditures (non-recoverable)	-	-	-	(5)
Write-off of deferred acquisition costs	-	-	-	3
Adjusted Funds From Operations	\$ 1,736	\$ 575	\$ 4,396	\$ 1,752

The table below illustrates the REIT has sufficient AFFO to sustain its cash distributions:

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2015	3 Months Ended September 30 2014	9 Months Ended September 30 2015	9 Months Ended September 30 2014
Adjusted funds from operations	\$ 1,736	\$ 575	\$ 4,396	\$ 1,752
Total distributions paid or payable in cash – Units and Class B LP Units	1,574	726	4,013	1,785
Less: incremental distributions related to the Units issued from the Offering and Concurrent Private Placement on September 30, 2014 ⁽¹⁾	-	(201)	-	(201)
	1,574	525	4,013	1,584
Excess of AFFO over adjusted distributions paid or payable	\$ 162	\$ 50	\$ 383	\$ 168

⁽¹⁾ The REIT declared distributions payable of \$0.0175 per Unit on the 11,459,000 Units issued September 30, 2014 in connection with a public offering and concurrent private placement. These Units were issued to partially finance the acquisition of 14 properties which closed in October 2014. As such the incremental NOI from these properties is absent for the three and nine months ended September 30, 2014.

For the three and nine month periods ended September 30, 2015 and 2014, the REIT's AFFO did not exceed the distributions paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The REIT has estimated that distributions to be made for the year ended December 31, 2015 represent an approximate 100% return of capital.

UNITHOLDERS' EQUITY, CLASS B LP UNITS, SPECIAL VOTING UNITS, NORMAL COURSE ISSUER BID AND WARRANTS

The REIT is authorized to issue an unlimited number of Units and an unlimited number of special voting units (the "Special Voting Units").

Units

Each Unit confers the right to one vote at any meeting of unitholders and to participate pro rata in all distributions by the REIT and, in the event of termination or winding-up of the REIT, in the net assets of the REIT. The unitholders have the right to require the REIT to redeem their Units on demand in accordance with the Declaration of Trust. The Units have no par value. Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall cease and the holder thereof shall be entitled to receive a price per Unit ("Redemption Price"), as determined by a formula outlined in the Declaration of Trust. The Redemption Price will be paid in accordance with the conditions provided for in the Declaration of Trust.

Total Units outstanding as of November 25, 2015 was 30,286,987.

Class B LP Units and Special Voting Units

Special Voting Units have no economic entitlement in the REIT, but entitle the holder to one vote per Special Voting Unit at any meeting of the unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units, for the purpose of providing voting rights with respect to the REIT to the holders of Class B LP Units. A Special Voting Unit will be issued in tandem with each Class B LP Unit issued.

The Class B LP Units are issued by PRLP and holders of Class B LP Units are entitled to receive distributions equal to those provided to holders of Units. The Class B LP Units are indirectly exchangeable on a one-for-one basis for Units at any time at the option of their holder, unless the exchange would jeopardize the REIT's status as a "mutual fund trust" under the Income Tax Act (Canada). The Class B LP Units are presented as a financial liability in the statement of financial position.

Total Class B LP Units outstanding as of November 25, 2015 was 3,860,796.

Warrants

Each whole REIT unit purchase warrant entitles the holder to purchase one Unit of the REIT upon exercise. As the Units of the REIT are puttable instruments, the REIT unit purchase warrants meet the definition of a financial liability under IAS 32.

Each whole Class B LP warrant entitles the holder to purchase one Class B LP Unit of PRLP upon exercise. The Class B LP warrants issued by one of the REIT's limited partnerships under control, are classified as "financial liabilities", as they are indirectly exchangeable into Units of the REIT on a one-for-one basis at any time at the option of the holder.

The Warrants are measured at fair value and presented as part of non-current liabilities in the statement of financial position, with changes in fair value recorded in the statement of comprehensive income. The fair value of the Warrants is determined with reference to the market price on the date of measurement. Upon exercise, the carrying amount of the liability representing the fair value of the Warrants on the exercise date will be reclassified to unitholders' equity. As of October 2014, the Warrants are traded on the TSX Venture exchange ("TSXV") under the symbol "PRV.WT".

Total Warrants outstanding as of November 25, 2015 was:

# of REIT purchase warrants	# of Class B LP warrants	Total
5,785,312	923,913	6,709,225

MANAGEMENT'S DISCUSSION AND ANALYSIS

Normal Course Issuer Bid ("NCIB")

Pursuant to a notice accepted by the TSXV, the REIT may, during the period commencing August 26, 2015 and ending August 25, 2016, purchase for cancellation, through the facilities of the TSXV and at the market price of the REIT's Units at the time of purchase, up to 1,411,832 Units, representing 5% of the REIT's issued and outstanding Units. The actual number of Units that may be purchased and the timing of any such purchases will be determined by the REIT, and will be made in accordance with the requirements of the TSXV. The REIT is making the NCIB because it believes that the market price of the Units does not always reflect their underlying value, and that purchasing Units for cancellation may from time to time be an appropriate use of available resources and in the best interests of the REIT. Unitholders can obtain a copy of the notice filed with TSXV, without charge, by contacting the REIT at 514-933-9552. For the nine month period ended September 30, 2015, the REIT did not repurchase any Units under the NCIB.

FINANCIAL INSTRUMENTS

The REIT does not acquire, hold or issue derivative financial instruments for trading purposes. The following table presents the classification, measurement subsequent to initial recognition, carrying values and fair values (where applicable) of financial assets and liabilities.

Classification	Measurement	Carrying Value September 30 2015	Fair Value September 30 2015
Loans and Receivables			
Cash (a)	Amortized cost	\$ 2,106	\$ 2,106
Receivables and other excluding prepaid expenses, deposits and other receivables (a)	Amortized cost	935	935
		\$ 3,041	\$ 3,041
Financial Liabilities Through Profit and Loss			
Class B LP Units	Fair value (L2)	\$ 7,606	\$ 7,606
Long-term incentive plan	Fair value (L2)	902	902
Warrants	Fair value (L1)	67	67
		\$ 8,575	\$ 8,575
Other Financial Liabilities			
Accounts payable and other liabilities (a)	Amortized cost	\$ 5,647	\$ 5,647
Credit facility (a)	Amortized cost	8,514	8,514
Distributions payable (a)	Amortized cost	597	597
Debt (b)	Amortized cost	114,109	114,109
		\$ 128,867	\$ 128,867

(a) Short-term financial instruments, comprising cash, accounts receivable, accounts payable and other liabilities, credit facility and distributions payable are carried at amortized cost which, due to their short-term nature, approximates their fair value.

(b) Long-term financial instruments consist of debt. The fair value of debt is based upon discounted future cash flows using discount rates, adjusted for the REIT's own credit risk, that reflect current market conditions for instruments with similar terms and risks. Such fair value estimates are not necessarily indicative of the amounts the REIT might pay or receive in actual market transactions.

The fair value of the Class B LP Units and long-term incentive plan are estimated based on the market trading prices of the Units (Level 2).

Off Balance Sheet Arrangements

The REIT had no off balance sheet arrangements.

PART V

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures over Financial Reporting

Management of the REIT, consisting of the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that (i) material information related to the REIT including its consolidated subsidiaries is made known to them by others particularly during the period in which interim filings are being prepared, and (ii) information required to be disclosed by the REIT in its annual filings, interim filings or other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported on a timely basis and within the time period specified by the securities legislation.

Internal Controls over Financial Reporting

As a result of the REIT's limited staffing levels, internal controls which rely on segregation of duties in many cases are not appropriate or possible. Due to resource constraints, the REIT does not have sufficient size and scale to warrant the hiring of additional staff to correct this potential weakness at this time. To help mitigate the impact of this potential weakness, the REIT is highly reliant on the performance of compensating procedures, management's review and approval, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the Board of Trustees. During the period, the REIT made no material changes to its systems of internal controls over financial reporting.

As a venture issuer, the REIT is not required to certify the design and evaluation of the REIT's disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), and as such has not completed such an evaluation. Unitholders should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In addition, ICFR cannot provide absolute assurance of achieving financial reporting objectives because of their inherent limitations. ICFR is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting in human failures. ICFR also can be circumvented by collusion or improper management override. Because of such limitations, there is risk that material misstatements may not be prevented or detected on a timely basis by ICFR. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

RISKS AND UNCERTAINTIES

The REIT is exposed to various risks and uncertainties which include, but are not limited to, the risks and uncertainties outlined below. Readers should also refer to the other risks and uncertainties discussed in the section entitled "Risk Factors" in the REIT's filings with securities regulatory authorities, including in its latest annual information form, which are available on SEDAR at www.sedar.com.

Real Property Ownership

All real property investments are subject to a degree of risk. Such investments are affected by general economic conditions, such as availability of long-term mortgage funds, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants.

Diversification Risk

The REIT's revenues will be sensitive to the ability of the REIT's key tenants to meet their rent obligations and the REIT's ability to collect rent from these tenants. Approximately 32% of GLA of the portfolio of properties of the REIT is comprised of single-tenant properties. In the event that such tenants were to terminate their tenancies or become insolvent, the REIT's financial results would be materially adversely affected. Until the REIT is in a position to acquire more assets and further diversify its tenant base, the REIT will take certain steps to mitigate any credit risk by closely monitoring its tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

The REIT has a limited number of tenants and therefore the amount of cash distributions to unitholders may be largely dependent on income derived from rent paid by such tenants. In the event that a key tenant defaults on or ceases to satisfy its payment obligations under its lease, the business, operating results, financial condition and distributions of the REIT could be adversely affected and there will be a negative effect on the REIT.

The REIT expects to generate the majority of its base rental revenue from its 10 largest tenants. Accordingly, revenue will be dependent on the ability of those tenants to meet rent payments. If any of the 10 largest tenants default on their rent obligations, the REIT's financial condition and operations could be adversely affected. Until the REIT is in a position to acquire more assets and further diversify its tenant base, the REIT will take certain steps to mitigate any credit risk by closely monitoring its tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. In certain cases and in certain jurisdictions, tenants may have the contractual or statutory right to terminate the leases prior to the expiration of their term, upon certain conditions. In the event that a lease was terminated prior to its term, the terms of any subsequent lease may be less favourable to the REIT than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as a lessor may be experienced and substantial costs in protecting the REIT's investment may be incurred. Furthermore, at any time, a tenant of any of the REIT's properties may

MANAGEMENT'S DISCUSSION AND ANALYSIS

seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the REIT. Costs may be incurred in making improvements or repairs required by a new tenant. The failure to rent unleased space on economically favourable lease terms on a timely basis or at all would likely have an adverse effect on the financial condition of the REIT.

Dependence on the Manager and Key Personnel

The REIT is dependent upon Labec Realty Advisors Inc. (the "Manager") for operational and administrative services relating to the REIT's business, pursuant to a management agreement entered into with the Manager (the "Management Agreement"). Should the Manager terminate the Management Agreement, the REIT may be required to engage the services of another external property and asset manager. The REIT may be unable to engage a property and asset manager on acceptable terms, in which case, the REIT's operations and cash available for distribution may be adversely affected. In addition, the success of the REIT is highly dependent on the services of certain key personnel, including in particular, James W. Beckerleg and Gordon G. Lawlor, the Manager's principals who are also the President and Chief Executive Officer and the Chief Financial Officer, respectively, of the REIT. There can be no assurances that the REIT, through the Manager, will be able to retain its existing key personnel, attract qualified executives or adequately fill new or replace existing senior management positions or vacancies created by expansion, turnover or otherwise. The loss of the services of any one or more of the REIT's key personnel or the inability to retain, attract or fill any such personnel or positions or vacancies could have an adverse effect on the REIT and adversely impact the REIT's financial condition and decrease the amount of cash available for distribution.

Fixed Costs

The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to unitholders. Certain significant expenditures, including property taxes, ground rent, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. Costs may also be incurred in making improvements or repairs to property required by a new tenant and income may be lost as a result of any prolonged delay in attracting suitable tenants to the vacant space.

The timing and amount of capital expenditures by the REIT will indirectly affect the amount of cash available for distribution to unitholders.

Financial Risks and Leverage

The REIT is subject to the risks associated with debt financing, including the risk that the REIT's cash flows will be insufficient to meet required payments of principal and interest, the risk that existing mortgages will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

If the REIT is unable to refinance its indebtedness on acceptable terms, or at all, it might be forced to dispose of one or more of its properties on disadvantageous terms, which might result in losses. Such losses could have a material adverse effect on the REIT's business, financial condition, results of operations or cash flows.

Furthermore, if a property is mortgaged to secure the payment of indebtedness and the REIT is unable to meet mortgage payments, the mortgagee could foreclose upon the property, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, all of which could result in lost revenues and asset value to the REIT.

The degree to which the REIT is leveraged could have important consequences to unitholders, including: (i) the REIT's ability to obtain additional financing for working capital in the future may be limited; (ii) a portion of the REIT's cash flow may be dedicated to the payment of the principal of, and interest on, its indebtedness, thereby reducing the amount of funds available for the payment of distributions to unitholders; and (iii) certain of the REIT's borrowings will be at variable rates of interest which exposes the REIT to the risk of increased interest rates. The REIT's ability to make scheduled payments of the principal of, or interest on, or to refinance, its indebtedness will depend on its future cash flow, which is subject to the financial performance of properties in the REIT's portfolio, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond the REIT's control. The credit facility of the REIT also contains covenants that require it to maintain certain financial ratios on a consolidated basis. If the REIT does not maintain such ratios, its ability to make distributions will be limited.

Liquidity of Real Property Investments

Real property investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the ability of the REIT to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT was to be required to liquidate its real property investments, the proceeds might be significantly less than the aggregate carrying value of such properties.

Current Global Capital Market Conditions

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation and the systematic impact of increased unemployment, volatile energy costs, geographical issues, the availability and cost of credit to the Canadian mortgage market and a distressed commercial real estate market have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect the REIT in various ways, some of which are:

- (a) Carrying value of properties – The current global market conditions could result in tenants not fulfilling their lease obligations, or not renewing their leases at the end of the lease term, or not paying their rent on time, and the REIT may experience longer than normal times in filling vacancies. These circumstances could result in an impairment in the carrying value of the properties which would affect reported income.
- (b) Tenants – The current global market conditions may result in certain tenants or classes of tenants or properties having above-normal business failures resulting in higher than normal vacancies or higher than normal amounts of uncollectible rents. A substantial portion of the REIT's costs are relatively fixed. Excessive vacancies or uncollectible rents could have an adverse effect on the REIT's and its subsidiaries operations and cash flows required to meet those fixed costs.
- (c) Unit price – The current global capital market conditions have resulted in significant reductions in the trading value of securities prices in the various stock markets. The current market conditions reduce the value of any securities issued as part consideration for acquisitions, and make it difficult to raise additional capital through public and/or private securities issues. The reduced availability of equity funding could reduce the REIT's ability to further grow and expand its operations.

Acquisition and Development

The REIT's external growth prospects depend in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. If the REIT is unable to manage its growth and integrate its acquisitions effectively, its business, operating results and financial condition could be adversely affected. While consistent with the REIT's strategy and in the normal course, the REIT is engaged in discussions with respect to possible acquisitions of properties, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms and timing of any acquisition would be.

The success of the acquisition activities of the REIT will be determined by numerous factors, including the ability of the REIT to identify suitable acquisition targets; to obtain adequate financing related to such acquisitions on reasonable terms, the level of competition for acquisition opportunities and the REIT's ability to obtain adequate purchase prices and terms; and, in turn, the ability to effectively integrate and operate the acquired properties and the financial performance of such properties after acquisition.

Acquired properties may not meet financial or operational expectations due to unexpected costs associated with acquiring the property, as well as the general investment risks inherent in any real estate investment or acquisition (see "Real Property Ownership"). Moreover, newly acquired properties may require significant management attention or capital expenditures that would otherwise be allocated to existing properties. Any failure by the REIT to identify suitable candidates for acquisition or to operate the acquired properties effectively may have a material adverse effect on the business, results of operations and financial condition of the REIT.

Acquisition and development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of the REIT. Representations and warranties given by such third parties to the REIT may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Moreover, properties acquired by the REIT may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

Potential Conflicts of Interest

Certain of the Trustees and executive officers of the REIT are also directors and officers of other entities, or are otherwise engaged, and will continue to be engaged, in activities that may put them in conflict with the business strategy of the REIT. Consequently, there exists the possibility for such Trustees and executive officers to be in a position of conflict. Pursuant to the Declaration of Trust, all decisions to be made by the Trustees which involve the REIT are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the REIT and the unitholders. In addition, the Trustees and officers of the REIT are required to declare their interests in, and such Trustees are required to refrain from voting on, any matter in which they may have a material conflict of interest.

In addition, Lotus Crux's continuing businesses may lead to conflicts of interest between Lotus Crux and its related parties and the REIT. The REIT may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the REIT than if it were dealing with a party that was not a significant holder of an interest in the REIT. The agreements that the REIT entered into with Lotus Crux and certain of its related parties may be amended upon agreement between the parties, subject to applicable laws and approval in certain cases of the

independent Trustees. Lotus Crux and its related parties are engaged in a wide range of real estate and other business activities and may be involved in real estate transactions that do not satisfy the REIT's investment criteria. Such transactions could include real estate transactions that are not accretive to AFFO per Unit, transactions which involve significant capital expenditure in order to reposition a property, and transactions which may be considered too small.

Significant Ownership by Lotus Crux

To the knowledge of the REIT, Lotus Crux and its related parties collectively hold an interest of approximately 13.4% in the REIT through ownership of, or the control or direction over, Units and Class B LP Units. For so long as Lotus Crux maintains a significant effective interest in the REIT, Lotus Crux benefits from certain contractual rights regarding the REIT, such as pre-emptive rights to maintain its pro rata ownership interest in the REIT and certain nomination rights. As a result, Lotus Crux may have the ability to influence certain matters affecting the REIT. Accordingly, the Units may be less liquid and worth less than they would if Lotus Crux did not have the ability to influence or determine matters affecting the REIT. Additionally, Lotus Crux's effective interest may discourage transactions involving a change of control of the REIT, including transactions in which an investor as a holder of Units might otherwise receive a premium for its Units over the then current market price. If Lotus Crux or any of its related parties sells Units in the public market, the market price of the Units could fall. The perception among the public that these sales will occur could also produce such effect.

Risks Associated with External Management Arrangements

At the end of the initial term and any five-year renewal term (if so renewed on mutual agreement) of the Management Agreement, there could be circumstances whereby the fees payable to the Manager under the Management Agreement to carry out its duties thereunder are in excess of those expenses that would be incurred by the REIT on an annual basis if management of the REIT was performed by individuals employed directly by the REIT rather than by the Manager under the Management Agreement but the Management Agreement may not be terminated by the REIT in accordance with the provisions of the agreement. Furthermore, there is a risk that, because of the term and termination provisions of the Management Agreement, the termination of such agreement may be uneconomical for the REIT and accordingly not in the best interest of the REIT.

There can be no assurance that the REIT will continue to have the benefit of the Manager's advisory services, including its executive officers, or that the Manager will continue to act as the property and asset manager of the REIT. If the Manager should cease for whatever reason to provide advisory services or be the property and asset manager of the REIT, the REIT may be unable to engage an asset manager and/or property manager on acceptable terms or the cost of obtaining substitute services, whether through an external manager or by internalizing its management, may be greater than the fees the REIT pays the Manager, and this may adversely impact the REIT's ability to meet its objectives and execute its strategy which could materially and adversely affect the REIT's cash flow, operating results and financial condition.

Competition

The real estate market in Canada is highly competitive and fragmented and the REIT will compete for real property acquisitions with individuals, corporations, institutions (Canadian and foreign) and other entities which are seeking or may seek real property investments similar to those desired by the REIT in the same targeted geographical market. An increase in the availability of investment funds or an increase in interest in immovable property investments may increase competition for immovable property investments, thereby increasing purchase prices and reducing the yield on them.

Numerous other developers, managers and owners of properties will compete with the REIT in seeking tenants. Some of the properties owned by the REIT's competitors are better located or less leveraged than the properties owned by the REIT. Some of the REIT's competitors are better capitalized and stronger financially and hence better able to withstand an economic downturn. The existence of competition for tenants could have an adverse effect on the ability of the REIT to lease space in its properties and on the rents charged or concessions granted, and could adversely affect the revenues of the REIT and its ability to meet its obligations and make cash distributions to its unitholders.

Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that the REIT may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Geographic Concentration

The REIT expects that its portfolio of income-producing properties will be concentrated in Quebec, Atlantic Canada, and Ontario with selective expansion into Alberta and British Columbia. Consequently, the market value of the REIT's properties and the income generated from them could be negatively affected by changes in local and regional economic conditions. These factors may differ from those affecting the real estate markets in other regions. If real estate conditions in those areas decline relative to real estate conditions in other regions, the REIT's cash flows,

operating results and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

General Uninsured Losses

The REIT carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, terrorism or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. The REIT has insurance for earthquake risks, subject to certain policy limits and deductibles, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the REIT would continue to be obliged to repay any recourse mortgage indebtedness on such properties. Claims against the REIT, regardless of their merit or eventual outcome, may have a material adverse effect on the ability of the REIT to attract tenants or expand its business and will require management to devote time to matters unrelated to the operations of the business.

Access to Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the REIT will have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, the REIT may not be able to borrow funds due to the limitations set forth in the Declaration of Trust. In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the re-valuation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. It is possible that financing which the REIT may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular property owned by the REIT or otherwise, may not be available or, if it is available, may not be available on favourable terms to the REIT. Failure by the REIT to access required capital could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. As well, the degree of leverage could affect the REIT's ability to obtain additional financing in the future.

Interest Rate Exposure

The assets and liabilities of the REIT may have fixed and floating interest rate components resulting in an exposure to interest rate fluctuations. Fluctuations in interest rates will have an impact on the earnings of the REIT. As a result of increased interest rates, the REIT's financial results and condition or operating results could be materially adversely affected. To the extent that the REIT fails to adequately manage these risks, its financial results, and its ability to pay distributions to unitholders and interest payments under its mortgages and its revolving credit facility and future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by banks, could have a material adverse effect on the REIT's ability to sell any of its properties in the future.

Environmental Matters

As an owner of interests in real property in Canada, the REIT is subject to various Canadian federal, provincial and municipal laws relating to environmental matters.

Under these laws, the REIT could be held liable for the costs, which may be significant, of removal or remediation of certain hazardous substances, wastes or other regulated substances present in buildings or released or deposited on, in or under its properties or disposed of at other locations. The presence and migration of such substances and the failure to remove or remediate such substances, if any, could adversely affect the REIT's ability to sell its real estate or to borrow using real estate as collateral, and could potentially also result in civil claims for damages, statutory prosecutions, administrative orders or other proceedings against the REIT and in a reduction of property value. Environmental laws and regulations can change rapidly and the REIT may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on its business, financial condition or results of operations.

The REIT's operating policy is to obtain a Phase I environmental site assessment report ("ESA report"), conducted by an independent and experienced environmental consultant, prior to acquiring a property and to have Phase II environmental site assessment work completed where recommended in a Phase I ESA report. Although such environmental site assessments would provide the REIT with some level of assurance about the condition of property, the REIT may become subject to liability for undetected contamination or other environmental conditions at its properties against which the REIT cannot insure, or against which the REIT may elect not to insure, which could negatively impact the REIT's financial condition and results of operations and decrease the amount of cash available for distributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The REIT is not aware of any material non-compliance with environmental laws at its properties, and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities or complaints by private parties in connection with its properties. The REIT intends to implement policies and procedures to assess, manage and monitor environmental conditions at its properties to manage exposure to liability. The REIT intends to make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on the REIT's business, financial condition or results of operation and decrease the amount of cash available for distribution.

Litigation Risk

In the normal course of the REIT's operations, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the REIT and as a result, could have a material adverse effect on the REIT's assets, liabilities, business, financial condition and results of operations. Even if the REIT prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from the REIT's business operations, which could adversely affect its financial condition.

Potential Undisclosed Liabilities

The REIT may acquire properties that are subject to existing liabilities, some of which may be unknown at the time of the acquisition or which the REIT may fail to uncover in its due diligence. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by customers, vendors or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), tax liabilities, and accrued but unpaid liabilities incurred in the ordinary course of business. While in some instances the REIT may have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the REIT may not have recourse to the vendor of the properties for any of these liabilities.

Indexation for Inflation and Duration of Lease Contracts

The fixed rents in the lease contracts for the properties of the REIT do not normally provide for adjustments following a general change in prices. As a result, the REIT's revenues adjusted for inflation could be materially adversely affected from an unexpected rise in inflation. The lease contracts typically have terms of up to five years with an option to extend at the sole discretion of the tenant for two to three renewal periods of typically five years, which is shorter than contracts in other markets of where the REIT operates and its revenues might be less stable as a result of contracts that are not promptly renewed. If contracts are not renewed and if the REIT is unable to find new tenants, this could have a materially adverse effect on the business, operating results or financial condition of the REIT.

Limit on Activities

In order to maintain its status as a "mutual fund trust" under the Income Tax Act (Canada), the REIT cannot carry on most active business activities and is limited in these types of investments it may make. The Declaration of Trust contains restrictions to this effect.

Volatile Market Price for Units

The market price for Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the REIT's control, including the following: (i) actual or anticipated fluctuations in the REIT's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the REIT; (iv) addition or departure of the REIT's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Units; (vi) sales or perceived sales of additional Units; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors; and (viii) news reports relating to trends, concerns, competitive developments, regulatory changes and other related issues in the REIT's industry or target markets.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the REIT's securities may decline even if the REIT's operating results, underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the REIT's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the REIT's securities by those institutions, which could adversely affect the trading price of the REIT's securities. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the REIT's operations could be adversely impacted and the trading price of the REIT's securities may be adversely affected.

Cash Distributions Are Not Guaranteed

The REIT does not have a fixed obligation to make payments to holders of Units and does not promise to return the initial purchase price of a Unit. There can be no assurance regarding the amount of income to be generated by the REIT's properties and future financial performance of the REIT may not meet its future plans or budgets. Distributions made to holders of Units and holders of Class B LP Units, may exceed actual cash available to the REIT from time to time. Although the REIT intends to make cash distributions to unitholders, these cash distributions may be reduced or suspended. The ability of the REIT to make cash distributions and the actual amount distributed are entirely dependent on the operations and assets of the REIT and its subsidiaries, and are subject to various factors including financial performance, obligations under applicable credit facilities, the sustainability of income derived from anchor tenants and capital expenditure requirements. Cash available to the REIT to fund distributions may be limited from time to time because of such items as principal repayments, tenants' allowances, leasing commissions, capital expenditures and redemptions of Units, if any. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. The market value of the Units will deteriorate if the REIT is unable to continue its distribution levels in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors.

Restrictions on Redemptions

It is anticipated that the redemption right described in the latest annual information form of the REIT under "Description of the Trust and Description of the Units - Redemption Right" will not be the primary mechanism for unitholders to liquidate their investments. The entitlement of unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on a stock exchange or traded or quoted on another market which the trustees consider, in their sole discretion, provides fair market value prices for the Units; (iii) the trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the redemption date for more than five trading days during the 10 day trading period commencing immediately after the redemption date; and (iv) the redemption of all of the Units shall not result in the delisting of the Units from the principal stock exchange on which the Units are listed.

Subordination of the Units

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of its indebtedness and its trade creditors will generally be entitled to payment of their claims from the assets of the REIT and its subsidiaries before any assets are made available for distribution to the REIT or its unitholders. The Units are subordinated to the debt and other obligations of the REIT and its subsidiaries. The REIT's subsidiaries generate all of the REIT's revenue available for distribution and hold substantially all of the REIT's operating assets.

Tax Related Risk Factors

As of the date hereof, management of the REIT believes the REIT qualifies as a mutual fund trust for income tax purposes. If the REIT were not to so qualify, the consequences could be material and adverse.

The Income Tax Act (Canada) (the "Tax Act") contains rules applicable to "SIFT trusts" and "SIFT partnerships" (each as defined in the Tax Act) (the "SIFT Rules") which tax certain publicly traded or listed trusts in a manner similar to Canadian public corporations and treat certain distributions from such trusts as taxable dividends from a taxable Canadian corporation. The SIFT Rules are not applicable to a real estate investment trust that qualifies for the REIT Exception (the exclusion from the definition of "SIFT trust" in the Tax Act, for a trust qualifying as a "real estate investment trust" as defined in subsection 122.1(1) of the Tax Act).

The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. As of the date hereof, management of the REIT believes that the REIT has met the requirements of the REIT Exception from the time of its inception to the date hereof and will continue to meet such requirements throughout 2015 and future years. However, there can be no assurance that the REIT will be able to qualify for the REIT Exception such that the REIT and the unitholders will not be subject to the tax imposed by the SIFT Rules in 2015 or future years.

The likely effect of the SIFT Rules on the market for Units, and on the REIT's ability to finance future acquisitions through the issue of Units or other securities is unclear. If the SIFT Rules apply to the REIT, they may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.

Nature of Investment

A holder of a Unit or a Class B LP Unit does not hold a share of a corporate body. Unitholders or holders of Class B LP Units do not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or

"derivative" actions. The rights of holders of Units and Class B LP Units are based primarily on the Declaration of Trust and the limited partnership agreement of PRLP, respectively. There is no statute governing the affairs of the REIT or PRLP equivalent to the Business Corporations Act (Ontario) which sets out the rights and entitlements of shareholders of corporations in various circumstances. Neither the Units nor the Class B LP Units are "deposits" within the meaning of the Canada Deposit Insurance Corporation Act, nor will they be insured under the provisions of that statute or any other legislation. Furthermore, the REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Unitholder Liability

The Declaration of Trust provides that no holder of Units or annuitant or beneficiary of a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan, each as defined in the Income Tax Act (Canada), or of any plan of which a holder of Units acts as a trustee or a carrier (an "annuitant") will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any holder of Units or annuitant for any liability whatsoever, whether constituting extracontractual or contractual liability or arising in tort, contract or otherwise, to any person in connection with the REIT property or the affairs of the REIT, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the REIT or of the Trustees or any obligation which a holder of Units or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such ("Trust Liability"). Only the assets of the REIT are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each holder of Units and annuitant will be entitled to be reimbursed out of the assets of the REIT in respect of any payment of such Trust Liability made by such holder of Units or annuitant.

The Declaration of Trust further provides that the Trustees shall cause the operations of the REIT to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine practicable and consistent with their fiduciary duty to act in the best interests of the holders of Units, any material risk of liability on the holders of Units for claims against the REIT, and shall, to the extent available on terms which they determine to be practicable, including the cost of premiums, cause the insurance carried by the REIT, to the extent applicable, to cover the holders of Units and annuitants as additional insured. Any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage and, to the extent the Trustees determine it to be practicable and consistent with their fiduciary duties to act in the best interest of the holders of Units, any written instrument which is a material obligation, shall contain a provision that the obligation created is not personally binding upon the Trustees, the holders of Units or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound. Except in case of bad faith or gross negligence on their part, no personal liability will attach under the laws of the Province of Ontario to unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

However, in conducting its affairs, the REIT will be acquiring immovable property investments, subject to existing contractual obligations, including obligations under hypothecs, mortgages and leases. The Trustees will use commercially reasonable efforts to have any such obligations, other than leases, modified so as not to have such obligations binding upon any of the unitholders or annuitants personally. However, the REIT may not be able to obtain such modification in all cases. If a claim is not satisfied by the REIT, there is a risk that a unitholder or annuitant will be held personally liable for the performance of the obligations of the REIT where the liability is not disavowed as described above. The possibility of any personal liability attaching to unitholders or annuitants under the laws of the Province of Ontario for contract claims where the liability is not so disavowed is remote.

Liability of Holders of Class B LP Units

Holders of Class B LP Units may lose their limited liability in certain circumstances, including by taking part in the control or management of the business of PRLP. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province but carrying on business in another province have not been authoritatively established. If limited liability is lost, there is a risk that holders of Class B LP Units may be liable beyond their contribution of capital and share of undistributed net income of PRLP in the event of judgment on a claim in an amount exceeding the sum of the net assets of PRGP and the net assets of PRLP. Holders of Class B LP Units remain liable to return to PRLP for such part of any amount distributed to them as may be necessary to restore the capital of PRLP to the amount existing before such distribution if, as a result of any such distribution, the capital of PRLP is reduced and PRLP is unable to pay its debts as they become due.

Dilution

The number of Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Units from time to time. Any issuance of Units, including Units issued in consideration for properties acquired by the REIT and grants under the long-term incentive plan, will have a dilutive effect on existing unitholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Change of Tax Laws

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the REIT or its affiliates or the administrative and assessing practices and policies of the Canada Revenue Agency or the Minister of Finance (Canada) will not change in a manner that adversely affects the REIT, its affiliates or unitholders. Any such change could affect the REIT's eligibility for the REIT Exception, increase the amount of tax payable by the REIT or its affiliates, or otherwise adversely affect unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to unitholders in respect of such distributions.

CRITICAL ACCOUNTING ESTIMATES

In the process of applying the REIT's accounting policies, management has made the following estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

- (i) Valuation of investment properties – Investment properties are presented at fair value at the reporting date. Currently, any change in fair value is determined by management and by independent real estate valuation experts using recognized valuation techniques. The techniques used by management and by independent real estate valuation experts comprise of the discounted cash flow and direct capitalization methods of valuation and includes estimating, among other things, capitalization rates and future net operating income and discount rates and future cash flows applicable to investment properties, respectively.
- (ii) Fair value of financial instruments – Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques included the discounted cash flow model. Inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of financial instruments.

FUTURE CHANGES IN ACCOUNTING POLICIES

The future changes in accounting policies and future applicable accounting standards are discussed in the REIT's condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2015 and the notes contained therein.

RELATED PARTY TRANSACTIONS

The REIT engaged the Manager to perform certain services as outlined under the Management Agreement. The Manager is controlled by the President and Chief Executive Officer and Chief Financial Officer of the REIT.

The total amount due to the Manager at September 30, 2015 was \$357 (December 31, 2014 - \$110).

In connection with the services provided by the Manager under the Management Agreement, the following amounts will be payable to the Manager, in cash:

- (a) an annual advisory fee payable quarterly, equal to 0.25% of the Adjusted Cost Base of REIT's assets, prorated to take into account any acquisitions or dispositions during any monthly period, where "Adjusted Cost Base" means the book value of the assets of the REIT, as shown on its most recent consolidated statement of financial position, plus the amount of accumulated depreciation and amortization shown thereon, less cash raised by REIT in equity issues which is not yet invested in properties or other assets.

For the three and nine month periods ended September 30, 2015, the costs of these services amounted to \$103 and \$259 respectively (\$38 and \$113 respectively for the three and nine month periods ended September 30, 2014).

- (b) an acquisition fee equal to (i) 1.00% of the purchase price paid by the REIT for the purchase of a property, on the first \$100,000 of properties acquired in each fiscal year; (ii) 0.75% of the purchase price paid by the REIT for the purchase price of a property on the next \$100,000 of properties acquired in each fiscal year, and (iii) 0.50% of the purchase price paid by the REIT for the purchase of a property, on properties in excess of \$200,000 acquired in each fiscal year.

For the three and nine month periods ended September 30, 2015, the costs of these services amounted to \$184 and \$587 respectively (\$Nil for the three and nine month periods ended September 30, 2014).

- (c) a property management fee equal to the then applicable market rate for property management services when such services are not otherwise delegated or subcontracted to third parties.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine month periods ended September 30, 2015, the costs of these services amounted to \$8 and \$18 respectively (\$Nil for the three and nine month periods ended September 30, 2014).

During the three and nine month periods ended September 30, 2015, the REIT reimbursed the Manager approximately \$15 and \$47 respectively for out-of-pocket expenses for services directly related to property acquisitions of the REIT (\$Nil for the three and nine month periods ended September 30, 2014).

On September 30, 2014, the REIT entered into a strategic investment agreement (the "Strategic Investment Agreement") with Lotus Crux Acquisition LP ("Lotus Crux Acquisition"). Pursuant to the Strategic Investment Agreement, Lotus Crux Acquisition will receive a fee of 0.875% of the purchase cost from the REIT on acquisitions of certain properties owned by Lotus Crux Acquisition or related parties. Lotus Crux Acquisition LP and its related parties have an effective interest in the REIT.

Fees of approximately \$Nil and \$158 were paid in the three and nine month periods ended September 30, 2015 (\$Nil for the three and nine month periods ended September 30, 2014).

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY OF QUARTERLY RESULTS

<i>(CAD \$ thousands except unit, per unit amounts and as otherwise stated)</i>	3 Months Ended Sept 30 2015	3 Months Ended Jun 30 2015	3 Months Ended Mar 31 2015	3 Months Ended Dec 31 2014	3 Months Ended Sept 30 2014	3 Months Ended June 30 2014	3 Months Ended Mar 31 2014	3 Months Ended Dec 31 2013
Property revenue	\$ 4,878	\$ 3,854	\$ 3,900	\$ 3,429	\$ 1,877	\$ 2,011	\$ 1,872	\$ 687
Property operating expenses	1,816	1,441	1,539	1,240	668	821	702	178
Net operating income (NOI)	3,062	2,413	2,361	2,189	1,209	1,190	1,170	509
General and administrative expenses	238	236	192	205	124	113	89	95
Long-term incentive plan expense	185	109	(22)	130	127	97	92	58
Depreciation of property and equipment	7	6	6	6	6	6	6	6
Interest and financing costs	1,138	914	911	849	550	546	532	299
Distributions – Class B LP Units	203	223	239	252	175	176	175	66
Fair value adjustment – Class B LP Units	(425)	(571)	230	(478)	167	334	(1,002)	(176)
Fair value adjustment - investment	917	(380)	796	(2,399)	51	69	44	(5,253)
Fair value adjustment - Warrants	200	167	(100)	(420)	-	-	-	-
Write-off of deferred acquisition costs	-	-	68	-	-	3	-	92
Net comprehensive income (loss)	\$ 999	\$ 1,709	\$ 41	\$ 4,044	\$ 9	\$ (154)	\$ 1,234	\$ 5,322
Debt to Gross Book Value	60.84%	58.68%	58.57%	59.50%	44.15%	58.80%	58.53%	58.90%
FFO	\$ 1,501	\$ 1,154	\$ 1,212	\$ 1,005	\$ 408	\$ 431	\$ 457	\$ (35)
AFFO	\$ 1,736	\$ 1,329	\$ 1,330	\$ 1,192	\$ 575	\$ 576	\$ 601	\$ 136
Basic FFO per unit ⁽¹⁾	\$ 0.0467	\$ 0.0448	\$ 0.0508	\$ 0.0428	\$ 0.0385	\$ 0.0411	\$ 0.0436	\$(0.0062)
Diluted FFO per unit ⁽¹⁾	\$ 0.0457	\$ 0.0438	\$ 0.0500	\$ 0.0422	\$ 0.0374	\$ 0.0398	\$ 0.0426	\$(0.0062)
Basic AFFO per unit ⁽¹⁾	\$ 0.0540	\$ 0.0516	\$ 0.0558	\$ 0.0507	\$ 0.0542	\$ 0.0549	\$ 0.0574	\$ 0.0242
Diluted AFFO per unit ⁽¹⁾	\$ 0.0529	\$ 0.0505	\$ 0.0548	\$ 0.0501	\$ 0.0527	\$ 0.0531	\$ 0.0561	\$ 0.0235
AFFO payout ratio – Basic ⁽²⁾	97.2% ⁽⁶⁾	101.8% ⁽⁵⁾	94.1%	103.5% ⁽⁴⁾	96.8% ⁽³⁾	95.7%	91.4%	N/A
AFFO payout ratio – Diluted ⁽²⁾	99.3%	104.0%	95.7%	104.9%	99.6%	98.8%	93.6%	N/A
Number of commercial properties	32	29	22	23	9	9	9	9
Gross leasable area (square feet)	1,667,491	1,431,296	1,014,561	1,044,095	396,737	396,737	396,737	396,737
Occupancy rate	95.8%	95.9%	92.9%	93.1%	89.5%	89.5%	89.5%	89.5%
Weighted average lease term to maturity	6.7	7.2	7.5	7.6	6.8	7.2	6.7	6.9

⁽¹⁾ FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted number of basic or diluted Units, added to the weighted average number of Class B LP Units outstanding during the period.

⁽²⁾ The REITs first cash distribution declared was for the period of November 26, 2013 to December 31, 2013.

⁽³⁾ The REIT declared distributions payable of \$0.0175 per Unit on the 11,459,000 Units issued September 30, 2014 in connection with the Offering and Concurrent Private Placement. These Units were issued to partially finance the acquisition of 14 properties which closed in October 2014. As such the incremental AFFO from these properties is absent for the period of September 1, 2014 to the date of acquisition of the properties (mid-October 2014) (see "Summary of Significant Events" section). On a pro-forma basis, if no distributions were paid on these newly issued Units in September 2014, the AFFO payout ratio would have been approximately 95.7%.

⁽⁴⁾ On a pro-forma basis, if the 14 properties were acquired at the beginning of the fourth quarter and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 9 properties, the pro forma AFFO payout ratio would have been approximately 96% for three month period ended December 31, 2014.

⁽⁵⁾ On a pro-forma basis, if the 7 properties were acquired the same day as the closing of the June 9, 2015 offering and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 22 properties, the pro forma AFFO payout ratio would have been approximately 94% for three and six month periods ended June 30, 2015.

⁽⁶⁾ On a pro-forma basis, if the 3 properties acquired September 30, 2015 contributed a full month of AFFO and the maintenance capital expenditures and stabilized leasing costs were comparable to the other 29 properties, the pro forma AFFO payout ratio would have been approximately 94% for three and nine month periods ended September 30, 2015.