



ANNUAL INFORMATION FORM

For the year ended December 31, 2017

March 6, 2018

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ANNUAL INFORMATION FORM

CERTAIN REFERENCES

In this annual information form (“AIF” or “Annual Information Form”), references to the Trust refer to Pure Industrial Real Estate Trust either alone or together with its subsidiaries, as the context requires.

FORWARD-LOOKING INFORMATION

This AIF contains forward-looking information. Statements other than statements of historical fact contained in this AIF may be forward-looking information. 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”, “plans”, or “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 Trust’s objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the estimates or predictions of actions of customers, competitors or regulatory authorities, and statements regarding the Trust’s future economic performance.

In particular, certain statements in this document discuss the Trust’s anticipated future events. These statements may include, but are not limited to:

- (i) the accretive acquisition of properties and the anticipated extent of the accretion of any acquisitions, which could be impacted by demand for properties and the effect that demand has on acquisition capitalization rates and changes in the cost of capital;
- (ii) the maintaining of occupancy levels and rental revenue, which could be impacted by changes in demand for the Trust’s properties, tenant bankruptcies, the effects of general economic conditions and availability of competitive locations in proximity to the Trust’s locations;
- (iii) the overall indebtedness levels, which could be impacted by the level of acquisition activity the Trust is able to achieve and future financing opportunities;
- (iv) the tax-exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
- (v) the anticipated distributions and payout ratios, which could be impacted by capital expenditures, leasing costs, results of operations and capital resource allocation decisions;
- (vi) the anticipated replacement of expiring tenancies, which could be impacted by the effects of general economic conditions and the availability of competitive locations;
- (vii) the expected closing of Blackstone’s acquisition of the Trust pursuant to an arrangement agreement (the “Arrangement Agreement”) in which Blackstone will acquire all of the outstanding Units of the Trust (see “Recent Events”)

Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results. Those risks and uncertainties include, among other things, risks related to: general economic conditions; unit prices; liquidity; credit risk and tenant concentration; interest rate and other debt related risk; tax risk; ability to access capital markets; lease rollover risk; competition for real property investments; environmental matters; changes in legislation and indebtedness of the Trust; and the completion of the Transaction (defined herein), including completion of the conditions precedent thereto. Management believes that the expectations reflected in forward-looking statements are

based upon reasonable assumptions and information currently available which include, management's current expectations, estimates and assumptions that: the proposed acquisitions will be completed on the terms and basis agreed to by the Trust, property acquisition and disposition prospects and opportunities will be consistent with the Trust's experience over the past 12 months, the industrial real estate market in Canada and the United States will remain stable, the global economic environment will remain stable, interest rates will remain at current levels, and the Trust's business strategy, plans, outlook, projections, targets and operating costs will be consistent with the Trust's experience over the past 12 months, the Trust will be able to maintain occupancy at current levels, the Trust's key tenants will not default on lease terms, governmental regulations and taxation will not change to adversely affect the Trust's business and financial results, the Trust will be able to obtain adequate insurance and financing, and the Trust will be able to obtain the required court, regulatory and Unitholder approvals required pursuant to the Arrangement Agreement; however, management can give no assurance that actual results will be consistent with these forward-looking statements.

Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Trust, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Forward-looking statements do not take into account the effect of transactions or other items announced or occurring after the statements are made. For example, they do not include the effect of dispositions, acquisitions, other business transactions, asset write-downs or other charges announced or occurring after the forward-looking statements are made. The forward-looking information contained in this AIF is expressly qualified in its entirety by these cautionary statements. All forward-looking information in this AIF is as of March 6, 2017, the date of this AIF. The Trust does not undertake any obligation to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. For more information about the risk factors that could cause the Trust's actual results to differ from current expectations, see "Risk Factors".

NOTE REGARDING FINANCIAL INFORMATION

This AIF should be read in conjunction with the Trust's management's discussion and analysis of the results of operations and financial condition and audited consolidated financial statements and the notes thereto, available on SEDAR at www.sedar.com. Unless otherwise indicated, the statistical and financial data contained in this AIF are presented as at December 31, 2017.

Unless otherwise indicated, all references in this AIF to "\$" or "dollars" are to Canadian dollars, which is the Trust's functional currency. The fiscal year end of all entities within the corporate structure of the Trust is December 31. The Trust's financial statements are prepared in accordance with IFRS.

NON-IFRS MEASURES

In addition to financial measures prescribed by International Financial Reporting Standards ("IFRS"), certain non-IFRS measures are used in this AIF. FFO, AFFO and capitalization rate are presented in this AIF because the Trust believes that these non-IFRS measure are a relevant measure of its ability to earn and distribute cash returns to Unitholders. FFO, AFFO and capitalization rate as computed by the Trust may differ from similar computations as reported by other similar business entities and, accordingly, may not be comparable to FFO, AFFO and capitalization rate as reported by such business entities. For a complete description of FFO, AFFO and capitalization rate, see the definition of each under "Glossary of Terms".

DATE OF INFORMATION

The information in this AIF is presented as of December 31, 2017, unless otherwise indicated.

GLOSSARY OF TERMS

Certain terms and abbreviations used in this AIF are defined below.

“AB & MB Portfolio” means, collectively, the three single-tenant industrial properties comprising an aggregate of 191,830 square feet (“sf”) of GLA located at: 28084 & 28234 Acheson Road, Acheson, Alberta; 260032 Range Road 291, Balzac, Alberta; and 1436 Chevrier Boulevard, Winnipeg, Manitoba;

“AFFO” means “Adjusted Funds From Operations”. AFFO is a non-IFRS measure and is not defined under IFRS. The Trust calculates AFFO in accordance with the recommendations of the Real Property Association of Canada (“REALpac”) White Paper on FFO and AFFO. AFFO is defined as FFO plus/minus certain adjustments, including: (i) accrued rental revenue relating to straight-line rents; and (ii) recoverable and non-recoverable capital expenditures (including leasing commissions, tenant improvements & allowances), and all are adjusted for non-controlling interests.

“Affiliate or Associate” means, where used to indicate a relationship with any person;

- (i) a partner, other than a limited partner, of that person;
- (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;
- (iii) an entity in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the entity; or
- (iv) a relative, including the spouse, of that person or a relative of that person’s spouse, where the relative has the same home as that person, and for the purpose of this definition “spouse” includes a man or woman not married to that person but who is living with that person and has lived with that person as husband or wife for a period of not less than 6 months;

“Alberta Acquisition” means, collectively, eight properties comprising of 1,183,852 sf of GLA, located in the Province of Alberta: 27650 – 108 Avenue, Acheson; 10971 – 274 Street, Acheson; 12810 – 170 Street NW, Edmonton; 304 – 69 Avenue NW, Edmonton; 8220 Davies Road, Edmonton; 4600 – 99t Street NW, Edmonton; 10905 48 Street, Calgary; and 3905 – 29 Street NE, Calgary;

“Atlanta Acquisition” means a single property comprising of 800,000 sf of GLA, located in Atlanta, Georgia, and leased to DHL;

“April 2017 Offering” means the Trust’s bought deal offering completed on April 5, 2017 of 23,977,500 Class A Units, inclusive of 3,127,500 Class A Units issued pursuant to the exercise of the over-allotment option, at a price of \$6.00 per Class A Unit for gross proceeds of \$143,865,500;

“August 2017 Offering” means the Trust’s bought deal offering completed on August 3, 2017 of 35,937,500 Class A Units, inclusive of 4,687,500 Class A Units issued pursuant to the exercise of the over-allotment option, at a price of \$6.40 per Class A Unit for gross proceeds of \$230,000,000;

“Brampton Acquisition” means a single property comprising of 764,182 sf of GLA, located in Brampton, Ontario, and leased to Kellogg Canada;

“Canada Three-Year Yield” on any date means the yield to maturity on such date (expressed as a percentage), assuming semi-annual compounding, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity of approximately three years, which Canada Three-Year Yield shall be determined by a major Canadian investment dealer selected by the Trustees;

“Capitalization rate” is a non-IFRS measure and is not defined by IFRS. Capitalization rate means the NOI relative to the value of an investment property;

“Class A Unit” or “Unit” means a Class A Unit of beneficial interest in the Trust (other than, on a historical basis, a Class B Unit), issued pursuant to the terms of the Trust Declaration;

“Class B Unit” means a Class B Unit of beneficial interest in the Trust, issued pursuant to the terms of the Trust Declaration;

“Class B Unitholder” means a person holding a Class B Unit;

“Dallas Acquisition” means a single multi-tenant property comprising of 758,922 sf of GLA, located in Wilmer, Texas, a suburb of Dallas;

“Dallas Land Acquisition” means a single 84.7 acre parcel of land, located in Wilmer, Texas, a suburb of Dallas;

“Debt Securities” means debt securities of any subsidiary of the Trust that may be created and issued from time to time that are subordinated and unsecured, have a maturity of three years or less, are prepayable at any time at the option of the issuer prior to maturity, and pay an annual rate of interest equal to the Canada Three-Year Yield, payable monthly in arrears;

“DHL Atlanta Acquisition” means a single property comprising of 800,000 sf of GLA, located at 201 Greenwood Court, McDonough, a suburb of Atlanta, Georgia, and leased to DHL Supply Chain;

“FFO” means “Funds From Operations”. “FFO” is a non-IFRS measure and is not defined under IFRS. The Trust calculates FFO in accordance with the recommendations of the REALpac White Paper on FFO and AFFO. FFO is defined as net earnings or losses attributable to common unitholders calculated in accordance with IFRS, excluding: (i) unrealized foreign currency gains or losses; (ii) fair value adjustments to investment properties; (iii) fair value adjustments to financial instruments; (iv) gains or losses on the sale of investment properties; (v) deferred income tax expense; (vi) fair value adjustments relating to unit-based compensation liabilities; and (vii) the addition of internal leasing costs expensed through compensation expense, and all of the above are adjusted for non-controlling interests;

“Fort Worth I Acquisition” means a single multi-tenant property comprising of 301,500 sf of GLA, located in Fort Worth, Texas, and leased to Ecolab Inc. and PODS Enterprise;

“GLA” means gross leasable area;

“Gross Book Value” means, at any time, the book value of the assets of the Trust and its subsidiaries, as shown on its then most recent balance sheet, plus the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust shown thereon or in the notes thereto, or if approved by a majority of the Trustees at any time, the appraised value of the assets of the Trust and its subsidiaries may be used instead of book value;

“GTA” means the Greater Toronto Area;

“GTA Development” means a single property, located in Scarborough, Ontario, to develop an approximately 300,000 sf state-of-the-art distribution facility;

“GTA East Acquisition” means, collectively, a property comprising of 190,000 sf of GLA, and an adjacent 4.5 acre parcel of land, located in Pickering, Ontario, and leased to TOYS “R” US (Canada);

“Going-private transaction” means an arrangement, consolidation or other transaction involving the Trust, other than a take-over bid pursuant to the Trust Declaration, that results in the interest of a holder of participating securities of the Trust being terminated without the consent of the holder and without the substitution of an interest of equivalent value in participating securities of the Trust or of a person that succeeds to the business of the Trust, which participating securities have rights and privileges that are equal to or greater than the affected participating securities;

“Houston Acquisition” means the Cedar Port Distribution Centre located in Houston, Texas, consisting of two newly-constructed buildings comprising of 996,482 sf GLA, and leased to IKEA Distribution Services Inc.;

“IFRS” means the International Financial Reporting Standards as published and amended from time to time by the International Accounting Standards Board;

“Independent Trustee” means a Trustee who, in relation to the Trust, is “independent” within the meaning of *National Instrument 52-110 – Audit Committees* and is not “related” within the meaning of the Tax Act, as replaced or amended from time to time;

“June 2016 Offering” means the Trust’s bought deal offering completed on June 15, 2016 of 29,670,000 Class A Units, inclusive of 3,870,000 Class A Units issued pursuant to the exercise of the over-allotment option, at a price of \$5.05 per Class A Unit for gross proceeds of \$149,833,500;

“King Mill II Acquisition” means a property with a newly-constructed distribution centre, comprising of 760,256 sf of GLA, located in McDonough, Georgia, and vacant;

“Market Capitalization” means the 20 day weighted average market price of the Class A Units on the principal market on which the Class A Units are quoted for trading multiplied by the aggregate number of outstanding Class A Units;

“Mississauga and Montreal Acquisition” means, collectively, four properties comprising of 463,623 sf of GLA, located in the Provinces of Ontario and Quebec: 5425 Dixie Road, Mississauga, Ontario; 5200 Maingate Drive, Mississauga, Ontario; 3333 Joseph Dubreuil Street, Montreal, Quebec; and 2355 – 32nd Avenue, Montreal, Quebec;

“NI 52-110” means National Instrument 52-110 – *Audit Committees*, as amended from time to time;

“Non-Resident” means a person who is not resident in Canada for the purposes of the Tax Act;

“North Carolina Portfolio” means collectively, a multi-tenant and two single-tenant industrial properties comprising an aggregate of 1,326,037 sf of GLA located at: 6104 and 6105 Corporate Park Drive, Greensborough, North Carolina, and 3928 Westpoint Boulevard, Winston-Salem, North Carolina;

“October 2016 Offering” means the Trust’s bought deal offering completed on October 13, 2016 of 26,875,000 Class A Units, inclusive of 3,505,500 Class A Units issued pursuant to the exercise of the over-allotment option, at a price of \$5.35 per Class A Unit for gross proceeds of \$143,783,925;

“participating securities” means securities that give the holder of the securities a right to share in the earnings of the person that issued the securities and after the liquidation, dissolution, or winding up of the person that issued the securities or, in the case of the Trust, upon the termination of the Trust, a right to share in its assets. For greater certainty, participating securities includes the Units;

“Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and, deferred profit sharing plans, registered disability savings plans, and tax-free savings accounts, each as defined in the Tax Act, and trusts governed by any other tax deferred plans as may be permitted in accordance with the Tax Act from time to time, and **“Plan”** means any of them;

“PUD” means a property under development;

“REIT” means a real estate investment trust as defined in the Tax Act;

“REIT Exception” means the rules set out in the Tax Act pursuant to which certain trusts qualify as “real estate investment trusts”;

“Resident” means an individual who is a resident of Canada for the purposes of the Tax Act;

“Richmond Acquisition” means a single property comprising of 268,226 sf of GLA, located in Richmond, British Columbia, and leased to EuroAsia;

"SIFT Measures" means the amendments to the Tax Act implemented by Bill C-52, which came into force on June 22, 2007 and which changed the Canadian federal income taxation of publicly-listed or traded trusts and partnerships and their investors;

"Special Resolution" means a resolution approved by not less than 66²/₃% of the votes cast by those Unitholders who vote in person or by proxy at a duly convened meeting of Unitholders, or a written resolution signed by Unitholders entitled, in the aggregate, to not less than 66²/₃% of the aggregate number of votes of the Unitholders;

"Sunstone Industrial" means, collectively, Sunstone Industrial Investments Inc., a closely-held British Columbia company, and selected employees of Sunstone Realty Advisors Inc., which collectively were the Class B Unitholder;

"Sunstone Management" means Sunstone Industrial Advisors Inc., a closely-held British Columbia company;

"Sunstone Realty" means Sunstone Realty Advisors Inc., a closely-held British Columbia company;

"Tax Act" means the *Income Tax Act* (Canada), as amended or proposed to be amended from time to time;

"Taxation Year" means the taxation year of the Trust for the purposes of the Tax Act;

"Texas Land Acquisition" means a single 16 acre parcel of land, located in San Antonio, Texas;

"Trust" or **"the Trust"** means Pure Industrial Real Estate Trust, an open-ended investment trust established pursuant to the laws of the Province of British Columbia and governed by the Trust Declaration;

"Trust Declaration" means the declaration of trust dated as of June 24, 2007, as amended and restated November 18, 2010, May 28, 2015, and May 10, 2017, governed by the laws of the Province of British Columbia, as the same may be amended, supplemented or varied from time to time;

"Trust Notes" means notes of the Trust issued that are subordinated and unsecured, have a maturity of three years or less, are prepayable at any time at the Trust's option prior to maturity, and pay an annual rate of interest equal to the Canada Three-Year Yield, payable monthly in arrears;

"Trustees" means the trustees of the Trust holding office under and in accordance with the Trust Declaration from time to time and **"Trustee"** means any one of them;

"Trust Unit" means a Class A Unit or historically, a Class B Unit, as applicable;

"Trust U.S." means collectively, the Trust's subsidiary, PIRET USA Inc. and its subsidiary U.S. limited liability companies and partnerships;

"TSX" means the Toronto Stock Exchange;

"Unitholder" means a holder of record of any Class A Unit or historically, Class B Unit, as applicable;

"Unsecured Credit Facility" means the Trust's \$150,000,000 revolving operating loan facility. The Unsecured Credit Facility has a three-year term and matures on April 12, 2020 and bears interest currently at the lender's prime rate or U.S. base rate plus 70 basis points or at the lender's banker's acceptance rate plus 170 basis points. The Unsecured Credit Facility provides for interest rate declines with improved credit rating levels. The Trust has the option to increase the Unsecured Credit Facility up to an additional \$100,000,000 for a total facility limit of \$250,000,000. **"Unsecured Term Loan"** means the Trust's \$150,000,000 unsecured term loan facility. The Unsecured Term Loan matures on February 28, 2023 and bears interest at levels consistent with entities carrying an investment grade rating and also provides for interest rate declines with improved credit rating levels.

“U.S. Acquisition” means, collectively, six properties comprising of 1,569,558 sf of GLA, located in Georgia and North Carolina: 3755 Atlanta Industrial Parkway, Atlanta; 2107 Eastview Parkway, Atlanta (Conyers); 2175 East Park Drive, Atlanta (Conyers); 1975 Sarasota Parkway, Atlanta (Conyers); 3700 Display Drive, Charlotte; and 4205 Westinghouse Commons, Charlotte;

“U.S. FedEx Portfolio” means, collectively portfolio of assets acquired in 2014 comprising of the six single tenant industrial properties comprising 987,308 sf of GLA located at 200 Old Ranch Road, City of Industry, California; 5731 Premier Park, West Palm Beach, Florida; 1936 Amity Street, Newton, North Carolina; 1 Commerce Avenue, Dover, New Jersey; 5 Commerce Drive, Barrington, New Jersey; 1234 Peterson Drive, Wheeling, Illinois and the four constructed single tenant industrial properties including: 7800 Turkey Hollow Road, Rock Island, Illinois; 10800 South Reitz Avenue, Baton Rouge, Louisiana; 15904 Impact Way, Austin, Texas; and 9929 and 9943 Doerr Lane, San Antonio, Texas;

“Vancouver Development” means rights to a 51-year ground lease in Richmond, British Columbia for the construction of an approximately 330,000 sf state-of-the-art distribution facility;

“Vaughan Acquisition” means a single property comprising of 471,051 sf of GLA, located in Vaughan, Ontario, and leased to TOYS “R” US (Canada); and

“Vaughan Distribution Facility” means initially the 60 acres of development land located at 45 Di Poce Way (previously 8980 Highway 27), Vaughan Ontario acquired in partnership with a developer for the construction of an approximate 422,000 square foot state-of-the-art distribution and sorting facility serving the GTA, which was completed in November 2015.

OUR STRUCTURE

Pure Industrial Real Estate Trust

The Trust was established on June 24, 2007, and is an unincorporated, open-ended trust governed by the laws of the Province of British Columbia and by the Trust Declaration. The Trust was established for the purposes of acquiring, owning and operating, directly or indirectly, a diversified portfolio of income-producing industrial properties in primary markets across Canada and key distribution and logistics markets in the United States (the “U.S.”). See “Business of the Trust”.

The head office of the Trust is located at Suite 910, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. The executive management office of the Trust is located at Suite 2100, 121 King Street West, Toronto, Ontario, M5H 3T9.

Subsidiaries

Except as otherwise provided in this AIF, all Canadian entities are incorporated or established under the laws of British Columbia or Ontario with the exception of the bare trust individual properties that are incorporated within the provinces in which they are located. All U.S. entities are incorporated or established under the laws of the State of Delaware.

Joint Venture and Partnership Activities

Co-ownership activities represent real estate investments in which the Trust owns an undivided interest and where it has joint control with other co-owners or partners.

The Trust’s co-ownership arrangements are governed by co-ownership agreements with its various co-owners or partners. The Trust’s standard co-ownership agreement provides exit and transfer provisions, including, but not limited to, buy/sell and/or right of first offers that allow for the unwinding of these co-ownership arrangements should the circumstances necessitate.

Generally, the Trust is only liable for its proportionate share of the obligations of the co-ownerships in which it participates, except in limited circumstances. Credit risk arises in the event that co-owners default on the payment of their proportionate share of such obligations. Co-ownership agreements will typically provide the Trust with an option to remedy any non-performance by a defaulting co-owner. These credit risks are mitigated as the Trust has recourse against the asset under its co-ownership agreements in the event of default by its co-owners, in which case the Trust’s claim would be against both the underlying real estate investments and the co-owners that are in default.

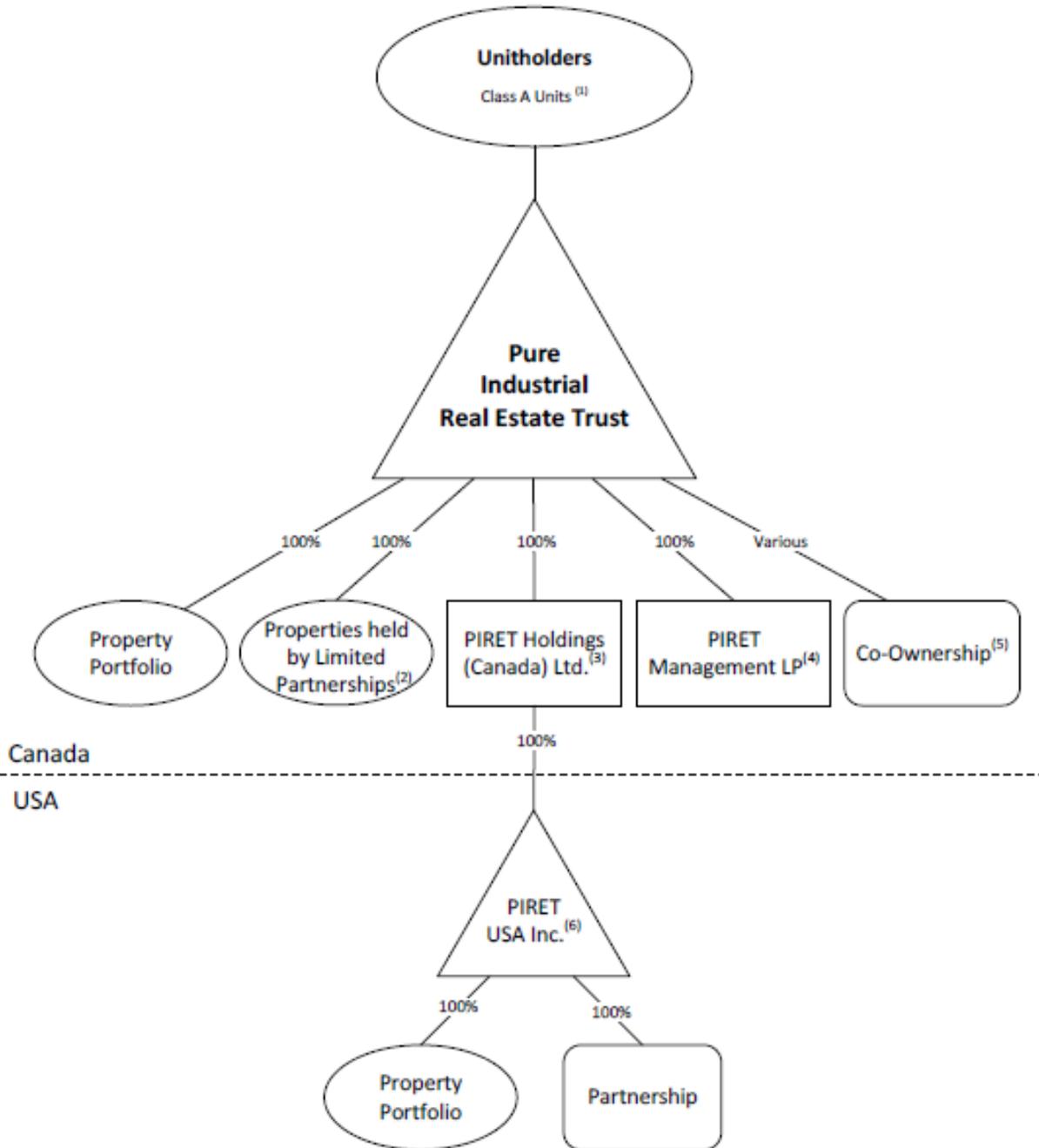
On February 9, 2015, the Trust entered into a partnership with a third party for three properties co-owned on a 51%/49% basis in favor of the Trust. On June 13, 2017, the Trust acquired the third party’s 49% interest and the co-ownership arrangement was terminated.

On October 1, 2015, the Trust entered into a joint venture with a third party for four properties co-owned on a 50%/50% basis.

On October 30, 2014, the Trust entered into an agreement to sell a 75% interest in eight industrial properties, located in Ontario and Quebec, to a third party and subsequently entered into a co-ownership agreement with the purchaser to own and operate the properties on a 75%/25% basis in favor of the third party. On January 8, 2016, the Trust sold a 75% interest in one property in Ontario and subsequently, on March 14, 2017, the Trust disposed of a 75% interest in five assets, four located in Alberta and one in Ontario, all to the same third-party joint-venture partner. The additional six properties are governed by the same co-ownership agreement originally entered into in October 2014. The joint venture partner assumed its proportionate share of the outstanding mortgages payable on the properties at that time.

ORGANIZATIONAL STRUCTURE

The following chart illustrates the Trust’s structure as at December 31, 2017:



Notes:

- (1) For a description of the terms and conditions attaching to the Class A Units, see “Summary of the Trust Declaration”.
- (2) The Trust holds three properties under three limited partnerships formed pursuant to the laws of the Province of Ontario.
- (3) PIRET Holdings (Canada) Ltd. was incorporated pursuant to the laws of the Province of British Columbia.
- (4) PIRET Management LP was formed pursuant to the laws of the Province of Ontario
- (5) The Trust’s co-ownership arrangements are described under “Organizational Structure – Joint Venture and Partnership Activities”.
- (6) PIRET USA Inc. was formed under the laws of the State of Delaware.

GENERAL DEVELOPMENT OF OUR BUSINESS

The following is a summary of the general development of the Trust for the past three years.

2015

Acquisitions and Financings

The following table provides a summary of the Trust's acquisitions in 2015:

Description	Location	# of Properties	GLA (sf) (000s)	Price (\$000s)
North Carolina Portfolio (51% share)	USA	3	1,326	\$ 36,297
Vaughan Distribution Facility	Vaughan, ON	1	422	44,354
AB & MB Portfolio (50% share)	Calgary and Edmonton, AB & Winnipeg, MB	3	192	32,950
980 Thornton ⁽¹⁾	Oshawa, ON	1	-	678
		8	1,940	\$ 114,279

⁽¹⁾ 5.6 acres of land held for future development.

On June 8, 2015, the Trust entered into a binding agreement with its largest tenant to expand an existing 197,649 sf sorting and distribution facility in Barrington, New Jersey. The Trust acquired the Barrington Property in September, 2014 as part of the U.S. FedEx Portfolio acquisition. The development was intended to comprise a total of 59,600 sf, including expansion of the existing distribution centre, office area and vehicle maintenance and gateway facilities. The project was completed in Q2 2016 and cost approximately \$11.8 million (US\$9.1 million).

On June 8, 2015, the Trust obtained first mortgage financings of US\$98,800,000 on eight of its properties comprising the U.S. FedEx Portfolio. The properties are located in California, Florida, New Jersey, Illinois and Texas. The mortgages bears interest at 3.80% per annum over a term of seven years.

Dispositions

On March 30, 2015, the Trust completed the disposition of four assets in Ontario for a total of \$11.1 million. The assets were acquired over various time periods for \$7.8 million, as follows:

- (a) 1800 Ironstone Drive is a single-tenant industrial building that was constructed in 1994 with a total 50,000 sf of GLA. The building was purchased as a part of a larger portfolio deal in June 2011 for \$3.1 million.
- (b) 1575 Sismet Road and 1601 Matheson Boulevard are multi-tenant industrial buildings that were constructed in 1974 with 43,282 sf of GLA. The buildings were purchased as a part of a larger portfolio deal in June 2011 for \$3.2 million.
- (c) 78 Trowers Road is a multi-tenant industrial asset that was constructed in 1987 with 17,766 sf of GLA. The building was purchased as a part of a larger portfolio deal in May 2013 for \$1.5 million.

On October 1, 2015, as part of the 50%/50% partnership with Fiera Properties, the Trust sold a 50% non-managing ownership interest of one existing asset in Acheson, Alberta (the "Acheson Property") to Fiera Properties for \$5,425,000. The Acheson Property comprises 51,820 sf of GLA and is 100% occupied by Tervita Corporation. The Trust acquired the property as part of a larger portfolio deal in 2012 for \$10,650,000. The Trust and Fiera Properties jointly own the AB & MB Portfolio and the Acheson Property through a co-ownership structure. The Trust manages the properties on behalf of the co-ownership.

On October 1, 2015, the Trust also announced the disposition of seven properties in the GTA for \$32,714,000.

During 2015, the Trust sold a total of twelve properties in the GTA and Alberta with an aggregate of 429,769 sf of GLA for approximately \$54.6 million representing an average cap rate of 5.59%. The disposed properties have an average age of 26 years. The properties were originally acquired for \$46.5 million.

Other

On December 14, 2015, the Trust renewed its normal course issuer bid and announced its intention to purchase for cancellation purposes up to 5,000,000 Class A Units, representing approximately 2.7% of the Trust's outstanding Class A Units as of December 7, 2015. Purchases were to be made on the open market through the facilities of the TSX, Alpha or alternate trading systems in Canada at market prices prevailing at the time of purchase and may take place over a 12-month period beginning on December 21, 2015 and ending on December 20, 2016. The daily restriction for the Class A Units is 78,739 Units, which represents 25% of the average daily trading volume of the Class A Units on the TSX for the six months ended November 30, 2015. During the year ended December 31, 2015, the Trust purchased and cancelled 1,859,600 Class A Units under its normal course issuer bid at an average cost of \$4.41 per Unit. In fiscal year 2016, the Trust purchased and cancelled 1,114,000 Class A Units at an average price of \$4.28 per Unit. The normal course issuer bid expired on December 20, 2016.

2016

Acquisitions and Financings

The following table provides a summary of the Trust's acquisitions in 2016:

Description	Location	# of Properties	GLA (sf) (000s)	Price (\$000s)
2800 Roxburgh Road (25% share)	London, ON	1	100	\$ 1,650
4400 Hickmore Street	Montreal, QC	1	80	6,675
Alberta Acquisition	Calgary and Edmonton, AB & Winnipeg, MB	8	1,200	171,080
Vancouver Development ⁽¹⁾	Richmond, BC	1	-	-
Total Acquisitions in Canada		11	1,380	\$ 179,405
U.S. Acquisition	Atlanta, GA and Charlotte, NC	6	1,600	US\$ 81,000
Total Acquisitions in U.S.		6	1,600	US\$ 81,000

⁽¹⁾ Acquired the rights to a 51-year ground lease for future development.

On June 15, 2016, the Trust completed the June 2016 Offering. The Trust used proceeds from the June 2016 Offering primarily to repay existing indebtedness, to fund the Vancouver Development, tenant expansion projects in Ontario and the U.S. and for general trust purposes.

On October 13, 2016, the Trust completed the October 2016 Offering. The Trust used the proceeds from the October 2016 Offering to partially fund the Alberta Acquisition, the U.S. Acquisition, the Vancouver Development, and to fund new acquisitions and for general trust purposes.

The Alberta Acquisition was funded through new and assumed mortgage financing in the amount of \$86,482,000, with weighted average term of 5.1 years and a weighted average interest rate of 3.0% per annum and proceeds from the Trust's October 2016 Offering.

The U.S. Acquisition was financed with a new mortgage in the amount of approximately \$54,400,000 (US\$40,500,000) with an eight-year term and fixed interest rate of 3.06% per annum, and proceeds from the Trust's October 2016 Offering.

Dispositions

During the year ended December 31, 2016, the Trust completed the disposition of eight assets; seven of which were located in Ontario and one in Alberta, for total gross proceeds of \$38,650,000. The assets were acquired over various time periods for an aggregate price of \$27,100,000.

Other

On December 23, 2016, the Trust received notice from the Class B Unitholders whereby the Class B Unitholders elected to exercise the conversion rights pursuant to the Trust Declaration in order to re-designate all of the 278,947 Class B Units outstanding at that time into 2,535,118 Class A Units. The Trust issued 2,535,118 Class A Units in respect of the re-designation of the 278,947 Class B Units. As at December 31, 2016 there are no Class B Units outstanding.

2017

Acquisitions and Financings

The following table provides a summary of the Trust's acquisitions in 2017:

Description	Location	# of Properties	GLA (sf) (000s)	Price (\$000s)
GTA Development	Scarborough, ON	1	150	\$16,100
Brampton Acquisition	Brampton, ON	1	764	101,000
Vaughan Acquisition	Vaughan, ON	1	471	75,800
GTA East Acquisition ¹	Pickering, ON	1	190	23,962
Richmond Acquisition	Richmond, BC	1	268	32,600
Mississauga and Montreal Acquisition	Mississauga, ON and Montreal, QC	4	464	135,700
Total Acquisitions in Canada		9	2,307	\$385,162
Atlanta Acquisition	Atlanta, GA	1	800	US\$ 39,500
Texas Land Acquisition	San Antonio, TX	-	-	2,754
Houston Acquisition	Houston, TX	2	996	63,500
Dallas Acquisition	Dallas, TX	1	759	42,000
Dallas Land Acquisition	Dallas, TX	-	-	6,460
Fort Worth I Acquisition	Dallas, TX	1	302	25,000
King Mill II Acquisition	McDonough, GA	1	760	36,500
Total Acquisitions in U.S.		6	3,617	US\$ 215,714

¹ Included in the purchase price is \$1.5M attributable to purchase of the adjacent land.

On February 19, 2015, the Trust acquired a 51% controlling interest in PIRET NC Property Limited Partnership ("NCLP"), a subsidiary which held a portfolio of three income producing investment properties. The Trust consolidated this subsidiary and recognized a 49% non-controlling interest. On June 13, 2017, the Trust acquired the remaining interest in NCLP for a purchase price of \$20,121,000 (US\$15,200,000) comprising mainly of the portfolio's income producing properties of \$39,884,000 (US\$ 29,498,000) less mortgage of \$19,280,000 (US\$14,259,000). Standard closing costs and adjustments were \$74,000 (US\$57,000). As a result of the acquisition, the Trust derecognized \$18,631,000 (US\$13,845,000) of non-controlling interest. Included in the non-controlling interest was \$1,372,000 of accumulative other comprehensive income which was reattributed to the Trust upon acquisition. The Trust recorded a reduction in accumulated earnings of \$1,832,000 (US\$1,355,000) representing the differential between purchase price and the non-controlling interest derecognized.

On January 17, 2017, the Trust entered into an interim construction loan facility of \$22,263,000 to assist in the financing of the Vancouver Development. The loan has a two year term and bears interest at the lender's prime rate plus 0.75% or the lender's banker's acceptance rate of 2.25%.

On April 5, 2017, the Trust completed the April 2017 Offering. The Trust used proceeds the from the April 2017 Offering primarily to repay existing indebtedness, to partially fund the Dallas Acquisition, GTA East Acquisition, the acquisition of a 49% interest in NCLP, and the Vancouver Development, and for general trust purposes.

On April 7, 2017, the Trust entered into a new mortgage loan of \$42,194,000 (US\$ 31,500,000), secured by the two assets comprising the Houston Acquisition.

On April 12, 2017, the Trust entered into an unsecured \$150,000,000 revolving operating loan facility (the "Unsecured Credit Facility"). The Unsecured Credit Facility has a three-year term and matures on April 12, 2020 and bears interest currently at the lender's prime rate or U.S. base rate plus 70 basis points or at the lender's banker's acceptance rate plus 170 basis points. The Unsecured Credit Facility provides for interest rate declines with improved credit rating levels. The Trust has the option to increase the Unsecured Credit Facility up to an additional \$100,000,000 for a total facility limit of \$250,000,000.

On August 3, 2017, the Trust completed the August 2017 Offering. The Trust used proceeds the from the August 2017 Offering primarily to partially fund the to fund the Brampton Acquisition, the Vaughan Acquisition, and the Richmond Acquisition, and for general trust purposes.

On September 29, 2017, the Trust entered into a \$150,000,000 unsecured term loan facility (the "Unsecured Term Loan") and drew \$125,000,000. The Trust has the option to draw the remaining \$25,000,000 within six months, otherwise the option will be cancelled. The Unsecured Term Loan matures on February 28, 2023 and bears interest at levels consistent with entities carrying an investment grade rating and also provides for interest rate declines with improved credit rating levels.

Dispositions

During the year ended December 31, 2017, the Trust completed the disposition of seventeen properties, twelve of which were included in assets held for sale as at December 31, 2016 and a 75% interest in five investment properties, four located in Alberta and one in Ontario, to an existing joint-venture partner, for gross proceeds of \$182,087.

Other

On May 10, 2017, the Trust amended and restated the Trust Declaration: (i) to include certain rights, remedies and procedures in favour of Unitholders consistent, to the extent possible, with those available to shareholders of a corporation pursuant to the Canada Business Corporations Act, as reflected in the model declaration of trust provisions prepared by the Canadian Coalition for Good Governance in November 2015; (ii) to clarify certain provisions relating to the Trust's structure at the time of its initial public offering and the re-designation of the Class B Units to Class A Units; and (iii) to reflect current tax legislation, as further described in the Trust's management information circular dated March 31, 2017, available on SEDAR at www.sedar.com.

RECENT EVENTS

On January 9, 2018, the Trust announced that it entered into an arrangement agreement with an affiliate of Blackstone Property Partners (“Blackstone”), pursuant to which Blackstone will acquire all of the outstanding Units of the Trust (“the Transaction”) for consideration of \$8.10 per Unit in cash. The Transaction is structured as a statutory plan of arrangement under the British Columbia Business Corporations Act. Completion of the Transaction, which is expected to occur in the second quarter of 2018, is subject to customary conditions, including approval of at least 66 2/3% of the votes cast by Unitholders at a special meeting of Unitholders scheduled for March 23, 2018, court approval and regulatory approval (Investment Canada Act). On February 26, 2018, the Commissioner of Competition issued an Advanced Ruling Certificate approving the Transaction. For additional details regarding the Transaction, see the Trust’s material change report dated January 8, 2018 and the Trust’s information circular dated February 15, 2018, available on SEDAR at www.sedar.com.

On January 31, 2018, the Trust completed an acquisition of an industrial property, consisting of two buildings, located adjacent to an existing property of the Trust in Edmonton, Alberta for \$1,900,000. The property will be redeveloped to accommodate the expansion and lease extension to a current tenant on the adjacent property. Construction is expected to be substantially complete in Q2-2018 at an estimated cost of \$1,500,000.

On February 1, 2018, the Trust completed the acquisition of a newly-constructed, 287,000 sf property in Montreal, Quebec for gross proceeds of \$32,500,000. The Trust assumed a mortgage in the amount \$22,807,000 with 7.5 years remaining on the term and the annual interest rate is fixed through a swap agreement at 3.48%.

On February 16, 2018, the Trust completed the disposition of an investment property located in Vaughan, Ontario for gross proceeds of \$3,608,000.

On February 22, 2018, the Trust completed the acquisition of a 12,647 sf building on 38.1 acres of land, and an adjacent 14.2 acres of land located in Acheson, Alberta for \$48,000,000. The Trust assumed two loans totaling \$25,507,000 with 3 years remaining on the terms and with fixed interest rates of 3.47% and 3.75% per annum (weighted average interest rate of 3.53%).

BUSINESS OF THE TRUST

The Trust is an unincorporated, open-ended investment trust that owns and operates a diversified portfolio of income-producing industrial properties in leading markets. The Trust is an internally managed REIT that focuses exclusively on investing in industrial properties.

Historically, the Canadian and U.S. industrial real estate markets have been characterized by:

- stable demand;
- balanced supply;
- stable to decreasing vacancy rates;
- increasing rents; and
- stable to decreasing cap rates.

Industrial Real Estate

Industrial real estate is generally classified into three subcategories: (i) warehouse/distribution, (ii) manufacturing, (iii) and flex.

Warehouse/Distribution

Warehouse/distribution properties are the most typical type of industrial properties and are used for storage and distribution. These types of properties generally contain a relatively small amount of office space, typically in the range of 2% to 5% of floor area. Warehouse/distribution properties are considered to be particularly stable, low-risk industrial properties because of their generic space that appeals to a broad range of tenants and the fact that they require relatively low amounts of capital expenditures to meet any specification required by a tenant. If staging product, where inbound materials are sorted, consolidated, and stored until the outbound shipment is complete and ready to ship, takes several days or even weeks, the operation is usually considered a warehouse.

As e-commerce activity grows and consumer demand for same-day delivery increases, demand for distribution, logistics and fulfillment centres with proximity to highways, intermodal yards and customers will be increasingly important.

Manufacturing

Manufacturing properties are used to produce and assemble goods and can be further divided into light industrial properties and heavy industrial properties. Light industrial properties cater to tenants who use the space to conduct light assembly and manufacturing processes. These properties have relatively straightforward conversion capabilities and generally dedicate approximately 10% to 20% of their area to office space. Heavy industrial properties are generally build-to-suit and are designed for specialized manufacturing processes. They generally require large frames and reinforced walls and floors and dedicate 4% to 12% of their area to office space.

Flex

Flex properties are used by service-oriented or product-sales tenants to conduct business services and research and development activities and generally have a significant portion of office space (in excess of 50% of floor area). There is a heavy concentration of research and development facilities in Canada's technology and biotechnology centres such as Ottawa (Kanata), the northern GTA, Vancouver and Calgary.

Long-Term Investment Approach

The Trust is guided by an investment approach that favours conservative growth through the acquisition and selective development of appropriate income-producing industrial properties that:

- generate stable and growing cash distributions on a tax-efficient basis;
- enhance the value of the Trust's assets and maximize the long-term value of the properties through active management; and
- expand the Trust's asset base and increase its distributions per Unit on a sustainable, long-term basis through accretive acquisitions and value-add initiatives.

By remaining focused on these key approaches, the Trust intends to achieve significant long-term appreciation in the value of the Trust Units.

In order to fulfill its long-term investment goals, the Trust follows three strategies when acquiring assets: (i) the Acquisition Strategy, (ii) the Financing Strategy, and (iii) the Portfolio Management Strategy, as described below.

Acquisition Strategy

The Trust's acquisition strategy includes the following:

- target properties in primary markets;
- diversify geographically across Canada, with emphasis on Toronto and Western Canada, and select markets of the U.S.A.;
- buy in clusters and asset sizes that will ensure regional economies of scale;
- target primarily functional distribution warehouse assets;

- acquire properties with strong tenant bases, low vacancy rates and existing long-term leases; and
- acquire properties with good to superior physical condition with little to no deferred maintenance.

Selection of the industrial properties will be determined by the ability of each property to follow or enhance the Trust's long-term investment approach.

Financing Strategy

The Trust believes that conservative leverage is important to minimize financial risk and maintain stable cash flows and these goals form the basis of the Financing Strategy. With the intent of minimizing financial risk and maintaining stable cash flows, the Trust has included in its Trust Declaration that the Trust may not incur or assume any indebtedness if the total consolidated indebtedness of the Trust, including any outstanding convertible debentures, if issued, would be more than 70% of Gross Book Value of the assets. Furthermore, the Trust's financing strategy includes the following approaches:

- the Trust intends to target primarily five to 15-year fixed rate mortgages secured against only those properties it deems long-term core holdings;
- The Trust intends to increase the amount of unsecured debt supported by an increasing pool of unencumbered assets;
- interest only and floating rate mortgage loans are to be used in appropriate circumstances;
- the Trust will leverage the quality of the Trust's portfolio and management platform and engage strategic partners in co-ownership agreements, when appropriate, allowing the Trust to raise additional capital when equity markets are not favourable;
- the Trust will actively recycle capital, disposing of selective properties, maximizing proceeds and generating additional capital that can be redeployed into higher-grade and value enhancing properties;
- the Trust intends to manage the Trust's overall financial leverage within a target range of 40% to 45%; and
-

Portfolio Management Strategy

The third strategy employed by the Trust is the Portfolio Management Strategy. Once an industrial property has been acquired, the Trust intends to adhere to the following strategies:

- the Trust will focus on maintaining strong tenant relations and re-leasing premises as leases expire;
- the Trust's experienced team plans to enhance property values through active asset management, improvements and re-leasing, if applicable;
- the Trust anticipates staggering lease termination dates across the portfolio to minimize rollover risk so that only a portion of the overall portfolio will become available for lease in any given year;
- within the parameters set by the long-term investment approach, the Trust intends to acquire a portfolio of income-producing industrial properties in geographically diverse regions across Canada and in key distribution and logistics markets in the U.S. For further information on the properties, see "The Portfolio"; and
- the Trust has its own team of property management and asset management professionals for the ongoing day-to-day management of the industrial assets.

Trustees, Directors, Management and Network Advisors

The Trustees and management team have a breadth of experience in real estate, corporate finance, private equity and asset management. The team is well connected in the Western Canadian and GTA markets with ties to business owners in a variety of sectors. See "Trustees and Management".

Governmental Regulations

The Trust's operations are subject to federal, provincial, state, and local laws governing matters such as zoning bylaws, building codes, environmental laws, and other laws relating to the construction, use and occupation of industrial buildings. The Trust believes it is in material compliance with all such laws.

Environmental Matters

The Trust obtains Phase I and, where appropriate, Phase II environmental site assessments in respect of each property within its portfolio prior to completing the acquisition thereof. The Phase I environmental site assessments are conducted to identify actual or potential site contamination and non-compliance with environmental laws and regulations based on a review of available historical and current records, interviews with available site personnel and a visual inspection of each property. Any required Phase II site assessments would include intrusive investigations, such as soil or water sampling and analysis. None of the site assessments completed to date have identified any substantial non-compliance with material environmental laws or regulations, and the Trust believes that the current estimated cost of remediation or capital expenditures with respect to actual or potential environmental conditions would not have a material adverse effect on the Trust's results of operations, business prospects and financial condition.

Competitive Conditions

The commercial real estate business is extremely competitive. Real estate is an attractive asset class. In each jurisdiction in which the Trust conducts business, there are a significant number of other real estate investment trusts, real estate companies, pension funds, insurance companies, foreign entities, private individuals and corporations and similar institutions and investors which are presently seeking or which may seek in the future real property investments. In particular, industrial real estate is an attractive investment sector for investors who are seeking stable cash flow with long-term tenancies in place. Generally, the supply of industrial properties available for sale in each jurisdiction is relatively limited. There is no assurance that the Trust will be able to acquire additional properties at reasonable prices or at all.

To the extent that the Trust may have a competitive advantage in each marketplace, it arises from: the network of real estate brokers, owners and operators maintained by the Trust's Trustees and management, which results in numerous investment opportunities being presented to the Trust on a regular basis; the Trust's exclusive focus on industrial properties, which may lead to increased exposure to industrial properties from vendors and their agents, as compared to other real estate investors in the marketplace who do not have the same exclusive focus; and the Trust's history of successful transaction execution.

Employees

As at December 31, 2017, the Trust had 50 employees in five offices. The head office of the Trust is in Vancouver and Executive and Asset Management is in the Toronto office

OUTLOOK

Real Estate Fundamentals and Current Canadian Market Conditions

Canada

According to CBRE, the Canadian National availability rate fell 20 basis points ("bps") from Q3-2017 to 4.1% in Q4-2017, another record low, led by Toronto (2.2%), Vancouver (2.3%) and Winnipeg (3.6%). Toronto and Vancouver continue to experience tightening supply, with availability rate declines of 10 bps and 30 bps, respectively. Improving fundamentals continue to persist in Calgary and Edmonton as the recovery in oil continued in Q4-2017, as both cities experienced declines in availability rates and a slight increase in net asking rates. In Q4-2017, Calgary and Edmonton also experienced 1.1 million sf and 0.6 million sf of new construction come online during the quarter, respectively.

Nationally, approximately 4.5 million sf of positive net absorption occurred in the quarter following a strong Q3-2017, led by Toronto and Vancouver, and strong absorption quarter over quarter in Calgary and Edmonton at 0.6 million and 0.8 million,

respectively. The National average net asking rent reached a new record high at \$6.97 per sf, representing a year over year increase of 5.2%, led by Vancouver, London and Toronto where rents grew 13.7%, 10.1% and 8.1%, respectively.

According to the CBRE Capitalization Rate Survey for Q4-2017, the industrial asset class continues to be one of the strongest across the country. Yields have continued to compress due to a lack of supply and strong leasing fundamentals. Estimated industrial capitalization rates for Class A and B product were flat or compressed from the previous quarter in all Canadian markets. The national Class A capitalization rate fell quarter over quarter by 2 bps from 5.36% in Q3-2017 to 5.34% in Q4-2017. The national Class B capitalization rate fell quarter over quarter by 6 bps from 6.48% in Q3-2017 to 6.42% in Q4-2017. The bulk of the industrial cap rate compression seen over the fourth quarter took place in Toronto, where the average Class A and B yields fell by 12 and 25 bps, and Montreal, where Class B yields fell by 25 bps.

U.S.A.

According to CBRE, US industrial demand did not exceed supply delivered in Q4-2017 but the national availability rate remained steady for the sixth consecutive quarter and reached the lowest level since Q1-2001. Additionally, Q4 2017 marked the 31st consecutive quarter of positive net absorption. Q4-2017 national asking rents increased 0.6% for the quarter and 5.3% year-over-year to \$6.92 per sf, another record high. The overall industrial availability rate fell to 7.4% and the vacancy rate was flat at 4.5%. Net absorption of 44.4 million sf continued to demonstrate strong user demand, and total net absorption for the year exceeded 200 million sf for the fifth year in a row.

According to the CBRE US Capital Markets Figures for Q4-2017, total investment volume for the year decreased 6.7%, attributable to modest declines in central business district (“CBD”) office, retail center and multifamily. The industrial asset class featured a 19.7% increase in investment volume for 2017, showing that investors continue to allocate capital to the growing warehouse demands of e-commerce and modern logistics. As a result, national capitalization rates for warehouse industrial properties compress further, decreasing by 13 bps from 6.65% in the first half 2017 to 6.52% for second half 2017.

THE PORTFOLIO

The table below provides information relating to the Trust's portfolio of 173 properties as at December 31, 2017, including geographic distribution in terms of number of properties and GLA. In addition, the Trust owns one property under development and 131.6 acres of land held for future development.

	Income Producing						Under Development				Land Held for Development ⁽¹⁾	
	Number of properties		GLA, AUM (sf) (000s)		GLA, Proportionate Share (sf) (000s)		Number of properties		GLA, Proportionate Share (sf) (000s)		Acres	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
BC	12	10	2,799	2,200	2,799	2,200	-	1	-	330	-	-
Alberta	41	43	3,724	3,998	3,304	3,895	1	-	101	-	13.9	13.9
Ontario	78	74	9,033	7,416	8,368	6,810	-	-	-	-	14.8	10.3
USA	25	19	8,328	4,707	8,328	4,057	-	-	-	-	100.7	-
Other	17	16	1,414	1,256	1,272	1,114	-	-	-	-	2.2	2.2
Total	173	162	25,298	19,577	24,071	18,076	1	1	101	330	131.6	26.4
AHFS⁽²⁾	3	16	142	950	142	950	-	-	-	-	-	-

⁽¹⁾ Land Held for Development includes parcels of excess land associated with certain income producing properties in addition to two stand-alone parcels of land

⁽²⁾ Assets held for sale.

For specific information on each property and its major tenant, see "The Portfolio – Property Specific Information".

TENANT OVERVIEW

The table below illustrates the Trust's top ten tenants by revenue as at December 31, 2017.

	Tenant	Percentage of Revenue ¹	GLA ² (000's)	Average Lease Term (years)
1	FedEx	20.5%	2,490	8.3
2	TFI International	8.6%	886	10.7
3	IKEA	4.6%	1,327	5.2
4	ContainerWorld	3.0%	636	6.6
5	Kellogg Canada	2.7%	764	5.0
6	Best Buy Canada	2.0%	628	0.2
7	Toys 'R Us Canada	1.8%	471	15.1
8	Tervita	1.6%	185	14.8
9	Hudson's Bay Company	1.5%	412	5.0
10	Kuehne & Nagel	1.5%	411	4.2
	Top 10 Tenants⁽¹⁾⁽²⁾	47.8%	8,210	8.0
	Other	52.2%	15,922	4.7
	Total	100.0%	24,132	6.3

⁽¹⁾ Revenue is determined based on in-place leases as at December 31, 2017.

⁽²⁾ Excludes GLA associated with properties classified as assets held for sale.

LEASE EXPIRATION

The staggered nature of the Trust's lease termination dates of the current property portfolio minimizes the Trust's exposure to lease terminations and increases the stability of its cash flow.

67.4 percent of the Trust's portfolio's net rental revenues are in respect of leases for terms which expire in 2021 or later, with most leases containing built-in contractual rental escalations.

The Trust's lease expiries for all income producing properties in terms of GLA as at December 31, 2017 are as follows:

Year of Expiration ⁽¹⁾	BC	AB	ON	USA	Other	Total	(% of GLA)
2018	-	346	1,429	357	185	2,317	9.2%
2019	435	456	958	557	197	2,603	10.3%
2020	-	395	852	844	33	2,124	8.4%
2021	120	476	965	408	119	2,088	8.3%
2022	674	300	1,768	2,266	168	5,176	20.5%
2023	65	398	320	141	27	951	3.8%
2024	966	37	344	1,766	181	3,294	13.0%
2025	-	226	312	568	161	1,267	5.0%
2026	182	164	243	252	-	841	3.3%
2027	-	94	225	203	97	619	2.4%
Thereafter	357	739	1,466	68	222	2,852	11.2%
Occupied	2,799	3,631	8,882	7,430	1,390	24,132	95.4%
Vacancy	-	93	151	898	24	1,166	4.6%
Total	2,799	3,724	9,033	8,328	1,414	25,298	100.0%

⁽¹⁾ Excludes GLA associated with properties classified as assets held for sale.

PROPERTY SPECIFIC INFORMATION

The following tables include certain property specific information for the Trust's property portfolio as at December 31, 2017:

Properties in Canada

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
7660 Vantage Way	Delta	BC	100%	100%	73,397	Andritz Ltd Comox Pacific Express Ltd.
7867 & 7890 Express Street	Burnaby	BC	100%	100%	182,037	TFI International
7830 Vantage Way	Delta	BC	100%	100%	46,300	Zodiac Hurricane Technologies Inc.
13511 Vulcan Way	Richmond	BC	100%	100%	47,842	Tervita
16131 Blundell Road	Richmond	BC	100%	100%	442,922	Acklands-Grainger Inc., Samsung Electronics, Kuehne + Nagel
16133 Blundell Road	Richmond	BC	100%	100%	635,639	ContainerWorld Forwarding Services Inc.
13055 80th Avenue	Surrey	BC	100%	100%	38,352	Budget Furniture Land Ltd. E.B. Horsman and Son
18111 Blundell Road	Richmond	BC	100%	100%	412,375	Hudson's Bay Company
16111 Blundell Road	Richmond	BC	100%	100%	280,139	Acklands-Grainger Inc.

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
						Mazin Furniture Industries Ltd, Archway Canada
679 Aldford Avenue	Delta	BC	100%	100%	40,734	Plasti-Fab LTD.
7031 York Road	Richmond	BC	100%	100%	330,229	IKEA
16108 Blundell Road	Richmond	BC	100%	100%	268,226	EuroAsia
9203 - 35 th Avenue	Edmonton	AB	100%	100%	15,449	Pro Canadian Soccer Group, Inc.
4907 - 32 nd Avenue	Calgary	AB	100%	100%	19,434	Specialty Iron Fabricators Ltd., Canada Bread Company Ltd.
16295 - 132 nd Avenue NW	Edmonton	AB	100%	67%	41,487	Priority Logistics, Pol R Enterprises Inc, Lange Transportation and Storage, Reilly Transfer Group
2705-2737 - 57 th Avenue	Calgary	AB	100%	100%	108,800	Shanahan's Limited Partnership
234040 Wrangler Road	Calgary	AB	100%	100%	125,280	TFI International
1002 - 15 th Avenue	Nisku	AB	100%	100%	34,640	Westech Vac Systems Ltd.
10498 - 17 th Street	Strathcona County	AB	100%	100%	51,533	Advance Tank Centres Ltd.
5502 & 5532 - 56 th Avenue	Calgary	AB	100%	100%	20,174	Advance Tank Centres Ltd.
7720 - 17 th Street SW	Edmonton	AB	100%	100%	130,944	Top-Co LP
5605 - 5645 - 70 th Street NW	Edmonton	AB	100%	91%	138,685	Edmonton Flyer Force, Her Majesty the Queen, G2S Equipements de Fabrication, Wavefront Reservoir Technologies Ltd, Unirope Ltd
12155 - 154 th Street	Edmonton	AB	25%	100%	138,964	Weldco-Beales Manufacturing Inc.
11355 - 261 Street	Acheson	AB	100%	100%	44,248	Powell Canada Inc.
18073 - 107 th Avenue	Edmonton	AB	100%	100%	31,730	Midwest Fabricators Ltd.
15 Turbo Drive	Edmonton	AB	100%	100%	27,071	APTIM Services Canada, Tiger Machining Inc.
10501 Barlow Trail SE	Calgary	AB	100%	100%	67,459	Tervita
12311 - 17 Street SE	Edmonton	AB	100%	100%	43,840	Tervita
15602 - 94 Street	Grande Prairie	AB	100%	100%	26,180	Tervita
7303 & 7403 - 30 th Street	Calgary	AB	25%	100%	72,549	DIRTT Environmental Solutions Ltd.
3408 - 76 Avenue	Edmonton	AB	100%	100%	12,169	Skyway Canada Limited
11415 - 168 th Street NW	Edmonton	AB	25%	100%	99,268	Goodwill Industries of Alberta The Brick GP Ltd.
12900 - 148 th Street	Edmonton	AB	100%	100%	65,206	MTE Logistix Edmonton Inc.
11307-11329 - 166A Street	Edmonton	AB	100%	18%	PUD	Greenway Metal Processors
261106 Wagon Wheel	Balzac	AB	100%	95%	58,839	Horizon Oilfield Solutions Inc. NCSG Hauling & Rigging Ltd.
6025 - 51 Street SE	Calgary	AB	100%	100%	191,600	Hopewell Logistics Inc., Dexter Trailer Products of Canada
5820-5870 - 48 th Street SE	Calgary	AB	100%	71%	177,809	Alberta Energy Regulator Hardwoods Specialty Products GP Inc.
19 Aero Drive NE	Calgary	AB	100%	100%	171,881	Oil Lift Technology Inc.

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
						Core Laboratories Canada Ltd., The Authentic T-Shirt Company, WORLDPAK Canada
21 Aero Drive NE	Calgary	AB	100%	100%	180,085	Archway Canada Inc., MITEK Canada
14627 - 128 th Avenue NW	Edmonton	AB	100%	100%	97,804	MTE Logistix Edmonton Inc.
15709 - 114 th Avenue NW	Edmonton	AB	25%	100%	111,500	Porter Warehouse & Distribution Inc.
40 Technology Way SE	Calgary	AB	100%	100%	27,781	Purolator Inc.
25535 - 111 Avenue	Acheson	AB	100%	100%	56,700	Vitran Express Canada Inc. FedEx
285031 Wrangler Way	Rocky View County	AB	100%	100%	56,700	Vitran Express Canada Inc.
28084 & 28234 Acheson Road	Acheson	AB	50%	100%	92,700	Oldcastle Building Products Canada Ltd
260032 Range Road 291	Balzac	AB	50%	100%	62,208	Oldcastle Building Products Canada Ltd
27750 Acheson Road	Acheson	AB	50%	100%	51,820	High Arctic Energy Services Inc.
27650 - 108 Avenue	Acheson	AB	100%	100%	158,154	Navistar Canada Inc.
10971 - 274 Street	Acheson	AB	100%	100%	107,018	OTM Express Trucking & Logistics.
12810 - 170 Street NW	Edmonton	AB	100%	100%	499,721	Kuehne & Nagel Ltd., Bunzl Canada Inc., All Canadian Courier Corporation, Redrock Camps Inc., Mackie - QHP Moving and Storage Ltd., Bunzl Canada Inc., SmogBuster Inc.
304 - 69 Avenue NW	Edmonton	AB	100%	100%	65,000	Aluma Systems Inc.
8220 Davies Road	Edmonton	AB	100%	100%	14,230	Galaxy Windows Ltd.
10905 - 48 Street	Calgary	AB	100%	100%	146,102	Wacker Neuson Limited, LED Sign Supply Inc., Stericycle, ULC, Altadore Gymnastic Club, Experience Church Calgary, Trane Canada ULC, Shaw Telecom G.P., Summit Salon Services Inc.
4600 - 99 th Street NW	Edmonton	AB	100%	90%	97,341	Dudley & Company Ltd. D'Amore's Mercato Ltd. Pharmacare Fulfillment Center Ltd. 1161610 Alberta Inc. o/a Massage Essentials Andre's Budo Centre Inc. Corbins Paints & Decorating Supplies Ltd Sandra Gray School of Dancing Ltd. John MacDonald Promotional Wearhouse Inc. ABB Inc. 1039293 Alberta Ltd. o/a AB College of Massage Arc Interiors Ltd.

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
						ABB Inc. Kevin Koleba o/a State Farm Insurance Vanguard Cleaning Systems The Wildbird General Store Ltd. Gravitational Pull Ltd. o/a South Edmonton Fit Body Boot Camp Gordon Panas and Monica Panas Pearl River Restaurant Company Ltd. Schmidt Realty Group Inc. Family Yoga Centre Ltd. 921556 Alberta Inc. o/a Tanglz Haircuts 1234487 Alberta Inc. o/a World Fin. Group Centre for Autism Services Alberta The United Church of Canada
3905 - 29 Street NE	Calgary	AB	100%	86%	95,746	Her Majesty the Queen, IR Canada Sales & Service, Elite International Foods Inc., Artis General Partner Ltd., Woodland Kitchens Inc., Iron Mountain
2 Ramm Avenue E	White City	SK	100%	100%	63,996	Dumur Industries
144 Henderson Drive	Regina	SK	100%	100%	66,446	Advance Tank Production Ltd.
195 Henderson Drive	Regina	SK	100%	100%	30,984	Advance Tank Centres Ltd.
857 - 57 th Street E	Saskatoon	SK	100%	100%	17,920	Plasti-Fab Ltd.
310 De Baets Street	Winnipeg	MB	100%	100%	74,196	Vita Health Products Inc.
90-120 Paramount Road	Winnipeg	MB	100%	100%	32,590	Ford Motor Co, Dakell Distributors, DYNAMO ELECTRIC COMPANY INC. Province of Manitoba (HMTQ), Innovative Laser Works, Lincoln Pump Service & Supply, Lincoln Pump Service and Supply, Tyco Integrated Fire & Security Canada, Brookdale Plumbing and Heating, KASPER, Solid General Contractors Inc. Speedy Cart Services Ltd.
1725 Inkster Boulevard	Winnipeg	MB	100%	91%	267,721	Winnipeg Regional Health Authority, Marco Polo Moving & Storage, Martin Brower, Russel Metals, Iron Mountain, Shanahan's
1345 Redwood Avenue	Winnipeg	MB	100%	100%	112,340	Boeing Canada
2030 Notre Dame Avenue	Winnipeg	MB	100%	100%	108,377	EMCO Corporation

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
						6199497 Manitoba Ltd., Amphenol Technical Products Int'l Co.
555 Camiel Sys Street	Winnipeg	MB	100%	100%	24,480	Vitran Express Canada Inc.
1436 Chevrier Boulevard	Winnipeg	MB	50%	100%	36,922	Oldcastle Building Products Canada Ltd.
130 Harry Walker Parkway	Newmarket	ON	100%	100%	87,451	Eurospec Manufacturing Inc
95 Clegg Road	Markham	ON	100%	100%	110,117	Candym Enterprises Ltd.
2385 Matheson Boulevard	Mississauga	ON	100%	100%	31,721	Greenlawn Ltd.
650 Finley Avenue	Ajax	ON	100%	100%	128,238	Martinrea Automotive Systems
1000 Thornton Road	Oshawa	ON	100%	100%	112,394	Microvite Investments Ltd., Stoncor Group, Avery Dennison Corporation, Guillevin International Co.,
1 Rutherford Court	Guelph	ON	100%	100%	101,310	UniSync Group
1665 Shawson Drive	Mississauga	ON	100%	100%	74,968	Drive Products Inc.
2425 Skymark Avenue	Mississauga	ON	100%	100%	45,140	Genwave Technologies Inc. Draeger Safety Canada Limited, Explorer MWI Corporation, Trigenex Inc.
120 Walker Drive	Brampton	ON	100%	100%	45,023	Hybrid Reefer Services Inc.
20 & 30 Milburn Road	Hamilton	ON	100%	100%	62,098	Kromet International Inc.
12557 Coleraine Drive	Caledon	ON	100%	100%	208,385	Kingspan Insulated Panels Ltd.
925 Brock Road	Pickering	ON	100%	97%	262,398	Soft-Moc Inc. Action Van & Truck World, Areva NP Canada, Rolls-Royce Civil Nuclear Canada, Corporate Contracting Services
929 Brock Road	Pickering	ON	100%	100%	62,171	AVT Beckett Elevators Ltd.
515 Welham Road	Barrie	ON	100%	100%	45,217	Weldco-Beales Mfg.
170 Claireville Drive	Toronto	ON	100%	100%	40,613	Skyway Canada Limited
40 Mills Road	Ajax	ON	100%	100%	49,587	Plasti-Fab
2400 Skymark Avenue	Mississauga	ON	100%	89%	171,432	Profound Medical Inc. Tyco Integrated Fire & Security Canada, Superior Communications Canada, Fresenius Kabi Canada
5055 Satellite Drive	Mississauga	ON	100%	73%	151,891	Conagra Foods Canada Inc. Pure Technologies Ltd., Skechers USA Canada Inc. Patterson Dental Canada Inc.
400 Rowntree Dairy Road	Vaughan	ON	100%	100%	147,459	Silgan Plastics Canada Inc.
525 Rowntree Dairy Road	Vaughan	ON	100%	100%	46,353	JMG Metal Inc. Litron
625 Rowntree Dairy Road	Vaughan	ON	100%	100%	30,780	Apolo Tool & Die Manufacturing Inc., D.E.L. Roofing Equipment & Supplies
750-770 Rowntree Dairy Road	Vaughan	ON	100%	100%	97,645	Silgan Plastics Canada Inc.
891 Rowntree Dairy Road	Vaughan	ON	100%	100%	16,055	Michel's Canada Corporation
33 Alex Avenue	Vaughan	ON	100%	100%	16,770	Exact Furniture Ltd.

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
83 Strada Drive	Vaughan	ON	100%	100%	14,859	Leading Edge Motor Cars Inc. Oak Hall Industries Canada Inc.
39 Haist Avenue	Vaughan	ON	100%	100%	30,504	Babbingtons Mould & Trim
75 Haist Avenue	Vaughan	ON	100%	100%	33,261	Apolo Tool & Die Manufacturing
71 Marycroft Avenue	Vaughan	ON	100%	69%	52,679	Perela Business Solutions Inc. CONDO - Silmar Management, CONDO -SRS Restoration Limited, D. Lynch Mechanical, Condo - Scarola Investment Corporation, Action Millwright Services, Action Millwright Nuport Tile, Condo - Aurivia Stone Design, CONDO - D.P.L. Painting, CONDO -258029 Ontario Inc., Condo - Connect Cabling, C2 Catering Couture, Mortgage Cents, Condo - Lynbury Homes, Simply Closets, Pure Industrial Real Estate Trust
80 Marycroft Avenue	Vaughan	ON	100%	100%	17,180	Aurivia Stone Design Inc.
140 Marycroft Avenue	Vaughan	ON	100%	100%	42,978	Kendrew Distribution Services Ltd
150 Marycroft Avenue	Vaughan	ON	100%	100%	23,251	Polyware Sales & Marketing Inc.
170 Marycroft Avenue	Vaughan	ON	100%	100%	22,734	Viacraft Interiors Ltd
1 Whitmore Road	Vaughan	ON	100%	100%	44,318	Colfan Restoration Systems, Pillow Place, Gelati De Luxe, Mario's Furniture and Upholstery, MSC Control Design, Priority Group Canada, Vaughan Lumber Limited, Metro Star Mechanical, The Pentacon Construction Group, Complete Building Services, Fire Safety Solutions, Riccia Carpentry, Torbram Electric Supply Corporation, United Independent Operators, Cabletek Systems, McKay Boiler Supplies, Green Drop Lawns
41 Whitmore Road	Vaughan	ON	100%	100%	36,693	San Remo Lighting Manufacturing Company Woodbridge Academy of Gymnastics, Red Incentives Inc.
71 Whitmore Road	Vaughan	ON	100%	100%	35,571	Delet Industries Ltd Ainsley Chandler Litho Inc., QBA International Inc.
51 Caldari Road	Vaughan	ON	100%	100%	146,914	Richstone Fine Foods, Aquabross, Fuan International, Aquarium

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
						Services Warehouse Outlets, ND Packaging, Esselle 2000, Angel Tours and Entertainment, Serena Financia Memory Care Investments, Specialty Dental Products, LHM Technologies, FCI Technical Installations, Parker Hannifin Canada Aquabross, Canada Post Corporation, RR Canada, Terragen Environmental Group, Max AirFlow, Gran Quartz Canada, 49 Bespoke, Production Canada, M&R Automation Canada Inc.
2110-2160 Williams Parkway East	Brampton	ON	100%	100%	229,558	WG Pro-Manufacturing Inc. Revere Plastics Systems, Inc, Brampton Nameplate, Eaton Industries (Canada)
1925 Williams Parkway East	Brampton	ON	100%	100%	143,318	Hopewell Logistics, Xplornet Communications, Vanity Art Canada, The Chancellor Masters and Scholars, Quality Move Management I
25 Bramtree Court	Brampton	ON	100%	65%	127,965	Woodstream Canada, CLS 2009
35 Bramtree Court	Brampton	ON	100%	100%	63,649	Sun Rich Fresh Foods Inc. Ceva Logistics Canada
40 Bramtree Court	Brampton	ON	100%	100%	20,462	Rockwell Automation Canada Ltd.
400 Chrysler Drive	Brampton	ON	100%	100%	87,206	Cheng Shin Rubber Canada Inc.
120 Valleywood Drive	Markham	ON	100%	100%	59,425	POI Business Interiors Inc.
4255 - 14 th Avenue	Markham	ON	100%	100%	57,274	All Gold Imports Inc.
1020 Lorimar Drive	Mississauga	ON	100%	100%	24,610	Flexcon Canada Limited
7115 Tomken Road	Mississauga	ON	100%	100%	28,415	Bethsaida Holding Company Ltd., ABC Company
1070 & 1100 Mid-Way Boulevard	Mississauga	ON	100%	100%	83,838	Olam Canada Company Elite Stone Design, Boss Lubricant, Farm to Canada, Rosenberg Fans Canada, Monster Energy Canada
199 Traders Boulevard E	Mississauga	ON	25%	100%	77,449	Macro Engineering & Technology Inc.
375-425 Britannia Road	Mississauga	ON	100%	96%	121,051	Steris Canada Inc. Atlas-Graham Industries Canada, Compass Group Canada, Pro Lending, Kura Sushi Bar, Sports Therapy C.A.I.R.E., Mr. Lube Canada, LSW Legal Service Prof. Corp. Les Services Pharm-Olam International, Meritrust Financial Group,

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
						Sabha Hazi Professional Corporation, Rae White LLB., Royal Personnel, Rudraksha Ratna Canada, Canvest Mortgage Solutions, Cantrex Nationwide Group, Towerhill Insurance Brokers, Canada Home Group Realty, Data Ventures Corporation, CQK Chartered Accountants LLP, Covalon Technologies, Xtron Imaging, ZOLL Medical Corporation, North American Business Inc.
7600 Danbro Crescent	Mississauga	ON	100%	100%	128,522	Contract Pharmaceuticals Ltd Canada
1219 Corporate Drive	Burlington	ON	100%	100%	103,119	Ryerson Canada Inc. Tech-Con Automation Incorporated
3450 Harvester Road	Burlington	ON	100%	89%	160,000	ABB, Amec Foster Wheeler Americas
147 Massey Road	Guelph	ON	100%	100%	41,190	Purolator Inc.
3820 Commerce Road	London	ON	100%	100%	40,200	Martinrea Automotive Systems Canada
3915 Commerce Road	London	ON	100%	100%	82,600	Magna Seating Inc.
2440 Scanlan Street	London	ON	100%	100%	84,633	Arcelormittal Tubular Products Canada
11000 Steeles Avenue	Halton Hills	ON	100%	100%	123,750	Rona Inc.
210 Constellation Drive	Stoney Creek	ON	100%	100%	112,987	Andrew Peller Limited
1175 Barton Street	Stoney Creek	ON	100%	100%	144,074	G.S. Dunn Limited, Dicom Transportation Group Canada, Klingspor, Worldpac, Pensafe
4240 Harvester Road	Burlington	ON	100%	100%	217,602	Bunzl Canada Inc. Landmark Global, Trimlite ULC
1000 Ridgeway Road	Woodstock	ON	100%	100%	170,265	Hino Motors Canada Ltd.
86 Pillsworth Road	Bolton	ON	100%	100%	627,731	Best Buy Canada Ltd.
125 Maple Grove Road	Cambridge	ON	100%	100%	136,780	Transfreight Integrated Logistics Inc.
45 Di Poce Way	Vaughan	ON	100%	100%	422,433	FedEx
75 Venture Drive	Scarborough	ON	100%	PUD	150,322	E. I. DU PONT CANADA COMPANY
100 Sandalwood Parkway W	Brampton	ON	100%	100%	764,182	Kellogg Canada
2777 Langstaff Road	Vaughan	ON	100%	100%	471,051	TOYS "R" US (CANADA)
1865 Clements Road	Pickering	ON	100%	100%	190,000	Siemens Canada Limited
5425 Dixie Road	Mississauga	ON	100%	100%	185,218	TFI International
5200 Maingate Drive	Mississauga	ON	100%	100%	100,350	TFI International
55 Doney Crescent	Vaughan	ON	25%	100%	121,375	Iron Mountain Canada
845 Laurentian Drive	Burlington	ON	25%	100%	109,922	Cogent Power Inc.
5330 South Service	Burlington	ON	25%	100%	48,000	XYZ Automation Inc.
120 Trillium Drive	Kitchener	ON	25%	100%	183,264	Boehmer Box GP Inc.
365 Passmore Avenue	Toronto	ON	25%	100%	68,750	The Stonemill Bakehouse Limited

Building Address	City	Province	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
385 Passmore Avenue	Toronto	ON	25%	100%	77,498	FedEx
4350 Castleton Road	London	ON	25%	100%	99,527	Jones Packaging Inc. OTC Systems Ltd., Misteelco Inc.
2800 Roxburgh Road	London	ON	25%	100%	99,910	Natra S.A.
1601 Dickson Street	Montreal	QC	25%	100%	164,525	Molson Canada 2005
8184 Place Marien	Montreal	QC	100%	100%	49,035	FedEx
2000 Chemin Saint Francois	Dorval	QC	100%	100%	106,263	FedEx
4400 Hickmore Street	Montreal	QC	100%	100%	79,936	Groupe BBH Inc.
3333 Joseph Dubreuil Street	Montreal	QC	100%	100%	59,615	TFI International
2355 - 32 nd Ave	Lachine	QC	100%	100%	118,440	TFI International
150 Edmonton Avenue	Moncton	NB	100%	72%	30,823	The Play Café Stretch-Acorn Holdings Inc, East Coast Pedorthics, Shaw Television G.P., Praxair Canada, Brookfield Johnson Controls, New Brunswick Federation of Labour, UTC Fire & Security Canada, Atlantic Hairfax, New Brunswick EMS, Atlantic Canada Taxman
Total					16,457,657	

Properties in the United States

Building Address	City / Market	State	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
200 Old Ranch Road	City of Industry	CA	100%	100%	211,495	FedEx
5731 Premier Park	West Palm Beach	FL	100%	100%	119,165	FedEx
1936 Amity Street	Newtown	NC	100%	100%	141,432	FedEx
5 Commerce Drive	Barrington	NJ	100%	100%	251,989	FedEx
1 Commerce Ave	Dover	NJ	100%	100%	171,907	FedEx
7800 Turkey Hollow Road	Rock Island	IL	100%	100%	189,926	FedEx
1234 Peterson Drive	Wheeling	IL	100%	100%	147,082	FedEx
10800 South Reitz Ave	Baton Rouge	LA	100%	100%	175,374	FedEx
15904 Impact Way	Austin	TX	100%	100%	199,865	FedEx
9929 & 9943 Doerr Lane	San Antonio	TX	100%	100%	202,763	FedEx
3755 Atlanta Industrial Parkway	Atlanta	GA	100%	100%	407,981	Empire Distributors, Inc.
2107 Eastview Parkway	Conyers	GA	100%	100%	201,403	Pioneer Plastics Corp. Cellofoam North America Inc.
2175 East Park Drive	Conyers	GA	100%	100%	226,256	DiversiTech Corporation
1975 Sarasota Parkway	Conyers	GA	100%	100%	145,262	Pratt Industries
3700 Display Drive	Charlotte	NC	100%	100%	465,323	International Paper Company
4205 Westinghouse Commons	Charlotte	NC	100%	100%	123,333	Chemring Detection Systems, Inc.

Building Address	City / Market	State	Ownership	Occupancy	GLA (sf)	Major Tenants(s)
201 Greenwood Court	McDonough	GA	100%	100%	800,000	DHL
4762 Borusan Road	Houston	TX	100%	100%	495,462	IKEA
4830 Borusan Road	Houston	TX	100%	100%	501,020	IKEA
201 South Interstate 45	Wilmer	TX	100%	100%	758,922	Port-A-Cool, Almo Distributing Wisconsin, DC Logistics
2101 Reeves Place	Fort Worth	TX	100%	86%	301,500	Ecolab Inc., PODS Enterprise
150 Distribution Drive	McDonough	GA	100%	0%	760,256	
6104 Corporate Park Drive	Greensborough	NC	100%	100%	504,000	Proctor & Gamble Manufacturing Co.
3928 Westpoint Boulevard	Winston-Salem	NC	100%	61%	244,000	South Atlantic Packaging Corp.
6105 Corporate Park Drive	Greensborough	NC	100%	100%	582,037	MWI Veterinary Supply, Mohawk Carpet Transportation of Georgia
Total					8,327,753	

RISK FACTORS

Capitalized terms in this section which are not defined in this AIF are defined in the Trust Declaration available on SEDAR at www.sedar.com.

There are certain risks inherent in the activities of the Trust and an investment in the securities of the Trust, including the following: public market risk; general risks associated with real property ownership; current economic conditions; illiquidity of real estate investments; debt financing risk; competition for real property investments; the risk of underinsurance; environmental liability; restrictions on redemptions of Trust Units; lack of availability of growth opportunities; appraisal of properties; reliance on a single tenant in many of the properties comprising the property portfolio; potential conflicts of interest; availability of cash for distribution; risk in respect of the market price of Trust Units; legal rights attaching to Trust Units; failure to obtain additional financing; dilution; interest rate and financial risk; credit risk; currency risk; lease rollover risk; the risk of the Trust's reliance on key personnel; limitations on non-resident ownership; cyber security; joint venture, partnership, and co-ownership agreements; risk factors relating to the Trust's tax status; and other tax related risk factors. The risks described below may not be the only risks involved with the activities of the Trust or an investment in the securities of the Trust. If any of the following risks occur, or if others occur, the Trust's business, operating results and financial condition could be seriously harmed and Unitholders may lose some or all of their investment. Risks affecting the Trust may affect the ability to make distributions on the Trust Units.

General Risks Associated with Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, 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. The Trust's financial performance would be adversely affected if its tenants were to become unable to meet their obligations under their leases. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the Trust than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and costs incurred in protecting the Trust's investment may be incurred. Furthermore, at any time, a tenant of any of the Trust's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby adversely affect the financial performance of the Trust.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the real property is producing any income.

Current Economic Conditions

Canadian real estate investment trusts are subject to risks related to real estate in the markets where properties are owned, as well as the Canadian credit, capital and financial markets. Sensitivity to global economic conditions, and their impact in Canada, may negatively affect the Trust, its properties and/or its tenants. The Trust is subject to the risks commonly associated with recessionary economic conditions, including liquidity, debt financing risk, and tenant risk which are described in more detail herein.

Debt Financing Risk

The Trust has outstanding indebtedness, which includes mortgage loans used to finance the acquisition of its properties. The Trust intends to incur additional indebtedness in the future, including by way of additional mortgage loans, term loans and operating lines. A portion of the cash flow generated by properties owned by the Trust is devoted to servicing such debt, and there can be no assurance that the Trust will continue to generate sufficient cash flow from operations to meet the required interest and principal payments on the debt of the Trust.

The Trust is subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by properties of the Trust, or unsecured, may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness. In addition, if the Trust were to fail to meet its obligations under its mortgage indebtedness or revolving line of credit, distributions to Unitholders may be affected.

In order to minimize this risk, the Trust has attempted and will continue to appropriately structure the timing of the renewal of significant tenant leases on the respective properties in relation to the time at which mortgage indebtedness on such property becomes due for refinancing.

Liquidity

Real property investments tend to be 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 Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Trust were required to liquidate a real property investment, the proceeds to the Trust might be significantly less than the aggregate carrying value of such property.

Competition

The real estate business is extremely competitive. Numerous other developers, managers and owners of office, industrial and retail properties may compete with the Trust in seeking additional industrial properties. The existence of competing developers and owners could have an adverse effect on the Trust's ability to acquire properties, collect rents and/or grant concession. There can be no guarantee that additional properties will be available to the Trust at reasonable prices or at all.

General Uninsured Losses

The Trust 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, natural disasters, climate change or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, its properties, and the Trust would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Currency Risk

The Trust is subject to foreign currency fluctuations that may impact its financial position and earnings resulting from the ownership of properties located in the U.S. and the rental income earned from these properties. In order to mitigate a part of this risk, the Trust's U.S. denominated debt are held in U.S. dollars to act as a natural hedge. Further, the Trust has targeted a maximum weighting of U.S.-based net operating income to approximately 25-30%, thus limiting its exposure to U.S. currency fluctuations.

Environmental Matters

As an owner of real property, the Trust is subject to various federal, provincial, state and municipal laws relating to environmental matters. Such laws provide that the Trust could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect the Trust's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Trust.

The Trust is not aware of any material non-compliance with environmental laws with respect to the property portfolio and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with the property portfolio.

Failure to Obtain Additional Financing

The Trust may require additional financing in order to grow and expand its operations. It is possible that such financing will not be available or, if it is available, will not be available on favourable terms. In addition, upon the expiry of the term of financing or refinancing of any particular property owned by the Trust, refinancing may not be available in amounts required or may be available only on terms less favourable to the Trust than existing financing. Future financing may take many forms, including debt or equity financing which could alter the debt-to-equity ratio or which could be dilutive to Unitholders.

Inability to Execute Growth Strategy

The Trust's business plan includes growth through the Trust identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the Trust is unable to manage its growth effectively, its business, operating results, financial condition and distributions could be adversely affected. On a go-forward basis, there can be no assurance that the Trust will be able to acquire assets on an accretive basis or that distributions from the Trust to Unitholders will increase.

Appraisal of Properties

The Trust obtains or is provided with a current independent appraisal of each property or an independent valuation of a portfolio of properties that it intends to acquire, and the Trustees rely on such appraisals, in part, in approving the purchase of properties or portfolios. An appraisal is an estimate of market value and caution should be used in evaluating the appraisals. An appraisal is a measure of value based on information gathered in the investigation, appraisal techniques employed and reasoning both quantitative and qualitative, leading to an opinion of value. The analysis, opinions, and conclusions are developed based on, and in conformity with, or interpretation of the guidelines and recommendations set forth in the Canadian Uniform Standards of Appraisal Practice or the Uniform Standards of Professional Appraisal Practice in the U.S. Appraisals are based on various assumptions of future expectations of property performance and while the appraiser's internal forecast of net income for the properties in the respective properties or portfolios are considered to be reasonable at the then current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Reliance on Single Tenant and Tenant Concentration

Many of the Trust's properties are single tenant properties. In the event that any of the Trust's major tenants were to terminate their tenancies or become insolvent, the financial results of the Trust would be materially adversely affected. Until such a time that the Trust is in a position to acquire more assets and further diversify its tenant base, management has taken certain steps to mitigate any credit risk by closely monitoring the tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified. See "Tenant Overview".

Joint Venture, Partnership and Co-Ownership Agreements

The Trust is a participant in three co-ownership or joint venture agreements with three third party investment partners in respect to three portfolios consisting of sixteen properties as at December 31, 2017. A co-ownership agreement involves certain additional risks, including:

- (i) the possibility that the co-owner may at any time have economic or business interests or goals that will be inconsistent with the Trust's or take actions contrary to the Trust's instructions or requests or to the Trust's policies or objectives with respect to the Trust's real estate investments;
- (ii) the risk that such co-owner could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on the Trust to maintain and operate such properties or repay the co-ownership's share of property debt guaranteed by the Trust or for which we will be liable and/or result in the Trust suffering or incurring delays, expenses and other problems associated with obtaining court approval of co-ownership agreement decisions;
- (iii) the risk that such co-ownership agreements may, through their activities on behalf of or in the name of the co-owners, expose or subject the Trust to liability; and
- (iv) the need to obtain co-owner consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the co-ownerships may be subject to rights of first refusal or first offer and certain of the co-ownership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Trust may not desire to sell but may be forced to do so because the Trust does not have the cash to purchase the other party's interests. Such rights may also inhibit the Trust's ability to sell an interest in a co-ownership within the time frame or otherwise on the basis that the Trust desires.

Potential Conflicts of Interest

There are potential conflicts of interest to which the Trustees will be subject to in connection with the operations of the Trust. Stephen Evans, Co-Founder and Trustee, is a principal of Sunstone Management, a director and officer of Sunstone Realty and Sunstone Management and a Trustee, Chief Executive Officer of Pure Multi Family REIT LP and acting Chief Financial Officer of REALnorth Opportunities Fund, which intend to engage in a wide range of real estate and other business activities, including the development and management of industrial real estate. Robert King, a Trustee, is President of King Pacific Capital Corporation, a private equity firm involved in corporate and real estate investment, and a principal of Westbridge Finance Inc. which is engaged in real estate financing activities. T. Richard Turner is President and Chief Executive Officer of TitanStar Investment Group Inc., a private company engaged in the provision of private equity capital to midmarket business and capital for real estate developments and acquisitions. Mr. Turner is also the Board Chair of TitanStar Properties Inc., a public company on the TSX Venture Exchange which purpose is to acquire real estate in Canada and the United States. Jim Bogusz, a Trustee, is the Chief Operating Officer of The Beedie Development Group, a privately held company specializing in land development, construction and property management.

The Trust Declaration contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on the Trust. As the Trustees may be engaged in a wide range of real estate and other activities, the Trust Declaration contains provisions, similar to those contained in the *Business Corporations Act* (Canada) that require each Trustee to disclose to the Trust any interest in a material contract or transaction or proposed material contract or transaction with the Trust (or an Affiliate of the Trust). A Trustee who has made disclosure to the foregoing effect is not entitled to vote

on any resolution to approve the contract or transaction except in limited circumstances such as where the contract or transaction is one for indemnity under the provisions of the Trust Declaration or liability insurance.

Availability of Cash for Distribution

The stated policy of the Trust is to make monthly distributions of cash to Unitholders in an amount which, on an annual basis, is in the range of 85%-95% of AFFO of the Trust. AFFO is a non-IFRS measure, which excludes other transactions that the Trust takes into consideration in its determination of cash distribution.

The ability of the Trust to pay distributions which are in excess of its AFFO is dependent upon the level of cash reserves, its debt covenants and other obligations, its working capital requirements and future capital requirements. AFFO may exceed actual free cash flow available from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and redemptions of Units. In the event AFFO alone is insufficient to fund distributions, the Trust will likely supplement cash distributions from working capital and/or financing in the short to medium term until it has completed sufficient acquisitions to support distributions. There is no assurance that this will occur and supplementing AFFO from working capital is unsustainable over the long term.

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of the initial investment in Units is at risk, and the return on an investment in Units is based on many performance assumptions. The actual amount of AFFO distributed in respect of Trust Units will depend on numerous factors, including the amount of principal repayments, tenant allowances, leasing commissions, capital expenditures and other factors that may be beyond the control of the Trust. There is no guaranteed minimum cash distribution on Trust Units. In addition, the market value of the Units may decline if the Trust is unable to provide a satisfactory return to Unitholders.

Market Price of Units

It is not possible to predict the price at which Trust Units will trade. The Trust Units will not necessarily trade at values determined solely by reference to the value of the properties of the Trust. Accordingly, the Trust Units may trade at a premium or discount to the value implied by the value of the Trust's properties. The market price for the Trust Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the Trust's control.

One of the factors that may influence the market price of the Trust Units is the annual yield thereon. Accordingly, an increase in market interest rates may lead purchasers of Trust Units to expect a higher annual yield, which could adversely affect the market price of the Trust Units. In addition, the market price for the Trust Units may be affected by changes in general market conditions, fluctuations in the market for equity securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond the control of the Trust.

Legal Rights Attached to Units

On May 10, 2017, the Trust amended and restated the Trust Declaration to, among other things, include certain rights, remedies and procedures in favour of Unitholders consistent, to the extent possible, with those available to shareholders of a corporation pursuant to the Canada Business Corporations Act. Such rights, remedies and procedures are granted pursuant to the Trust Declaration as contractual rights afforded to Unitholders (rather than as statutory rights). Similar to other existing rights contained in the Trust Declaration (i.e., the take-over bid provisions and conflict of interest provisions), making these rights and remedies and certain procedures available by contract is structurally different from the manner in which the equivalent rights and remedies or procedures (including the procedure for enforcing such remedies) are made available to shareholders of a corporation, who benefit from those rights and remedies or procedures by the corporate statute that governs the corporation, such as the Canada Business Corporations Act. As such, there is no certainty how these rights, remedies or procedures may be treated by the courts in the non-corporate context or that a Unitholder will be able to enforce the rights and remedies in the manner contemplated by the amendments. Furthermore, how the courts will treat these rights, remedies and procedures will be in the discretion of the court, and the courts may choose to not accept jurisdiction to consider any claim contemplated in the provisions.

Interest Rate and Financial Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Trust is exposed to financial risk from the interest rate differentials between the market rate and the rates used on these financial instruments.

The Trust manages its financial instruments and interest rate risks based on its cash flow needs. The Trust minimizes interest rate risk by obtaining long-term, fixed rate mortgages when advantageous to do so. Additionally, the Trust has entered into interest rate swaps to reduce the interest rate exposure. It targets a conservative ratio of debt (including the face amount of any outstanding convertible debentures, if applicable) to Gross Book Value within the medium range of 40% to 45% with a longer term target of 40% and is restricted under the Trust Declaration to a maximum of 70%. Mortgages payable bear interest at fixed rates except for eleven mortgages that are variable but for which the Trust has entered into interest rate swaps to reduce the interest rate exposure, the Trust's operating line and the Trust's unsecured term loan; therefore, the Trust is not exposed to significant interest rate risk.

Credit Risk

The Trust may experience loss due to failure of a tenant to fulfill the obligation of required payments. Also, there is a risk that current tenants will be unable or unwilling to fulfill their lease term commitments. The Trust minimizes the risk by regularly checking tenants' credit histories and requesting security deposits.

Lease Rollover Risk

Lease rollover risk arises from the possibility that the Trust may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants upon lease expiry. Management tries to sign long term leases to tenants to minimize lease rollover risk. The occupancy rate is 96.8% as at December 31, 2017 and lease terms are between one to 20 years.

Reliance on Key Personnel

The success of the Trust is highly dependent on the services of certain management personnel, including Kevan Gorrie and Teresa Neto, the Chief Executive Officer and Chief Financial Officer of the Trust, respectively. The loss of the services of such personnel could have an adverse effect on the Trust.

Limitations on Non-Resident Ownership

The Trust Declaration provides that at no time may more than 49% of the Trust Units outstanding be held or beneficially owned, directly or indirectly, by or for the benefit of non-Residents. The limitation on ownership of the Units by

non-Residents may have an adverse impact on the liquidity of the Units. In addition, the sale by non-Residents of a significant number of Units at the demand of the Trust may have an adverse effect on the market price of the Units.

Cyber Security

The Trust employs systems and websites that allow for the storage and transmission of proprietary or confidential information regarding the Trust's business, customers and employees, including banking information. Security breaches could expose the Trust to a risk of loss or misuse of this information and potential liability. The Trust may not be able to anticipate or prevent rapidly evolving types of cyber-attacks. Actual or anticipated attacks may cause us to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees and engage third party experts and consultants. Advances in computer capabilities, new technological discoveries or other developments may result in the technology used by the Trust to protect transaction or other data being breached or compromised. Data and security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breach by employees or persons with whom the Trust have commercial relationships that result in the unauthorized release of personal or confidential information. Any compromise or breach could result in a violation of applicable privacy and other laws, significant financial exposure and a loss of confidence in the Trust.

Restrictions on Redemptions

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. The Trust Notes or Debt Securities which may be issued or distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities, and such securities may be subject to an indefinite "hold period" or other resale restriction under applicable securities laws. The Trust Notes and Debt Securities so issued or distributed may not be qualified investments for deferred income plans. Regulatory approvals will be required in connection with an issuance or distribution of the Trust Notes or Debt Securities in specie to holders of Trust Units in connection with a redemption of Trust Units.

The entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the following limitations: (i) the total amount payable by the Trust in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month shall not exceed \$20,000 or 0.10% of the aggregate subscription price of all Trust Units that were outstanding at the end of such month (provided that such limitation may be waived at the discretion of the Trustees); and (ii) the trading of the Trust Units has not been suspended or halted on any stock exchange on which the Trust Units are listed for trading on the Redemption Date or for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date.

Risk Factors Relating to the Trust's Tax Status

Management has determined that the Trust currently qualifies as a REIT for Canadian income tax purposes. Thus, the Trust is not subject to Canadian income tax as long as the Trust distributes all taxable income earned by the Trust to unitholders annually. If the Trust does not qualify or ceases to qualify as a REIT under the REIT Exception, adverse consequences could arise including a non-deductible distribution amount being taxable to the Trust (with the result that the amount of cash available for distribution by the Trust would be reduced) and such amount also being included in the income of unitholders for purposes of the Tax Act as taxable dividends.

There can be no assurances that Canadian federal income tax laws respecting the definition or treatment of mutual fund trusts and of REITs under the Tax Act will not be changed, or that administrative and assessing practices of the Canada Revenue Agency will not develop in a manner which adversely affects the Trust or its Unitholders.

The Trust operates in the U.S. through its wholly-owned subsidiary, the Trust U.S. The Trust U.S. timely made and intends to maintain an election to be taxed as a U.S. real estate investment trust ("U.S. REIT") under the U.S. Internal Revenue Code (the "Code"). Given the highly complex nature of the rules governing U.S. REITs and the possibility of future changes in circumstances, no assurances can be given that the Trust U.S. will qualify as a U.S. REIT for U.S. federal income tax purposes, whether in its first taxable year or in any subsequent year. Should the Trust U.S. fail to qualify as a U.S. REIT, it should be subject to U.S. federal income tax which may result in materially reduced distributions to Unitholders. A U.S. REIT that is

disqualified as a U.S. REIT cannot generally elect again to become a U.S. REIT prior to the fifth taxable year beginning after the first taxable year for which the termination is effective. Trust U.S. is primarily capitalized by way of common equity, preferred shares and debt. If the Internal Revenue Service (“IRS”) or a court were to determine that the debt and related interest should be treated differently for U.S. tax purposes this may materially reduce distributions to Unitholders.

There can be no assurance that U.S. federal income tax laws, the terms of the U.S.-Canada Tax Convention, and the IRS and Department of the Treasury administrative and legislative will not be changed, possibly on a retroactive basis, in a manner that adversely affects the Trust or its Unitholders.

Other Tax Related Risk Factors

The tax treatment of investments and real estate activities has a material effect on the advisability of an investment in the Units.

The after-tax return from an investment in Trust Units to Unitholders who are subject to Canadian income tax can be made up of both a return on and a return of capital, and will depend, in part, on the composition for tax purposes of distributions paid by the Trust (portions of which may be fully or partially taxable or may be tax deferred). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders. Subject to the SIFT Measures and the Trust qualifying for the REIT Exception (i.e., where the SIFT Measures do not apply to a trust that qualifies as a REIT for the year), income (i.e., return on capital) is generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Amounts in excess of the income of the Trust that are paid or payable by the Trust to a Unitholder (i.e., returns of capital) are generally non-taxable to a Unitholder (and reduce the Unitholder’s cost base in the Trust Unit for tax purposes). The extent to which distributions will be tax deferred in the future as returns of capital will depend on the extent to which the Trust can shelter its taxable income by claiming capital cost allowances and other available deductions. Unitholders are advised to consult their own tax advisers with respect to the implications of the foregoing in their own circumstances.

As the Trust Declaration provides that the Trust shall, subject to the Trustees resolving otherwise, allocate to Unitholders in each year an amount of net income and net realized capital gains in order to eliminate the Trust’s liability for tax under Part I of the Tax Act, where the amount of net income and net realized capital gains of the Trust in a Taxation Year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains may be distributed to Unitholders in the form of additional Trust Units. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income, notwithstanding that they do not directly receive a cash distribution.

There can be no assurance that income tax laws (or the judicial interpretation thereof or the administrative and assessing practices of the Canada Revenue Agency) and/or the treatment of “mutual fund trusts” or “real estate investment trusts” will not be changed in a manner which would adversely affect the Trust or Unitholders.

Investors should consult their own professional advisors as to the tax consequences to them of making an investment in, and of holding, securities of the Trust.

CAPITAL STRUCTURE

The following table sets out the consolidated capitalization of the Trust as at December 31, 2017:

Security	Authorized	Issued	At December 31, 2017
Class A Units	Unlimited	305,880,218	\$2,067,750,274

Units

The Trust is authorized to issue an unlimited number of Class A Units. See “Summary of the Trust Declaration – Class A Units”.

Unitholders' Rights Plan

On May 13, 2013, the Unitholders approved the adoption of the unitholders' rights plan, which was reapproved, as amended, by the Unitholders on May 13, 2016 (as amended, the "Rights Plan"). The Rights Plan is designed to ensure the fair treatment of unitholders in any transaction involving a change of control of the Trust and will provide the Trustees and Unitholders with sufficient time to properly consider any take-over bid made for the Trust and to allow enough time for competing bids and alternate proposal to emerge. Pursuant to securities regulation, the adoption of the Rights Plan is required to be re-approved by the Unitholders not less frequently than every three years.

The Rights Plan is similar to other security holder rights plans adopted by other Canadian real estate investment trusts, income trusts and corporations. Until the occurrence of certain specified events, the rights will trade with the Class A Units. The rights become exercisable only when a person (including a related party and joint actor of such person) acquires or announces its intention to acquire twenty percent (20%) or more of the outstanding Class A Units without complying with the "permitted bid" provisions of the Rights Plan. As soon as practicable thereafter, separate certificates evidencing the rights will be mailed to Unitholders. Should a non-permitted acquisition occur, each right would entitle the holder of Units (other than the acquiring person and related persons and joint actors of such acquiring person) to purchase additional Class A Units at a fifty percent (50%) discount to the market price at the time.

The Rights Plan permits a "permitted bid", which is a take-over bid made to all Unitholders on identical terms and conditions that is open for acceptance for a period of at least 60 days. If at the end of the 60 day period at least fifty percent (50%) of the outstanding Class A Units (other than those owned by the offeror and related parties and joint actors of the offeror) have been tendered under the bid, the offeror may take up and pay for the tendered Class A Units but must extend the bid for a further 10 days to allow all unitholders to tender to the bid.

Long Term Debt

The Trust finances a portion of the purchase price of the properties by way of mortgage loans from third party lenders. Pursuant to the Trust Declaration, the overall loan to value ratio of the mortgage loans will not exceed 70% of the purchase price of the properties as a whole, plus the amount of any property improvement reserve account approved by the lenders. Such loans will generally be for terms of 5 to 10 years, with fixed interest rates calculated with reference to the interest rate on a government bond with a similar term, plus an amount determined in accordance with market factors. The mortgage loans will be secured by mortgages registered on the properties in respect of which the loans were advanced, and will have priority over the return of capital to the Unitholders.

The Trust portfolio's mortgages bear interest at the weighted average nominal rate of 3.73% as at December 31, 2017 and the mortgages mature between 2018 and 2032 with a weighted average mortgage term of 4.7 years. A summary of the mortgage loans as at December 31, 2017 is as follows:

Properties in Canada

Property	Prov	Ownership	Balance (CAD\$)	Maturity	Nominal Rate Per Annum
7660 Vantage Way	BC	100%	3,685,483	11/30/2018	4.18%
7867 & 7890 Express Street	BC	100%	21,723,954	2/1/2021	5.02%
16131 Blundell Road	BC	100%	21,533,101	2/1/2020	3.98%
16133 Blundell Road	BC	100%	43,186,569	5/1/2024	3.60%
18111 Blundell Road	BC	100%	24,103,157	2/1/2023	4.33%
16111 Blundell Road	BC	100%	19,284,094	2/1/2020	3.90%
679 Aldford Avenue	BC	100%	2,716,325	7/5/2018	3.86%
7031 York Road	BC	100%	240,000	2/28/2019	Prime+0.75% or BA 2.25%
2705-2737 - 57th Avenue	AB	100%	4,004,183	1/1/2018	5.93%

Property	Prov	Ownership	Balance (CAD\$)	Maturity	Nominal Rate Per Annum
234040 Wrangler Road	AB	100%	24,654,063	4/1/2022	3.29%
7720 - 17th Street SW	AB	100%	7,962,461	8/1/2020	5.35%
5645 - 70th St NW	AB	100%	15,562,715	1/2/2020	2.95%
12155 - 154 th Street	AB	25%	2,176,410	9/5/2032	4.70%
7303 & 7403 - 30th Street	AB	25%	1,156,434	2/1/2018	3.85%
11415 - 168th Street NW	AB	25%	1,190,234	3/1/2023	4.20%
12900 - 148th Street NW	AB	100%	2,469,866	3/1/2023	4.20%
11307 - 11329 166A Street	AB	100%	3,567,584	3/1/2023	4.20%
261106 - Wagon Wheel Crescent SW	AB	100%	5,238,729	3/31/2018	3.65%
14627 - 128th Avenue NW	AB	100%	4,505,347	10/1/2020	4.57%
15709 - 114th Avenue NW	AB	25%	1,201,619	10/1/2018	3.94%
40 Technology Way SE	AB				
2030 Notre Dame Avenue	MB		20,584,404	10/3/2022	4.00%
11000 Steeles Avenue	ON				
25535 - 111 Avenue	AB	100%	11,241,173	1/1/2020	3.20%
285031 Wrangler Way	AB	100%	8,674,653	1/1/2020	3.20%
27650 - 108 Avenue	AB	100%	14,783,835	11/1/2021	2.76%
10971 - 274 Street	AB	100%	12,360,256	11/1/2021	2.76%
12810 - 170 Street NW	AB	100%	31,409,591	11/1/2021	2.76%
304 - 69 Avenue NW	AB	100%	8,900,080	4/5/2022	4.30%
10905 48 Street	AB	100%	9,306,546	11/1/2021	2.76%
4600 - 99th Street NW	AB	100%	6,809,065	1/1/2022	3.85%
857 - 57 Street East	SK	100%	1,155,704	7/5/2018	3.86%
90 - 120 Paramount Road	MB	100%	881,268	8/1/2018	4.00%
1725 Inkster Boulevard	MB	100%	8,503,525	8/1/2021	5.06%
95 Clegg Road	ON	100%	5,121,470	6/1/2020	5.51%
1000 Thornton Road	ON	100%	4,236,135	1/1/2018	3.03%
2425 Skymark Avenue	ON	100%	4,266,725	8/1/2018	2.15%
20 & 30 Milburn Road	ON	100%	1,304,167	11/1/2021	4.03%
12557 Coleraine Drive	ON	100%	11,358,165	9/1/2018	2.64%
515 Welham Road	ON	100%	1,377,146	9/5/2032	4.70%
40 Mills Road	ON	100%	1,202,101	7/5/2018	3.86%
2400 Skymark Avenue	ON	100%	13,898,797	8/1/2020	4.12%
400 Rowntree Dairy Road	ON	100%	10,950,482	1/3/2022	3.15%
4240 Harvester Road	ON	100%	9,235,585	3/1/2021	4.01%
86 Pillsworth Road	ON	100%	32,808,267	3/1/2019	3.46%
45 Di Poce Way	ON	100%	106,177,166	8/1/2026	3.40%
8184 Place Marien	QC	100%	3,923,598	10/1/2031	4.77%
55 Doney Crescent	ON	25%	783,606	11/1/2019	3.55%
845 Laurentian Drive	ON	25%	1,237,838	11/1/2019	3.55%
5330 South Service Road	ON	25%	658,745	11/1/2019	3.55%
120 Trillium Drive	ON	25%	1,851,376	11/1/2019	3.55%
28084 & 28234 Acheson Road	AB	50%	2,900,537	3/1/2027	3.75%
260032 Range Road 291	AB	50%	3,246,432	3/1/2027	3.75%
1436 Chevrier Boulevard	MB	50%	887,630	8/1/2019	4.10%
27750 Acheson Road	AB	50%	3,221,898	10/3/2022	4.00%
5502 & 5532 - 56th Avenue SE					
10498 - 17th Street	AB	100%	7,434,515	7/20/2018	3.34%
1002 - 15th Avenue					
5805-5885 - 51st Street SE					
5820-5870 - 48th Street SE	AB	100%	41,773,520	7/1/2023	4.42%
19 Aero Drive NE					
21 Aero Drive NE					
144 Henderson Drive	SK	100%	6,142,426	7/20/2018	3.34%
195 Henderson Drive					

Property	Prov	Ownership	Balance (CAD\$)	Maturity	Nominal Rate Per Annum
2 Ramm Avenue					
170 Claireville Drive	ON	100%	3,789,701	10/1/2018	4.15%
3408 - 76 Avenue	AB	100%			
525 Rowntree Dairy Road	ON	100%	15,308,765	11/1/2021	4.43%
625 Rowntree Dairy Road	ON	100%			
750-770 Rowntree Dairy Road	ON	100%			
891 Rowntree Dairy Road	ON	100%			
33 Alex Avenue	ON	100%			
83 Strada Drive	ON	100%			
39 Haist Avenue	ON	100%			
75 Haist Avenue	ON	100%			
140 Marycroft Avenue					
150 Marycroft Avenue					
170 Marycroft Avenue	ON	100%			
1 Whitmore Road					
41 Whitmore Road					
51 Caldari Road					
1925 Williams Parkway East			34,814,222	12/1/2020	4.47%
2110-2160 Williams Parkway East					
25 Bramtree Court	ON	100%			
35 Bramtree Court					
40 Bramtree Court					
400 Chrysler Drive					
1020 Lorimar Drive			41,256,277	11/1/2019	4.05%
7115 Tomken Road					
1070 & 1100 Mid-Way Boulevard					
1 Rutherford Court	ON	100%			
375-425 Britannia Road East					
7600 Danbro Crescent					
1219 Corporate Drive					
3450 Harvester Road					
3820 Commerce Road			7,409,204	12/1/2018	3.97%
3915 Commerce Road	ON	100%			
2440 Scanlan Street					
210 Constellation Drive			8,629,174	3/1/2019	3.46%
1175 Barton Street	ON	100%			
365 Passmore Avenue			3,052,193	5/1/2019	3.52%
385 Passmore Avenue	ON	25%			
4350 Castleton Road					

Properties in the United States

Property	State	Ownership	Balance (US\$)	Maturity	Nominal Rate Per Annum
200 Old Ranch Road	CA	100%	92,585,692	6/1/2022	3.80%
5731 Premier Park	FL				
5 Commerce Drive	NJ				
1 Commerce Ave	NJ				
7800 Turkey Hollow Road	IL				
1234 Peterson Drive	IL				
15904 Impact Way	TX				
9929 & 9943 Doerr Lane	TX		39,662,868	12/1/2024	3.06%
2107 Eastview Parkway	GA	100%			
2175 East Park Drive	GA				
3700 Display Drive	NC				
4205 Westinghouse Commons	NC				

Property	State	Ownership	Balance (US\$)	Maturity	Nominal Rate Per Annum
201 Greenwood Court	GA	100%	18,890,317	12/1/2024	3.82%
201 South Interstate 45	TX	100%	11,763,192	12/1/2024	3.56%
4762 Borusan Road	TX	100%	15,499,207	5/1/2027	3.88%
4830 Borusan Road	TX	100%	15,673,075	5/1/2027	3.88%
6104 Corporate Park Drive 3928 Westpoint Boulevard 6105 Corporate Park Drive	NC	100%	29,100,000	7/1/2025	3.40%

Outstanding variable rate loans and credit facility

Bank Loans	Balance Outstanding	Interest Rate	Maturity Date
Credit Facility	\$ 70,252,000 (US\$ 56,000,000)	Prime + Margin (0.20%-1.10% based on debt rating) or US Base Rate +Margin (0.20%-1.10% based on debt rating) or BA/LIBOR/LOC + Margin (1.20% - 2.10% based on debt rating)	12/4/2020
Term Loan	\$125,000,000	Consistent with a BBB low investment grade rating	02/28/2023
Total Variable Rate Loans and Credit Facility	\$ 195,252,000		

Restricted Unit Plan

The Trust's restricted unit plan (the "Restricted Unit Plan") provides for the grant of restricted units to participants (who may be Trustees, key management, key employees or consultants), for the following purposes:

- support the achievement of the Trust's performance objectives;
- ensure that the interests of Trustees, key management and key employees are aligned with the success of the Trust;
- provide incentive bonus compensation which is calculated based on the grant of restricted units and the appreciation in value of such units (including distributions payable in respect thereof) from the grant date until the redemption date, thereby rewarding the efforts of participants in the year of grant and providing additional incentive for their continued efforts in promoting the growth and success of the business of the Trust; and
- attract, retain and motivate Trustees, key management and key employees critical to the long-term success of the Trust and the participating entities.

Each restricted unit gives the participant the right to receive, upon vesting, an amount equal to the fair market value of the units on the payment date, either by way of a cash payment or by the Trust acquiring Class A Units in the open market, or from treasury, and distributing them to the participant, or any combination thereof, at the Trust's option. As distributions are paid on Class A Units, additional restricted units (i.e., distribution restricted units) will be credited to the participants in an amount determined by dividing the dollar amount of the distributions payable by the fair market value per Class A Unit on the date of the distribution. As well, the number of restricted units granted to a participant may be increased by a "performance factor" established by the Trustees at the time of grant. The "performance factor" is designed to reward participants based on the performance of the Class A Units relative to a comparable REIT index, such as the S&P/TSX Capped REIT Index. Unless otherwise determined by the Trustees, restricted units and any associated distribution restricted units will vest and become available for redemption on the third anniversary of their being granted, or on a change of control or take-

over bid for the Trust. Restricted units vested must be redeemed no later than December 31 in the year of vesting. However, the restricted units granted to a participant and any associated distribution restricted units shall not vest, and the participant shall not be entitled to such restricted units or associated distribution restricted units if the performance criteria, which are specified in the grant agreements, are not met. As at March 6, 2018, the Trust has a total of 825,567 restricted units outstanding.

Incentive Unit Option Plan

On May 13, 2013, the Unitholders approved the Trust's incentive unit option plan (the "Option Plan") to enhance the Trust's ability to attract, retain and motivate key personnel, and reward Trustees, directors, officers, employees and service providers for significant performance and growth of the Trust. The Option Plan, as approved, was considered a "rolling plan", which means that as the outstanding capital of the Trust increased from time to time by the issuance of Class A Units, whether due to the exercise of options or otherwise, the number of Class A Units eligible to be issued under option pursuant to the Option Plan would automatically increase. Pursuant to the rules of the TSX, unallocated options, rights or other entitlements under a TSX listed issuer's security based compensation arrangement that does not have a fixed maximum number of securities issuable, must be approved by a majority of the issuer's trustees and by the issuer's securityholders every three years. The Trust determined that such subsequent approval of the Option Plan was not required.

In August, 2013, the Trust granted 705,000 options to certain independent Trustees pursuant to the terms of the Option Plan and the rules of the TSX.

On May 15, 2017, the Trustees approved the accelerated vesting of 168,000 unit options held by a retired Trustee which had been part of an original grant of 240,000 unit options. On May 15, 2017, the retired Trustee exercised 240,000 unit options at the option exercise price of \$4.2867 per Unit, in exchange for 240,000 Units for proceeds of \$1,029,000.

As at March 6, 2018, a total of 465,000 options remain outstanding, and no further options may be granted under the Option Plan.

Deferred Unit Plan

The Trust has adopted a Deferred Unit Plan (the "DUP") effective as of January 1, 2017. The purpose of the DUP is to promote a greater alignment of interests between the non-executive Trustees and the Unitholders.

Each Eligible Person, defined as, a non-executive Trustee, may, subject to the conditions of the DUP, elect to be a participant thereunder. A participant may elect to be paid up to 25% (the "Elected Percentage") of his or her annual board retainer (such product being referred to as the "Elected Amount"), in the form of deferred units ("Deferred Units") in lieu of cash, provided that the Trust shall match the Elected Amount for each participant annually in the form of Deferred Units having a value on each Award Date, defined as the last business day of each calendar quarter, equal to the Market Value, as defined in the DUP. Under the DUP, one Deferred Unit shall be equivalent in value to one Unit. The number of Deferred Units (including fractional Deferred Units) to be credited to a participant as of any particular Award Date pursuant to the DUP are to be calculated by dividing: (i) the amount calculated by multiplying the dollar amount of the participant's Elected Amount by two and dividing that product by four; by (ii) the Market Value of a Unit on the Award Date. As distributions are paid on Class A Units, additional Deferred Units will be credited to the participants in an amount determined by dividing the dollar amount of the distributions payable by the Market Value per Unit on the date of the distribution. The Deferred Units credited to a participant's Deferred Unit account shall vest immediately and be redeemable by the participant following an event, including disability, retirement or death, causing the participant to be no longer an Eligible Person (the "Termination Date"). The Deferred Units credited to a participant's Deferred Unit account may be redeemed in whole or in part during the period commencing six months after the Termination Date and ending on December 1 of the second calendar year following the participant's Termination.

As at March 6, 2018, a total of 32,512 Deferred Units are outstanding.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Capitalized terms in this section which are not defined in this AIF are defined in the Trust Declaration available on SEDAR at www.sedar.com.

Investment Guidelines

The Trust Declaration provides that the assets of the Trust may only be invested, and the Trust shall not permit the assets of any subsidiary entity to be invested otherwise than with the approval of the Trustees and in accordance with the following investment guidelines:

- a) notwithstanding any other provisions of the Trust Declaration, the Trust shall not make any investment or take any action or omit to take any action: (i) that would result in Trust Units not being units of a “mutual fund trust” within the meaning of the Tax Act (or otherwise disqualify the Trust as a “mutual fund trust” within the meaning of the Tax Act); or (ii) that would result in Trust Units not being a “qualified investment” for Plans;
- b) notwithstanding any other provisions of the Trust Declaration, the Trust shall not make any investment or take any action or omit to take any action which would cause the Trust to be a “SIFT Trust” within the meaning of the Tax Act at any time during a Taxation Year, or which would cause the Trust to be unable to maintain its status as a “real estate investment trust” within the meaning of the Tax Act;
- c) except as otherwise prohibited in the Trust Declaration, the Trust may only, directly or indirectly, invest in:
 - i. interests (including ownership and leasehold interests) in income-producing real property that is capital property of the Trust;
 - ii. corporations, trusts, partnerships or other entities which are real estate investment trusts for the purposes of the Tax Act or that meet the conditions set out in paragraph (h) below; and
 - iii. such other activities as are consistent with the other investment guidelines of the Trust;
- d) the Trust may, with the prior approval of the Trustees, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the Trust; provided that such joint venture arrangement contains terms and conditions which, in the opinion of Trustees, are commercially reasonable, including such terms and conditions relating to restrictions on the transfer, acquisition and sale of the Trust’s and any joint venturer’s interest in the joint venture arrangement, provisions to provide liquidity to the Trust, provisions to limit the liability of the Trust and its Unitholders to third parties, and provisions to provide for the participation of the Trust in the management of the joint venture arrangement. For purposes hereof, a joint venture arrangement is an arrangement between the Trust and one or more other persons pursuant to which the Trust, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the Trust and in respect of which the Trust may hold its interest jointly or in common or in another manner with others (subject to paragraphs (a) and (b) above) either directly or through the ownership of securities of a corporation or other entity, including a limited partnership or a limited liability company;
- e) unless such investment would cause the Trust to fail to qualify as a “real estate investment trust” under the Tax Act, the Trust may, with the prior approval of the Trustees, invest by way of loan advances to a sidecar fund, in which the Trust would advance funds for the development of new industrial properties, with rights to acquire such properties on pre-agreed terms;
- f) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities and except as otherwise permitted pursuant to the investment guidelines and operating policies of the Trust, the Trust may

not hold securities other than to the extent such securities would constitute an investment in real property (as determined by the Trustees);

- g) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil and gas, except as ancillary to an investment in real property;
- h) the Trust shall not invest, directly or indirectly, in any other trust, partnership, corporation or other entity unless:
 - i. the entity derives all or substantially all of its revenues from maintaining, improving, leasing or managing real or immovable properties that are capital property of the Trust or of an entity of which the Trust holds a share or an interest, including real or immovable properties that the Trust, or an entity of which the Trust holds a share or an interest, holds together with one or more other persons or partnerships; or
 - ii. the entity holds no property other than legal title to real or immovable property of the Trust (including real or immovable property that the Trust holds together with one or more other persons or partnerships), and property ancillary to the earning by the Trust of rents or gains from the sale of real or immovable property that is capital property;
- i) except where any such investment would cause the Trust not to qualify as a “real estate investment trust” for purposes of the Tax Act:
 - i. the Trust may invest in immovable hypothecs, mortgages, hypothecary bonds or mortgage bonds (including a participating or convertible immovable hypothec or mortgage) and similar instruments where the hypothec, mortgage, hypothecary bond or mortgage bond is issued by a subsidiary;
 - ii. the Trust may invest in immovable hypothecs, mortgages, hypothecary bonds or mortgage bonds (including a participating or convertible immovable hypothec or mortgage) and similar instruments where:
 - a. the immovable property, which is security therefor, is income-producing real property which otherwise complies with the other investment guidelines of the Trust adopted from time to time in accordance with the Trust Declaration and the guidelines set out in the Trust Declaration;
 - b. the immovable hypothec or mortgage is an immovable hypothec or mortgage registered on title to the real property which is security therefor; and
 - c. the aggregate value of the investments of the Trust in these instruments, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders’ Equity (calculated in accordance with the Trust Declaration); and
 - iii. subject to paragraphs (a) and (b) above, the Trust may invest in immovable hypothecs or mortgages which are not first ranking for the purposes of providing, directly or indirectly, financing in connection with a transaction in which the Trust is the vendor or with the intention of using such hypothec or mortgage as part of a method for subsequently acquiring an interest in or control of a real property or a portfolio of properties.

For the purpose of the foregoing guidelines, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement or a limited partnership, the whole subject to paragraphs (a) and (b) above. Except as specifically set forth in the Trust Declaration to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by the Trust, but always subject to paragraphs (a) and (b) above and clauses 6.1(a) and 6.1(b) of the Trust Declaration and thus be constantly monitored for the purposes of the latter provisions.

Operating Policies

The operations and affairs of the Trust shall be conducted in accordance with the following policies, the whole subject to paragraphs (a) and (b) of the investment guidelines above and clauses 6.1(a) and 6.1(b) of the Trust Declaration:

- a) the Trust shall not purchase, sell, market or trade in currency or interest rate future contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” shall have the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended or replaced from time to time;
- b) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage, and to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of immovable property;
- c) the Trust may engage in construction or development of real property in order to maintain its real properties in good repair or to enhance the income-producing potential of properties that are capital property of the Trust;
- d) the title to each real property shall be held by and registered in the name of the Trustees or, to the extent permitted by applicable law, in the name of the Trust or a corporation or other entity owned directly or indirectly by the Trust or jointly-owned directly or indirectly by the Trust with joint venturers or a corporation which is a nominee of the Trust which holds as its only property a registered title to such real property pursuant to a nominee agreement with the Trust;
- e) the Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total consolidated indebtedness of the Trust would be more than 70% of the Gross Book Value. For the purposes of this paragraph, the term “indebtedness” means any obligation of the Trust for borrowed money, including the face amount outstanding under any convertible debentures but excluding any premium in respect of indebtedness assumed by the Trust for which the Trust has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of Gross Book Value with respect to such interest rate subsidy, provided that:
 - i. an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with IFRS; and
 - ii. indebtedness excludes trade accounts payable, distributions payable to Unitholders, accrued liabilities arising in the ordinary course of business and short-term acquisition credit facilities;
- f) the Trust will monitor its tax status as a “mutual fund trust” and a “real estate investment trust” within the meaning in the Tax Act;
- g) the Trust shall not, directly or indirectly, guarantee any indebtedness or liabilities of any kind of any person, except indebtedness or liabilities assumed or incurred by a person in which the Trust holds an interest, directly or indirectly. The Trust is not required but shall use its reasonable best efforts to comply with this requirement: (i) in respect of obligations assumed by the Trust pursuant to the acquisition of immovable property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the Trust permitted under the Trust Declaration;

- h) the Trust shall obtain or have received a current independent appraisal of each property or an independent valuation of a portfolio of properties that it intends to acquire;
- i) the Trust shall obtain and maintain at all times insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of trust property from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
- j) the Trust shall have obtained or have received a Phase I environmental site assessment (or reliance letter from an environmental consultant in respect of a Phase I environmental site assessment) of each real property to be acquired by it conducted within 18 months of the date of acquisition and, if the Phase I environmental site assessment recommends or recommended that a Phase II environmental site assessment be conducted, the Trust shall have conducted a Phase II environmental site assessment, in each case by an independent and experienced environmental consultant; such audit as a condition to any acquisition, shall be satisfactory to the Trustees.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation, trust or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidated basis. In addition, any references in the foregoing investment in real property will be deemed to include an investment in a joint venture. Except as specifically set forth to the contrary in the Trust Declaration, all of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by the Trust, but always subject to paragraphs (a) and (b) of the investment guidelines above and clause 6.1(a) of the Trust Declaration and thus be constantly monitored for the purposes of the latter provisions.

Amendments to Investment Guidelines and Operating Policies

Subject to the provisions of clause 6.3 of the Trust Declaration, the investment guidelines set out in the Trust Declaration and the operating policies contained in paragraphs (a), (e), (f), (g), (h) and (i) under the heading “Operating Policies” may be amended only by Special Resolution of Unitholders. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

Application of Investment Guidelines and Operating Policies

With respect to the investment guidelines and operating policies contained in the Trust Declaration, where any maximum or minimum percentage limitation is specified in any of the guidelines and policies therein contained, such guidelines and policies shall be applied on the basis of the relevant amounts calculated immediately after the making of such investment or the taking of such action. Any subsequent change relative to any percentage limitation which results from a subsequent change in the Gross Book Value or adjusted Unitholders’ equity (calculated in accordance with the Trust Declaration) will not require divestiture of any investment.

Regulatory Matters

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment guideline of the Trust then in force (other than paragraphs (a) and (b) of the investment guidelines above), such guideline in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary contained in the Trust Declaration, any such resolution of the Trustees shall not require the prior approval of Unitholders.

SUMMARY OF THE TRUST DECLARATION

General

The Trust is an unincorporated, open-ended trust governed by the laws of the Province of British Columbia and the Trust Declaration. The rights and obligations of the Unitholders are governed by the Trust Declaration dated as of June 24, 2007, as amended November 18, 2010 and as amended and restated on May 28, 2015 and May 10, 2017, among the Trustees, James A. Speakman as settlor and initial Unitholder, and all persons who become holders of Units as provided therein. The following is a summary of certain material provisions of the Trust Declaration. **This summary does not purport to be complete and reference should be to the Trust Declaration itself, a copy of which has been filed on SEDAR.**

Capitalized terms in this summary which are not defined in this AIF are defined in the Trust Declaration available on SEDAR at www.sedar.com.

Nature of the Trust

The beneficial interests and rights generally of a Unitholder in the Trust shall be limited to the right to participate pro rata in distributions when and as declared by the Trustees as contemplated in the Trust Declaration and in distributions upon the termination of the Trust as contemplated in the Trust Declaration. The Trust is not, is not intended to be, and shall not be treated as, a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or any individual Trustee or the Unitholders or any of them or any officers or other employees of the Trust or any one of them for any purpose be, or be deemed to be, treated in any way whatsoever to be liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the Trust shall be, or be deemed to be, agent of the Unitholders. The relationship of the Unitholders to the Trustees, to the Trust and to the property of the Trust shall be solely that of beneficiaries of the Trust and their rights shall be limited to those conferred upon them by the Trust Declaration.

Class A Units

The Trust is authorized to issue an unlimited number of Class A Units. Each Class A Unit entitles the Class A Unitholder to the same rights and obligations as any other Class A Unitholder and no Class A Unitholder is entitled to any privilege, priority or preference in relation to any other Class A Unitholders.

Each Class A Unit is transferable and represents an equal undivided beneficial interest in and to all distributions from the Trust, whether of net income, net realized capital gains or other amounts, and in all assets of the Trust in the event of its termination or winding-up, after payment of all debts, liabilities and liquidation expenses of the Trust. See “Summary of the Declaration of Trust – Trust, Ranking of Trust Units and Consideration for Trust Units”.

Rights of Unitholders

The rights of each Unitholder to call for a redemption, distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained in the Trust Declaration and, except as provided in the Trust Declaration, no Unitholder shall be entitled to call for any partition or division of the Trust’s property or for a distribution of any particular asset forming part of the Trust’s property or of any particular monies or funds received by the Trustees. The legal ownership of the property of the Trust and the right to conduct the activities of the Trust are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of the Trust, except as specifically provided in the Trust Declaration. Except as specifically provided in the Trust Declaration, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under the Trust Declaration. The Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in the Trust Declaration.

Trust Units

Each Trust Unit when issued shall vest indefeasibly in the holder thereof. The interest of each Unitholder shall be determined by the number of Trust Units registered in the name of the Unitholder. The issued and outstanding Trust Units may be subdivided or consolidated from time to time by the Trustees without the approval of Trust Unitholders.

Ranking of Trust Units

Each Trust Unit shall represent an equal undivided beneficial interest in the Trust with all other outstanding Trust Units of the same class of Trust Units. Trust Units of each Class shall rank among themselves equally and rateably without discrimination, preference or priority.

Each Class A Unit is entitled to an equal undivided beneficial interest in and to all distributions from the Trust, whether of net income, net realized capital gains or other amounts, and in all assets of the Trust in the event of its termination or winding-up, after payment of all debts, liabilities and liquidation expenses of the Trust.

Consideration for Trust Units

No Trust Units shall be issued other than as fully paid and non-assessable. A Trust Unit shall not be fully paid until the consideration therefore has been received in full by or on behalf of the Trust. The consideration for any Trust Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust.

No Pre-Emptive Rights

There are no pre-emptive rights attaching to the Trust Units.

Fractional Trust Units

If as a result of any act of the Trustees under the Trust Declaration any person becomes entitled to a fraction of a Trust Unit, such person shall not be entitled to receive a certificate therefore. Fractional Trust Units shall not, except to the extent that they may represent in the aggregate one or more whole Trust Units, entitle the holders thereof to notice of or to attend or to vote at, meetings of Unitholders. Subject to the foregoing, such fractional Trust Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Trust Units in the proportion that they bear to a whole Trust Unit.

Allotment and Issue

The Trustees may allot and issue Trust Units at such time or times and in such manner (including, without limitation, pursuant to any plan from time to time in effect relating to reinvestment by Unitholders of distributions of the Trust in Trust Units) and for such consideration and to such person or class of persons as the Trustees in their sole discretion shall determine. In the event that Trust Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received. The price or value of the consideration for which Trust Units may be issued will be determined by the Trustees in their sole discretion, generally in consultation with investment dealers or brokers who may act as agents or underwriters in connection with offerings of Trust Units.

Transferability

The Units are freely transferable and, except in limited circumstances set forth in the Trust Declaration, the Trustees shall not impose any restriction on the transfer of Units by any Unitholder except with the consent of such Unitholder. The

Trustees shall use all reasonable efforts to obtain and maintain a listing for the Units on one or more stock exchanges in Canada.

Transfer of Trust Units

Subject to the provisions of the Trust Declaration, the Trust Units shall be, for all purposes of the Trust and the Trust Declaration, personal and moveable property, and the Trust Units shall be fully transferable without charge as between persons, but no transfer of Trust Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the register or one of the branch transfer registers maintained by the Trustees, the Trust or the Transfer Agent of the Trust. No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit.

Non-Resident Ownership Constraint

The Trust Declaration provides that at no time may more than 49% of the Trust Units outstanding be held or beneficially owned, directly or indirectly, for the benefit of non-Residents. Furthermore, at no time shall non-Residents hold or beneficially own, directly or indirectly, Trust Units or any other rights or options, including convertible debentures (for the purpose of this paragraph, such other rights and options being known as “Options”) that may entitle them (conditionally or otherwise) to acquire Trust Units that would result in more than 49% of the Trust Units, at any time, being held or beneficially owned, directly or indirectly, by non-Residents. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trust becomes aware that 49% of the Trust Units and/or Options then outstanding are held, or may be held, for the benefit of non-Residents or that such a situation is imminent, the Trustees may make a public announcement to such effect and shall not accept any subscription for Trust Units or Options from any non-resident, issue any Trust Units or Options to any such person or register or otherwise recognize the transfer of any Trust Units or Options to any non-resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units and/or Options are held or may become held for the benefit of non-Residents, the Trustees may send a notice to non-Resident holders of Trust Units or Options, as shall be chosen on the basis of inverse order to the order of acquisition or registration, by law or by such other method that is authorized by the Trustees’ determination, requiring them to sell their Trust Units or Options or a portion thereof within a specified period of not less than 60 days. If the holders of Trust Units or Options receiving such notice have not sold the specified number of Trust Units or Options or provided the Trustees with satisfactory evidence that they are not non-Residents of Canada and do not hold their Trust Units or Options for the benefit of non-Residents within such period, the Trustees may sell such Trust Units or Options on behalf of such holders of Trust Units or Options to a person or persons that are not non-Residents of Canada and, in the interim, all rights attaching to such Trust Units or Options (including any right to receive payments of interest) shall be immediately suspended and the rights of any such holders of Trust Units or Options in respect of such Trust Units or Options shall be limited to receiving the net proceeds of sale (net of any commission, tax or other cost of sale).

Annual Meeting

There shall be an annual meeting of the Unitholders at such time and place in Canada as the Trustees shall prescribe for the purpose of electing Trustees, receiving audited financial statements, appointing or removing the auditors of the Trust and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Unitholders shall be held after delivery to the Unitholders of the annual report and, in any event, within 180 days after the end of each fiscal year of the Trust.

Nomination of Trustees

Nominations of persons for election to the Board of Trustees may be made at any annual meeting of Unitholders, or at any special meeting of Unitholders, if one of the purposes for which the special meeting was called was the election of Trustees: (i) by or at the direction of the Board of Trustees, including pursuant to a notice of meeting; (ii) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Trust Declaration; or (iii) by any person (a “Nominating Unitholder”) who: (A) at the close of business on the date of the giving of the notice provided for in the Trust Declaration and on the record date for notice of such meeting, is entered in the Register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled

to be voted at such meeting; and (B) who complies with the notice procedures in the Trust Declaration. Such notice procedures include that for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given notice thereof to the Trustees: (i) in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of such annual meeting; and (ii) in the case of a special meeting of Unitholders which is not also an annual meeting called for the purpose of electing Trustees (whether or not called for other purposes), not later than the 15th day following the day on such meeting was announced.

Other Meetings

The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place in Canada as the Trustees may determine. Unitholders holding in the aggregate not less than 20% of the outstanding Units of the Trust may requisition the Trustees in writing to call a special meeting of the Unitholders for the purposes stated in the requisition.

Notice of Meeting of Unitholders

Notice of all meetings of the Unitholders shall be mailed or delivered by the Transfer Agent of the Trust to each Unitholder entitled to vote at the meeting at his address appearing in the Register, each Trustee and the auditors of the Trust not less than 21 nor more than 60 days (or within such other number of days as required by law or relevant stock exchange) before the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held. Any Unitholder or any other person entitled to notice of a meeting of Unitholders may in any manner waive notice of the meeting. Attendance at a meeting of Unitholders shall constitute a waiver of notice unless the Unitholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.

If a meeting is adjourned for less than 30 days it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of Unitholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

All business to be conducted at a special meeting of Unitholders and all business to be transacted at an annual meeting of Unitholders, except consideration of financial statements, auditor's report, election of Trustees and re-appointment of the incumbent auditor, is deemed to be special business. Notice of a meeting of Unitholders at which special business is to be transacted shall state:

- (a) the nature of the business in sufficient detail to permit a Unitholder to form a reasonable judgement thereon; and
- (b) the text of any resolution (or a summary thereof) that requires the approval of two-thirds of the votes cast by Unitholders who vote in respect of that resolution to be submitted to the meeting.

Quorum

A quorum for any meeting of Unitholders shall be individuals present not being less than two in number and being Unitholders or representing by proxy Unitholders who hold in the aggregate not less in aggregate than 25% of the total number of outstanding Trust Units, provided that if the Trust has only one Unitholder, the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting. If a quorum is present at the opening of a meeting, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Unitholders, the chair of the Unitholders present may adjourn the meeting to a fixed time and place but may not transact any business. The Chair of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn at such meeting.

Voting

Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Class of Unit shall entitle the holder of record the right to one vote at any meeting of Unitholders.

Any action to be taken by the Unitholders shall, except as otherwise required by the Trust Declaration or by law, be authorized when approved by a majority of the votes cast at a meeting of the Unitholders. The Chair of any such meeting shall not have second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands, on which every person present and entitled to vote shall be entitled to one vote.

At any such meeting, unless a poll is demanded, a declaration by the Chair that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of that fact. If a poll is demanded concerning the election of a chair or an adjournment, it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the Chair may direct. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded.

At any meeting of Unitholders, on a show of hands every person who is present and entitled to vote, whether as a Unitholder or as a proxy, shall have one vote. At any meeting of Unitholders on a poll, each Unitholder present in person or represented by a duly appointed proxy shall have one vote for each Class of Unit held on the applicable Record Date, except as otherwise set forth in the Trust Declaration.

Amendments to the Trust Declaration by the Trustees

The Trustees may make the following amendments to the Trust Declaration in their sole discretion and without the approval of Unitholders:

- a) amendments aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Trust, its status as a “mutual fund trust” or “real estate investment trust” under the Tax Act or the distribution of Units;
- b) amendments which, in the opinion of the Trustees, provide additional protection for Unitholders;
- c) amendments to remove any conflicts or inconsistencies in the Trust Declaration or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;
- d) amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;
- e) amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation or other laws;
- f) amendments which in the opinion of the Trustees are necessary or desirable to enable the Trust to issue Trust Units for which the purchase price is payable on an installment basis;
- g) amendments to create one or more additional class of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Trust Units;
- h) amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes from time to time in accounting standards applicable to the Trust as a reporting issuer which may affect the Trust or the Unitholders; and

- i) amendments for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees are not prejudicial to Unitholders and are necessary or desirable,

but notwithstanding the foregoing, no such amendment shall modify the right to vote attached to any Unit or reduce the equal undivided interest in the property of the Trust or the entitlement to distributions from the Trust provided hereunder represented by any Unit without the consent of the holder of such Unit.

Matters which must be Approved by Special Resolution

The following matters must be approved by a Special Resolution of Unitholders:

- a) any amendment to the provisions of the Trust Declaration dealing with amendments to the Trust Declaration;
- b) any exchange, reclassification or cancellation of all or part of the Trust Units;
- c) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units, including: (i) the removal or change of rights to distributions; (ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or (iii) the reduction or removal of a distribution preference or liquidation preference;
- d) any constraint of the issue, transfer or ownership of Units or the change or removal of such constraint, except as provided in the Trust Declaration;
- e) any amendment to increase the maximum number of Trustees (to more than nine) or to decrease the minimum number of Trustees (to less than five);
- f) any distribution of the Trust's property upon its termination;
- g) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;
- h) any sale or transfer of the properties or assets of the Trust as an entirety or substantially as an entirety (other than as part of an internal reorganization of the Trust's property as approved by the Trustees);
- i) the termination of the Trust;
- j) any amendment to the investment guidelines or operating policies of the Trust, except for any amendment to ensure compliance with applicable laws, regulations, requirements or policies of governmental authority having jurisdiction over the Trustees or over the Trust, its status as a mutual fund trust or real estate investment trust; and
- k) any matter required to be passed by a "Special Resolution" under the Trust Declaration, as may be amended and restated from time to time.

Oppression Remedy, Dissent and Appraisal Rights

On May 10, 2017, the Trust amended and restated the Trust Declaration: (i) to include certain rights, remedies and procedures in favour of Unitholders consistent, to the extent possible, with those available to shareholders of a corporation pursuant to the Canada Business Corporations Act, as reflected in the model declaration of trust provisions prepared by the Canadian Coalition for Good Governance in November 2015; (ii) to clarify certain provisions relating to the Trust's structure at the time of its initial public offering and the re-designation of the Class B Units to Class A Units; and (iii) to reflect current tax legislation, as further described in the Trust's management information circular dated March 31, 2017, available on SEDAR at www.sedar.com.

The amendments included, among other things, the introduction of the ability of Unitholders to make application to a court to seek an order that the business or affairs of the Trust were conducted in a manner oppressive or unfairly prejudicial to the interests of any Unitholder; and dissent and appraisal rights in connection with certain fundamental transactions, including a going-private transaction. For additional information see the Trust Declaration on SEDAR at www.sedar.com

REDEMPTION RIGHTS

Capitalized terms in this summary which are not defined in this AIF are defined in the Trust Declaration available on SEDAR at www.sedar.com.

Each holder of Trust Units will be entitled to require the Trust to redeem at any time upon demand all or any part of the Trust Units registered in the name of the Unitholder at the prices determined and payable in accordance with the Trust Declaration. Unitholders whose Units are redeemed will be entitled to receive a redemption price per Trust Unit (the "Redemption Price") equal to:

- a) in the case of Class A Units, where the Class A Units are listed on a stock exchange or similar market, an amount equal to the lesser of:
 - i. 95% of the "market price" of the Class A Units on the principal market on which the Class A Units are quoted for trading during the 10 trading day period after the Redemption Date; and
 - ii. 100% of the "closing market price" on the principal market on which the Class A Units are quoted for trading of the Class A Units on the Redemption Date;

divided by the number of outstanding Class A Units on the Redemption Date; or

- b) in the case of Class A Units, where the Class A Units are not listed on a stock exchange or similar market, an amount equal to 95% of the product obtained by multiplying the Class A Unit Percentage Interest by an amount equal to:
 - i. the "aggregate value" of the real estate assets of the Trust on the last day of the most recent calendar month that ends prior to the Redemption Date; plus
 - ii. the "aggregate value" of the cash and other working capital assets of the Trust on the Redemption Date; less
 - iii. the "aggregate value" of the Trust's liabilities on the Redemption Date;

divided by the number of Class A Units outstanding on the Redemption Date; or

Except as set out below, the Redemption Price per Trust Unit so determined multiplied by the number of Trust Units tendered for redemption will be paid to a redeeming Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar month in which the Redemption Date occurs, provided that the Trust will not be required to pay the Redemption Price by way of a cash payment if:

- a) the total amount payable by the Trust by cash payment in the same month in which the Redemption Date occurs exceeds \$50,000, provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any particular calendar month; or

- b) the normal trading of the Trust Units is suspended or halted on any stock exchange on which the Trust Units are listed for trading on the Redemption Date or for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date.

If such conditions preclude the payment of the Redemption Price in cash, the Redemption Price shall be paid and satisfied at the sole discretion of the Trustees by way of either of the following:

- a) the issuance and delivery of a number of the Trust Notes, each in the principal amount of \$100, having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units tendered for redemption; or
- b) a distribution in specie to the Unitholder of a number of Debt Securities (each in the principal amount of \$100) having an aggregate principal amount equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units tendered for redemption.

Trust Units will be redeemed according to the order in which Redemption Notices are received by the Trustees.

DISTRIBUTIONS

Policy

The Trust Declaration allows the Trustees, at their discretion, to distribute to the Trust's Unitholders in each year all or a portion of the Trust's income for the year, as calculated in accordance with the Tax Act after all permitted deductions under the Tax Act have been taken. The Trustees have distributed, and intends to distribute, to Unitholders all of the Trust's income for each taxation year. The Trustees also review the cash distribution paid to Unitholders on a regular basis.

The Trust has made, and intends to continue to make, distributions of available cash to the maximum extent possible to Unitholders. The Trust intends to make equal monthly cash distributions to Unitholders of record on the last business day of each month, less amounts estimated will be required for expenses, cash redemptions or repurchases of Trust Units, any tax liability, other of obligations and any reasonable reserves established by the Trust. The distributions will be paid on or about the 15th day following the end of each month. The Trust may make additional distributions in excess of the monthly distributions during the year, as the Trustees may determine.

All distributions (whether in cash or in kind and whether of net income, net realized capital gains or other amounts) will be made to each Class of Units.

The Trust intends to satisfy its monthly distributions to Unitholders using available cash to the maximum extent possible. The amount of cash available for distribution is equal to the monthly cash receipts of the Trust, less estimated cash amounts that the Trustees may reasonably consider are required for expenses and other obligations of the Trust.

Any income of the Trust which is unavailable for cash distribution is, to the extent necessary to ensure that the Trust does not have an income tax liability under Part I of the Tax Act, distributed to each Class of Units in the form of additional Units. Those additional Units will be issued under exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

Distributions

The Trust currently pays an annualised distribution of \$0.312 per Class A Unit, or \$0.026 per Class A Unit per month. The Trust declared and paid distributions on its Trust Units for the years indicated as follows. The table below includes distributions to Class B Unitholders, which were equivalent in economic, voting and all other respects to 2,535,118 Class A Units, up to December 15, 2016, the last date distributions were paid to Class B Unitholders prior to re-designation of the Class B Units on December 23, 2016.

Year	Monthly Distribution per Unit	Annualized Distribution per Unit	Annualized Total
2015	\$0.026	\$0.312	\$59,606,323
2016	\$0.026	\$0.312	\$66,511,133
2017	\$0.026	\$0.312	\$86,995,443

MARKET FOR SECURITIES

Trading Price and Volume

The Class A Units are listed and posted for trading on the TSX under the symbol AAR.UN. The first day of trading was August 24, 2007 on the TSX Venture Exchange. The Trust graduated to the TSX on September 19, 2012. The following table sets forth certain trading information for the Class A Units on the TSX for the most recently completed financial year:

Month	High (\$)	Low (\$)	Close (\$)	Volume
January	5.71	5.43	5.69	19,642,864
February	6.08	5.66	5.98	27,101,217
March	6.24	5.82	6.09	48,656,417
April	6.61	6.06	6.53	36,902,967
May	6.83	6.49	6.77	39,940,636
June	7.07	6.75	6.88	37,849,206
July	6.90	6.37	6.37	49,388,135
August	6.69	6.37	6.62	34,531,197
September	6.65	6.34	6.36	27,698,766
October	6.76	6.36	6.66	26,454,888
November	6.84	6.59	6.68	22,272,117
December	6.79	6.50	6.77	30,168,104

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following securities of the Trust are held in escrow as at December 31, 2017:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Class A Units	183,084 Class A Units	0.06%

On March 13, 2013 501,505 Class A Units (the “Escrowed Units”) were placed in escrow by the vendor of four properties under a sale leaseback arrangement to secure its obligations as tenant under the leases. Subsequently in February, 2017, 318,421 of the Escrowed Units were released as a result of the Trust selling one of the properties to the tenant. The remaining Escrowed Units will be released from escrow on the tenth anniversary of the closing of the acquisition, subject to compliance with the terms of the leases.

TRUSTEES AND MANAGEMENT

As at December 31, 2017, the Trust’s Trustees are Stephen Evans, James Bogusz, Paul Haggis, Robert King, Richard Turner, Elisabeth Wigmore and Kevan Gorrie. Mr. Turner is Chair of the Trust’s Board of the Trustees. Messrs. Bogusz, Haggis, King, and Turner and Ms. Wigmore are considered Independent Trustees. The following table sets out each Trustee and officer’s name, municipality of residence, position, principal occupation and commencement date as a Trustee or officer.

Name and Municipality of Residence	Position	Principal Occupation	Commencement as Trustee
T. Richard Turner ⁽¹⁾⁽²⁾ Vancouver, British Columbia	Chair and Independent Trustee	President and Chief Executive Officer, TitanStar Capital Corp.	June 2007 – Present
James Bogusz ^{(1) (2)(4)} Langley, British Columbia	Independent Trustee	Chief Operating Officer, The Beedie Group	August 2009 – Present
Paul Haggis ^{(1) (3)} Toronto, Ontario	Independent Trustee	Corporate Director	September 2016 – Present
Robert W. King ⁽¹⁾⁽⁴⁾ Vancouver, British Columbia	Independent Trustee	President, Westbridge Capital Group	June 2007 – Present
Elisabeth Wigmore ^{(2) (3)}	Independent Trustee	Consultant, Hillsdale Investment Management	March 2017 – Present
Stephen J. Evans ^{(3) (4)} North Vancouver, British Columbia	Co-Founder and Trustee	Chief Executive Officer, Pure Multi-Family REIT LP	June 2007 – Present
Kevan Gorrie ⁽⁵⁾ Toronto, Ontario	President, Chief Executive Officer and Trustee	Pure Industrial Real Estate Trust	May 2013 – Present
Teresa Neto Etobicoke, Ontario	Chief Financial Officer	Pure Industrial Real Estate Trust	September 2016 – Present

⁽¹⁾ Member of the Audit Committee.

⁽²⁾ Member of the Compensation Committee.

⁽³⁾ Member of the Nominating and Governance Committee.

⁽⁴⁾ Member of the Environment, Health and Safety Committee.

⁽⁵⁾ Appointed Co-CEO on January 8, 2014 and appointed the Trust's sole CEO on May 12, 2015.

The term of office for each of the Trustees will expire at the next annual meeting of the Unitholders.

Profile of the Trustees and Officers

T. Richard Turner

Mr. Turner is President and Chief Executive Officer of TitanStar Investment Group Inc., a private company engaged in the provision of private equity capital to midmarket businesses and capital for real estate developments and acquisitions. Mr. Turner currently serves on the board of a number of private and public companies, including Board Chair of TitanStar Properties Inc. (TSXV: TSP); director of WesternOne Inc. (TSX: WEQ), Board Chair and Audit Committee Chair of Invesque Inc. (TSX: IVQ) and director and Audit Committee Chair of Vancouver Fraser Port Authority. Mr. Turner was director of the Organizing Committee of the Vancouver 2010 Olympic and Paralympic Winter Games (VANOC) and served as Chair of its Audit Committee; Governor of the B.C. Business Council; Board Chair and director of the Insurance Corporation of BC; Board Chair and director of the British Columbia Lottery Corporation; Chair and Governor of the Vancouver Board of Trade; and director, President and Chief Executive Officer of the operating subsidiary of IAT Air Cargo Facilities Income Fund, a business involved in the development and management of real estate at airports.

Mr. Turner serves as the Honorary Consul for the Hashemite Kingdom of Jordan in Vancouver. In 2003, Mr. Turner received H.R.H. Queen Elizabeth's Golden Jubilee Award for public service in Canada. Mr. Turner holds a Bachelor of Commerce in Finance from the University of British Columbia and holds the ICD.D designation.

James K. Bogusz

Mr. Bogusz is Chief Operating Officer of The Beedie Development Group, responsible for operations and financial management thereof. Mr. Bogusz has extensive experience in real estate mergers and acquisitions, corporate strategy and

guidance of companies through growth and significant change. Prior to joining The Beedie Group, he was the Chief Financial Officer of one of Canada's largest private real estate lending groups. Prior to that, he was the Vice President Finance for a major real estate development and construction company. Mr. Bogusz also holds numerous board positions including the Simon Fraser University Beedie Business School's Dean's External Advisory Board. A graduate of Simon Fraser University, Mr. Bogusz has been a Chartered Professional Accountant, C.A. since 1986 and is also a member of the Institute of Corporate Directors.

Paul Haggis

Mr. Haggis is currently Chairman of the Alberta Enterprise Corporation, a venture capital initiative operating as a Crown Corporation of the Alberta Government. Mr. Haggis is also Chair of the Audit Committee of Advantage Energy of Calgary, a Director of Sunshine Village Corporation, and advisory board member and limited partner in CAI Firehorn Fund and Balfour Pacific. Mr. Haggis is also currently serving on the Board of Advantage Oil & Gas Ltd. Mr. Haggis recently retired after an extended term from the board of the University of British Columbia's Investment Management Trust which governs the investment program for its \$3 billion endowment and pension programs. In addition, Mr. Haggis has overseen and is actively engaged in the investment program at Insurance Corporation of British Columbia as an advisor to the Investment Committee after completing a four and a half year term as its Investment Committee Chair. Mr. Haggis was President and Chief Executive Officer of Ontario Municipal Employees Retirement System (OMERS) and Chairman of Oxford Properties from September 2003 to March 2007, Interim Chief Executive Officer of the Public Sector Pension Investment Board (PSPIB) during 2003 and Executive Vice President, Development and Chief Credit Officer of Manulife Financial in 2002. Prior to that Mr. Haggis was the President & Chief Executive Officer of Alberta Treasury Branches from 1996 to 2001. Prior to that Mr. Haggis was Vice President and Treasurer and held various executive and CEO positions in the U.S. and Canada, finishing as Chief Operating Officer of Canadian operations in September 1996 of Metropolitan Life. Mr. Haggis has extensive financial markets and public board experience having served on the Board of Directors of Canadian Tire Bank until March 30, 2012. He was also Chair of the Audit Committee of C.A. Bancorp and Prime Restaurants Royalty Income Fund and the Chair of Canadian Pacific Railway. Mr. Haggis holds a Bachelor of Arts degree from the University of Western Ontario and is certified as a Chartered Director through the Directors College at McMaster University.

Robert W. King

Mr. King is President of King Pacific Capital Corporation, a private equity firm involved in corporate and real estate investment. Mr. King is also a principal of Westbridge Finance Inc., which is primarily involved in real estate finance in western Canada. Mr. King is a trustee of the Trust (TSX: AAR.UN), Chairman of the Board of WesternOne Inc. (TSX: WEQ), a director and chairman of the governing general partner of Pure Multi-Family (TSXV: RUF.UN, RUF.U, RUF.DB; OTCQX: PMULF) and is a director of Wall Financial Corporation (TSX: WFC), a real estate investment and development company. Mr. King earned his MBA from Dalhousie University in 1992 and a Bachelor of Arts from the University of British Columbia in 1989. Mr. King is a member of the Institute of Corporate Directors and holds the ICD.D designation.

Elisabeth Wigmore

Ms. Wigmore has nearly 30 years of corporate real estate experience in Canada, the United States, Mexico and the United Kingdom. Ms. Wigmore was the Chief Operating Officer of Ipc US REIT, a publicly-traded real estate investment trust, and has held senior positions with Reichmann International, Campeau Corporation and the Toronto Raptors Basketball Club. In addition to Ms. Wigmore's corporate credentials, Ms. Wigmore is Vice Chair and Chair of Governance for Fred Victor, a charitable organization that fosters long-lasting and positive change in the lives of homeless and low-income people living in Toronto. Ms. Wigmore is a Consultant with Hillsdale Investment Management, a Canadian partner-owned investment firm managing over \$2 billion for Institutional and Private Wealth investors. Ms. Wigmore holds a Chartered Director designation from The Directors College / DeGroot School of Business; an MBA from the Schulich School of Business at York University, and an Honours BA from the University of Western Ontario.

Stephen Evans

Mr. Evans co-founded the Trust and served as its Co-CEO until May 2015 having grown the Trust from its \$21 million initial public offering to over \$900 million market capitalization. Mr. Evans Co-Founded and is the CEO of Pure Multi-Family

REIT LP (“Pure Multi-Family”) (TSXV: RUF.UN, RUF.U, RUF.DB; OTCQX: PMULF), established for the purposes of acquiring, owning and operating quality multi-family real estate properties in major markets in the United States. He is also the President of and indirectly owns 50% of the shares in Sunstone Realty. In addition, Mr. Evans is the acting Chief Financial Officer of REALnorth Opportunities Fund, an unincorporated, open-ended investment trust which indirectly invests in revenue producing real estate assets and development properties. Mr. Evans was a director of IAT Air Cargo Facilities Income Fund from September 15, 2008 to December 31, 2009 and director of International Aviation Terminals Inc. Mr. Evans commenced as a director of Huntingdon Capital Corporation (formerly Huntingdon Real Estate Investment Trust) on January 1, 2010 until September 26, 2012 and is currently a director of the general partner of American Hotel Income Properties REIT LP (TSX: HOT.UN). Mr. Evans is a member of the Institute of Corporate Directors.

Kevan Gorrie

Mr. Gorrie is President and Chief Executive Officer of the Trust, responsible for strategy, acquisitions and the day-to-day business of the Trust. Since Mr. Gorrie’s arrival in October 2012, the Trust has raised over \$860 million in equity financing and completed over \$1.5 billion in acquisitions. Prior to joining the Trust, Mr. Gorrie led the Industrial business for Oxford Properties Group, the real estate investment arm of a major Canadian pension fund, where he built a platform comprising 13 million sf of income-producing properties and development projects across multiple Canadian industrial markets, encompassing acquisition, asset management, leasing, operations and development. Mr. Gorrie has over 15 years of real estate experience and has been involved in transactions totaling over \$2.5 billion in Canada, the U.S. and Germany. A graduate of the Civil Engineering program at the University of Toronto, Kevan is a licensed Professional Engineer in the Province of Ontario. Mr. Gorrie is a member of the Institute of Corporate Directors.

Teresa Neto

Ms. Neto is the Chief Financial Officer of the Trust and is responsible for all aspects of financial management: formulating financing policy and plans; providing overall direction for accounting, financial reporting, tax, and budget activities; treasury and currency management; overseeing mortgage and corporate financing; and providing leadership to strategy and business planning. Ms. Neto joined the Trust in September 2016. Prior to joining the Trust, Ms. Neto was the Chief Financial Officer of NorthWest Healthcare Properties REIT and its predecessor entity NorthWest International Healthcare Properties REIT from October 2013 to September 2016. Prior to that, Ms. Neto was the Chief Financial Officer of KEYreit from September 2011 to May 2013, and prior to that, Retrocom REIT (subsequently known as OneREIT), from June 2010 to August 2011. From 2006 to 2010, Ms. Neto was Vice President, Financial Reporting for the Real Property Association of Canada. Ms. Neto spent nine years in the telecommunications industry from 1997 to 2005 where she held various senior finance and accounting positions at MTS Allstream Inc. and predecessor entities. Prior to that, she worked in the consumer packaged goods and communications industries. Ms. Neto commenced her career at Touche Ross & Co. (a predecessor company of Deloitte). Ms. Neto holds a Chartered Professional Accountant, C.A. designation and has a B.A. from Laurentian University.

Security Holdings of the Trustees, Directors and Officers

As of March 6, 2018, as a group, the Trustees and the executive officers of the Trust own, directly or indirectly, or exercise control or direction over, a total of 1,940,234 Class A Units, representing approximately 0.63% of the then issued and outstanding Class A Units.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Trustees, no Trustee, or officer of the Trust, or Unitholder holding a sufficient number of securities of the Trust to affect materially the control of the Trust, is, or within the 10 years before the date of this AIF has been, a director, chief executive officer or chief financial officer of any issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (b) was subject to an event that resulted, after the trustee or officer of the Trust ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Within the 10 year period before the date of this AIF, except as disclosed herein, none of the Trustees or officers of the Trust, or Unitholder holding a sufficient number of securities of the Trust to affect materially the control of the Trust, or any personal holding companies of any such persons, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets; or has been a director or executive officer of any issuer that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Except as disclosed herein, to the knowledge of the Trustees, no Trustee, or officer of the Trust, or Unitholder holding a sufficient number of securities of the Trust to affect materially the control of the Trust, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Paul Haggis – Home Capital Group Inc.

On February 9, 2017, Home Capital Group Inc. (“Home Capital”) received an enforcement notice from Staff of the Ontario Securities Commission (“OSC”) relating to its disclosure in 2015 regarding the impact of the Company’s findings that income information submitted on loan applications had been falsified and the subsequent remedial steps taken by Home Capital. On April 19, 2017, the OSC issued a Statement of Allegations and Notice of Hearing relating to that disclosure against Home Capital, Gerald Soloway, Martin Reid and Robert Morton.

In February 2017, a proposed class action against Home Capital, Soloway, Morton and Robert Blowes was commenced by Claire R. McDonald (Action No. 349/17CP) relating to allegations of misleading disclosure (the “Class Action”). Mr. Haggis joined Home Capital’s Board of Directors on May 8, 2017, after the initiation of the proceedings noted above.

Settlements and Related Notice of Hearing

On June 14, 2017, Home Capital announced that it had reached two settlement agreements which together comprised a global settlement with the OSC and with respect to the Class Action. The settlements were subject to the approval of the OSC and the court.

OSC Settlement

On June 14, 2017, the OSC issued a Notice of Hearing pursuant to ss. 127(1) and 127.1 of the Securities Act, RSO, c. S.5 to consider whether it was in the public interest to approve the settlement with the OSC (the “OSC Settlement”). The OSC Settlement was approved on August 9, 2017. Pursuant to the terms of the OSC Settlement, Home Capital agreed to make a payment of \$10 million and to reimburse OSC costs in the amount of \$500,000. Soloway was reprimanded, prohibited from acting as a director or officer of any reporting issuer for a period of four years and paid an administrative penalty in the amount of \$1 million. Each of Morton and Reid were reprimanded, prohibited from acting as a director or officer of any reporting issuer for a period of 2 years and paid an administrative penalty in the amount of \$500,000. Of the \$12 million (other than costs) paid by the respondents in the OSC Settlement, \$10 million was paid by Home Capital directly for the benefit of Home Capital investors who comprise the proposed class in the Class Action. \$2 million was paid to the Commission.

Class Action Settlement

The settlement in the Class Action (the “Class Action Settlement”) was approved by the court on August 21, 2017. Pursuant to the terms of the Class Action Settlement, Home Capital agreed to make a payment of \$29.5 million to be

distributed (net of costs and other expenses) to the class as defined in the Class Action. The \$29.5 million includes \$11 million of the payments being made in the OSC Settlement. Releases of all defendants and dismissals in the usual form are part of this settlement, following the expiry of all appeal periods applicable to the approval of the OSC Settlement and the Class Action Settlement.

Potential Conflicts of Interest

Mr. Evans has agreed with the Trust that he will not be engaged, either directly or indirectly, for his own account or on behalf of parties other than the Trust, in real estate investments relating to industrial properties, except: (i) in the case of a “sidecar” fund, to which the Trust would advance funds for the development of an industrial property, with rights to acquire such industrial property on terms to be determined, provided that such advances and acquisition are approved by the Independent Trustees and that such investment is otherwise compliant with the Trust’s investment guidelines and its status as a “real estate investment trust” for the purposes of the Tax Act; (ii) in a case where the Trustees have elected to not acquire or invest in such industrial property; and (iii) where Mr. Evans is no longer a Trustee. Otherwise, Mr. Evans is not in any way limited or affected in his ability to carry on other business ventures for his own account and for the accounts of others, and is now, and intend in the future to be, engaged in the development of, investment in and management of other real estate properties. Mr. Evans will not have any obligation to account to the Trust or the Unitholders for profits made in such other activities.

Governance

The Trustees have established four standing committees to facilitate the carrying out of their duties and responsibilities and meet applicable statutory and policy requirements. The committees are currently comprised of the following Trustees:

Audit Committee	Nominating and Governance Committee	Compensation Committee	Environment, Health and Safety Committee
James K. Bogusz (Chair)	Paul Haggis (Chair)	T. Richard Turner (Chair)	Robert W. King (Chair)
T. Richard Turner	Elisabeth Wigmore	James K. Bogusz	James K. Bogusz
Robert W. King	T. Richard Turner	Elisabeth Wigmore	Stephen Evans
Paul Haggis			

In addition, the Board of Trustees as a whole acts as the Acquisitions and Investment Committee of the Trust. The Trustees typically appoints members of the committees at the first meeting of the Trustees following the annual meeting of Unitholders.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of three independent Trustees (as defined in NI 52-110). The Nominating and Governance Committee meets at least annually and will meet more frequently as circumstances dictate. The Nominating and Governance Committee is responsible for the Trust’s approach to corporate governance issues, advising the Trustees in filling vacancies on the Board of Trustees, and periodically reviewing the compensation and effectiveness of the Trustees and the contribution of individual Trustees. In addition, the Nominating and Governance Committee is responsible for adopting and periodically reviewing and updating its written disclosure policy.

The Terms of Reference for the Nominating and Governance Committee sets out its responsibilities and duties. They include, among other things, the following responsibilities:

- (a) identifying and recommending new nominees to serve on the Board of Trustees;
- (b) evaluating the competencies and skills of each Trustee and of the Board of Trustees as a whole;

- (c) developing and monitoring the Trust's overall approach to governance issues, including adopting a communication policy, developing an approach to governance, and receiving unitholder feedback;
- (d) reviewing with the Trustees, on a regular basis, the methods and processes by which the Trustees fulfil their duties and responsibilities, including the number of Trustees, the number and content of meetings, and resources available to the Trustees;
- (e) reviewing the Board's committee structure on an annual basis and recommending to the Board any changes it considers necessary or desirable with respect to committee structure;
- (f) reviewing with the Trustees, on a regular basis, but not less than annually, the role of the Trustees, the terms of reference for each of the committees of the Trustees and for the Chair of the Trustees and the Chief Executive Officer;
- (g) advising the Trustees or any of the committees of the Trustees of any governance issues, which the committee determines ought to be considered by the Trustees or any such committees;
- (h) assessing the independence and qualifications of the members of each of the committees of the Trustees as required by applicable law and make recommendations to the Trustees regarding the composition of such committees;
- (i) recommending to the Trustees an appropriate evaluation process for the Trustees as a whole and, at the appropriate time, Trustees individually;
- (j) monitoring compliance with the Trust's governance policies, including the unit ownership policy, the code of conduct and the orientation and continuing education policy; and
- (k) administering the Trust's Orientation and Continuing Education Policy and Diversity Policy.

Compensation Committee

The Compensation Committee is comprised of four independent Trustees (as defined in NI 52-110). The Compensation Committee shall meet at least annually and will meet more frequently as circumstances dictate. The Compensation Committee is responsible for establishing a plan of continuity for executives and other key employees and to ensure a broad plan of executive compensation is established that is competitive and motivating in order to attract, hold and inspire the senior management and other key employees of the Trust.

The Terms of Reference for the Compensation Committee sets out its responsibilities and duties. They include, among other things, the following responsibilities:

- (a) reviewing and making recommendations to the Trustees regarding the appointment of officers of the Trust;
- (b) reviewing and making recommendations to the Trustees regarding the Trust's compensation policies;
- (c) annually reviewing the goals and objectives of any senior officers appointed by the Trust for the upcoming year, providing a performance appraisal and reviews their compensation;
- (d) overseeing the selection of and terms of reference for outside consultants to review the senior management compensation program as appropriate;
- (e) making recommendations concerning the remuneration of Trustees; and
- (f) administering and making recommendations regarding the operation of any equity-based compensation plans.

Environment, Health and Safety Committee

The Environment, Health and Safety Committee is comprised of a majority of independent Trustees (as defined in NI 52-110). The Environment, Health and Safety Committee shall meet at least annually and will meet more frequently as circumstances dictate. The Environment, Health and Safety Committee is responsible for identifying and resolving safety and health issues and make recommendations in support of an occupational safety and health program (“OHSP”) order to prevent occupational injuries and diseases in the Trust’s workplace.

The Terms of Reference for the Environment, Health and Safety Committee sets out its responsibilities and duties. They include, among other things, the following responsibilities:

- (a) consulting with management to ensure the promotion of the Trust’s commitment to minimizing the impact of the Trust’s and its tenant’s activities on the environment and safeguarding the Trust’s stakeholders from unacceptable levels of environmental risk;
- (b) reviewing with management, not less frequently than annually, a third party environmental risk plan summary (an “ERP”) with respect to the Trust’s properties;
- (c) reviewing and, if determined appropriate, monitoring the implementation of the recommendations set out in the ERP;
- (d) reporting to the Board regarding the ERP;
- (e) consulting with management on environmental due diligence processes related to property acquisitions and monitoring, not less frequently than annually, compliance with such processes;
- (f) making recommendations to the Board regarding compliance with applicable environmental legislation;
- (g) consulting with management on issues related to occupational health and safety and occupational environment within the Trust’s workplace;
- (h) monitoring the development, implementation and operation of the OSHP;
- (i) approving and recommending the OSHP to the Trustees;
- (j) identifying opportunities for improvement in the implementation and operation of the OSHP;
- (k) establishing a process by which employees and others may address complaints, on an anonymous basis if appropriate, relating to the occupational health and safety of the Trust’s workplace, and consider and deal with such complaints as appropriate;
- (l) making recommendations on educational programs promoting the health and safety of the Trust’s workplace and compliance with the OSHP, and monitor their effectiveness;

- (m) reviewing with management the OSHP not less than frequently than annually and update it as required;
- (n) reviewing not less frequently than annually the frequency and extent of health and safety incidences within the Trust's workplace and the reporting thereon, and prepare a report to the Trustees in respect of the overall health and safety of the Trust's operations and workplace; and
- (o) undertaking other responsibilities to help promote a safe and healthy workplace.

Audit Committee

The Audit Committee is comprised of four independent Trustees. The Audit Committee meets at least quarterly and will meet more frequently as circumstances dictate. As part of its goal to foster open communication, the Audit Committee periodically meets with management and the external auditors in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

The Audit Committee is responsible for the oversight and supervision of the accounting and financial reporting practices and procedures of the Trust and any subsidiaries, the adequacy of internal accounting controls and procedures, and the quality and integrity of the financial statements of the Trust and any subsidiaries. In addition, the Audit Committee is responsible for directing the auditors' examination of specific areas, for the selection of the independent auditors of the Trust and for the approval of all non-audit services for which the auditors of the Trust may be engaged. The Audit Committee's purpose is to assist the Trustees in fulfilling their oversight responsibilities by reviewing, advising and making recommendations to the Trustees on:

- (a) the annual and interim financial statements, annual and interim Management's Discussion and Analysis of Financial Condition and Results of Operations, press releases and other financial information;
- (b) the financial reporting process;
- (c) recommending external auditors and setting the compensation of external auditors;
- (d) the performance of the external auditors;
- (e) assessing the independence of the external auditors;
- (f) reporting to the Trustees with respect to the quality or integrity of the financial statements, compliance with legal or regulatory requirements, and performance and independence of external auditors;
- (g) risk management
- (h) receipt, retention and treatment of complaints regarding accounting, internal controls or audit matters.

Audit Committee Disclosure

Charter of the Audit Committee

The Terms of Reference of the Audit Committee are attached as Schedule "A" to this AIF.

Composition of the Audit Committee

The Audit Committee currently consists of James Bogusz (Chair), Paul Haggis, Robert W. King and T. Richard Turner.

Each member of the Audit Committee is: (i) financially literate, as such term is defined in NI 52-110, and (ii) independent, as such term is defined in NI 52-110.

Relevant Education and Experience

See the profiles of the Trustees for each member of the Audit Committee in “Trustees and Management – Profile of the Trustees and Officers” for a description of the experience that is relevant to the performance of their responsibilities as Audit Committee members.

Audit Committee Oversight

At no time since the commencement of the Trust’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Trustees.

Prior Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Trust or its subsidiaries by the Trust’s external auditor, other than non-audit services where:

- (a) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Trust and its subsidiaries to the Trust’s external auditor during the fiscal year in which the services are provided;
- (b) the Trust or its subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals had been delegated by the audit committee.

External Auditor Service Fees

The following table sets forth, by category, the fees billed by KPMG LLP, the Trust’s auditors, for the years ended December 31, 2017 and 2016:

Fee category	2017	2016
Audit fees, December 31 audit	\$ 341,565	\$ 316,000
Audit-related fees	130,500	189,000
REIT regulatory and tax compliance	236,000	217,613
Subtotal – Regulatory and Reporting	708,065	722,613
Tax advisory fees	499,870	223,690
Total Fees	\$ 1,207,935	\$ 946,303

“Audit fees” include all fees billed by KPMG LLP for the audit of the annual financial statements (including audit of the income tax provision), interim reviews, securities filings, SOX 404 opinion or equivalent, prospectus review and consent relating to public offerings, and consultation on accounting or disclosure issues.

“Audit-related fees” include all fees billed by KPMG LLP for assurance or related services that are reasonably related to the performance of the audit but aren’t reported under “Audit Fees” such as: other types of audit engagements, (i.e. an audit of an employee pension plan), French translation of the financial statements, and acquisition due diligence.

“REIT regulatory and tax compliance” includes all fees billed by KPMG LLP for services that are reasonably related to assistance with compliance of REIT regulations and tax statutory requirements, including REIT condition testing, CDS filing and tax reporting obligations, and compliance with U.S. and Canadian federal, provincial and state tax filing obligations and assessments.

“Tax advisory fees” include all fees billed by KPMG LLP for tax advice and tax planning services, including in connection with recurring work and one-time non-recurring events.

Collectively, the REIT regulatory and tax compliance fees and tax advisory fees as detailed above comprise all "Tax Fees" billed by KPMG LLP for tax compliance, tax advice, and tax planning, collectively amounting to \$735,870 (2016 - \$441,303).

Liability of Trustees

The Trust Declaration contains customary provisions limiting the liability of the Trustees. The Trustees will not be liable to any Unitholder or any other person, in tort, contract or otherwise, for: any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; any depreciation of, or loss to, the Trust incurred by reason of the sale of any asset; the loss or disposition of money or securities; any action or failure to act of any other person to whom the Trustees have delegated any of their duties under the Trust Declaration; or any other action or failure to act (including failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform its duties under or delegated to it, under the Trust Declaration), unless, in each case, such liabilities arise out of a breach of the Trustees' standard of care, diligence and skill or breach of the restrictions on the Trustees' powers as set out in the Trust Declaration. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under the Trust Declaration, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel, and the Trustees will not be liable for and will be fully protected from any loss or liability occasioned by any action or refusal to act based on the advice of such expert, advisor or legal counsel. In the exercise of the powers, authorities or discretion conferred on the Trustees under the Trust Declaration, the Trustees are and will be conclusively deemed to be acting as Trustees of the Trust's assets and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgements, costs, charges or expenses against or with respect to the Trust or the Trust's assets.

Insurance Coverage for Trustees and Indemnification

The Trust has obtained a policy of insurance for the Trustees and for the Trust's senior executive officers. Under the policy, the Trust has reimbursement coverage to the extent that it has indemnified the Trustees and officers. The policy includes securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Trust and the Trustees and officers.

The Trust has entered into indemnity agreements with each of its trustees and officers, which indemnifies them, among other things, against all costs, disbursements, charges, awards, expenses, losses, damages, fees, liabilities or amounts paid to settle or dispose of any claim or satisfy any judgments, fines, penalties or liabilities, incurred as a result of acting as a trustee or officer of the Trust or an Affiliate or subsidiary of the Trust, provided that, among other things, such indemnitee: (i) acted honestly and in good faith with a view to the best interests of the Trust or an Affiliate or subsidiary of the Trust; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the indemnitee had reasonable grounds for believing that the indemnitee's conduct was lawful.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Trust is not aware of any legal proceedings to which it is a party, or by which any of its property is subject, which would be material to the Trust. Nor is the Trust aware of any such proceedings being contemplated.

The Trust is not aware of: (a) any penalties or sanctions imposed against the Trust by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year; (b) any other penalties or sanctions imposed by a court or court or regulatory body against the Trust that would likely be considered important to a reasonable investor in making an investment decision; and (c) any settlement agreements the Trust entered into before a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed herein, during the Trust's three most recently completed financial years, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Trust:

- (a) any Trustee or officer of the Trust;
- (b) any Unitholder that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Class A Units; and
- (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A Units is Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia, and Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, which the Trust entered into during the last financial year or after, or before the last financial year but are still in effect:

1. The Trust Declaration, described in "Summary of the Trust Declaration", available on SEDAR at www.sedar.com;
2. The Rights Plan, available on SEDAR at www.sedar.com. For particulars of this document, see the Trust's information circular dated April 6, 2016, available on SEDAR at www.sedar.com;
3. The Amended and Restated Restricted Unit Plan, available on SEDAR at www.sedar.com. For particulars of this document, see the Trust's information circular dated April 28, 2015, available on SEDAR at www.sedar.com;
4. The Incentive Unit Option Plan, available on SEDAR at www.sedar.com. For particulars of this document, see the Trust's information circular dated March 26, 2013, available on SEDAR at www.sedar.com;
5. The DUP. For particulars of this document, see the Trust's information circular dated March 31, 2017, available on SEDAR at www.sedar.com; and
6. The Arrangement Agreement, available on SEDAR at www.sedar.com. For particulars of this document, see the Trust's information circular dated February 15, 2018, available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The auditors of the Trust are KPMG LLP, 777 Dunsmuir Street, Vancouver, BC, V7Y 1K3. As of March 6, 2018, the date of the KPMG LLP auditors' report on the Trust's audited financial statements for the year ended December 31, 2017, the partners did not own any of the Trust's outstanding Trust Units.

ADDITIONAL INFORMATION

Additional information relating to the Trust may be found on SEDAR at www.sedar.com.

Additional information, including trustees', directors', and officers' remuneration and indebtedness, principal holders of the Trust's securities, and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Trust's management information circular for the Trust's annual meeting of Unitholders that involved the election of Trustees.

Additional financial information is provided in the Trust's audited consolidated financial statements and management's discussion and analysis for the Trust's most recently completed financial year available on SEDAR at www.sedar.com.

SCHEDULE “A”

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

PURPOSE

The trustees shall appoint an audit committee (the “Committee”) of the Trust to assist the trustees in fulfilling their responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of Pure Industrial Real Estate Trust and any subsidiaries (collectively, the “Entities”), the adequacy of internal accounting controls and procedures, the quality and integrity of the financial statements of the Entities and risk management processes. In addition, the Committee is responsible for directing the auditors’ examination of specific areas, for the selection of the independent auditors of the Entities and for the approval of all non-audit services for which the auditors of the Entities may be engaged.

A. STRUCTURE AND OPERATIONS

The Committee shall be comprised of at least three members, each of whom shall be a trustee of the Trust and each of whom shall be “independent” within the meaning of National Instrument 52-110 – Audit Committees (“NI 52- 110”) as amended from time to time.

Each member of the Committee shall satisfy the “financial literacy” requirement of NI 52-110 as amended from time to time, by having the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the financial statements of the Trust, as well as an understanding of internal controls and procedures for financial reporting.

The members of the Committee shall be annually appointed by the trustees and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority of the trustees.

B. CHAIR OF THE COMMITTEE

Unless the trustees elect a Chair of the Committee, the members of the Committee shall designate a Chair by the majority vote of the full Committee membership.

The Chair of the Committee shall:

- (i) Call and conduct the meetings of the Committee;
- (ii) Be entitled to vote to resolve any ties;
- (iii) Prepare and forward to members of the Committee the agenda for each meeting of the Committee, and include, in the agenda, any items proposed for inclusion in the agenda by any member of the Committee;
- (iv) Review with the Chief Financial Officer (“CFO”) and the auditors for the Trust any matters referred to the Chair by the CFO or the auditors of the Trust;
- (v) Appoint a secretary, who need not be a member of the Committee, to take minutes of the meetings of the Committee; and
- (vi) Act in a manner that the Committee meetings are conducted in an efficient, effective and focused manner.

C. MEETINGS

The Committee shall meet at least quarterly or more frequently as circumstances dictate. As part of its goal to foster open communication, the Committee shall periodically meet with management and the external auditors in separate

sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. The Committee may meet privately with outside counsel of its choosing and the CFO of the Trust, as necessary. In addition, the Committee shall meet with the external auditors and management quarterly to review the Trust's financial statements in a manner consistent with that outlined in these Terms.

The Committee may invite to its meetings any trustees, management and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, shall constitute a quorum. A majority of members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent with respect to matters that may be acted upon without a formal meeting.

The Committee shall maintain minutes or other records of meetings and activities of the Committee.

Notice of the time and place of every meeting shall be given in writing or electronic communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting provided however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

D. RESPONSIBILITIES, DUTIES, AUTHORITY

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in these Terms. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal and other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the trustees from time to time related to the purposes of this Committee.

The Audit Committee shall be responsible for monitoring the integrity of the Trust's financial reporting process, compliance with GAAP and system of internal controls over financial reporting and disclosure controls and procedures.

The Committee in discharging its oversight role is empowered to investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain outside counsel, accounting or other advisors for this purpose, including authority to approve the fees payable to such advisors and other terms of retention. In addition, the Committee shall have the authority to communicate directly with both external and internal auditors of the Trust.

The Committee shall be given full access to the trustees, management, employees and others, directly and indirectly responsible for financial reporting, and independent accountants, as necessary, to carry out these responsibilities. While acting within the scope of this stated purpose, the Committee shall have all the authority of the trustees.

The Committee shall be responsible for identifying and monitoring the management of the principal risks that could impact the financial reporting and business of the Trust and assessing the range of risks that the trustees shall focus on, and make recommendations to the trustees about how appropriate responsibilities for continuing to identify, monitor and manage these risks are to be delegated.

In addition, the Committee shall encourage continuous improvement of, and foster adherence to, the Trust's financial policies, procedures and practices at all levels in the organization; and provide an avenue of communication among the independent auditors, management and the trustees.

Absent actual knowledge to the contrary (which shall promptly reported to the trustees), each member of the Committee shall be entitled to rely on: (i) the integrity of those persons or organizations within and outside the Trust from which it receives information; (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations; and (iii) representations made by management and the external auditors, as to any information technology, internal audit and other non-audit services provided by the external auditors to the Trust and its subsidiaries.

E. SPECIFIC RESPONSIBILITIES AND ACTIVITIES

1. Document Reports/Reviews

- (a) *Annual Financial Statements.* The Committee shall review with management and the external auditors, both together and separately, prior to public dissemination:
- (i) the annual audited consolidated financial statements;
 - (ii) the external auditor's review of the annual consolidated financial statements and their report;
 - (iii) any significant changes that were required in the external audit plan;
 - (iv) any significant issues raised with management during the course of the audit, including any restrictions on the scope of activities or access to information; and
 - (v) those matters related to the conduct of the audit that are required to be discussed under generally accepted auditing standards applicable to the Trust.

Following completion of the matters contemplated above, the Committee shall make a recommendation to the trustees with respect to the approval of the annual financial statements with such changes contemplated and further recommended, as the Committee considers necessary.

- (b) *Interim Financial Statements.* The Committee shall review with management and the external auditors, both together and separately, prior to public dissemination, the interim unaudited consolidated financial statements of the Trust, including a discussion with the external auditors of those matters required to be discussed under generally accepted auditing standards applicable to the Trust.
- (c) *Management's Discussion and Analysis.* The Committee shall review with management and the external auditors, both together and separately prior to public dissemination, the annual and interim Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A").
- (d) *Approval of Annual MD&A, Interim Financial Statements and Interim MD&A.* The Committee shall make a recommendation to the trustees with respect to the approval of the annual MD&A with such changes contemplated and further recommended by the Committee as the Committee considers necessary. In addition, the Committee shall approve the interim financial statements and interim MD&A of the Trust, if the trustees have delegated such function to the Committee. If the Committee has not been delegated this function, the Committee shall make a recommendation to the trustees with respect to the approval of the interim financial statements and interim MD&A with such changes contemplated and further recommended as the Committee considers necessary.
- (e) *Press Releases.* With respect to press releases by the Trust:
- (i) The Committee shall review the Trust's financial statements, MD&A and annual and interim earnings press releases before the Trust publicly discloses this information.

- (ii) The Committee shall review with management, prior to public dissemination, the annual and interim earnings press releases (paying particular attention to the use of any “pro forma” or “adjusted non-GAAP” information) as well as financial information and earnings guidance provided to analysts and rating agencies.
- (f) *Reports and Regulatory Returns.* The Committee shall review and discuss with management, and the external auditors to the extent the Committee deems appropriate, such reports and regulatory returns of the Trust as may be specified by law.
- (g) *Other Financial Information.* The Committee shall review the financial information included in any prospectus, annual information form or information circular with the management and the external auditors, both together and separately, prior to public dissemination, and shall make a recommendation to the trustees with respect to the approval of such prospectus, annual information form or information circular with such changes contemplated and further recommended as the Committee considers necessary.

2. Financial Reporting Processes

- (a) *Establishment and Assessment of Procedures.* The Committee shall satisfy itself that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the financial statements of the Trust and assess the adequacy of these procedures annually.
- (b) *Application of IFRS.* The Committee shall assure itself that the external auditors are satisfied that the accounting estimates and judgements made by management, and their selection of accounting principles reflect an appropriate application of international financial reporting standards.
- (c) *Practices and Policies.* The Committee shall review with management and the external auditors, together and separately, the principal accounting practices and policies of the Trust.

3. External Auditors

- (a) *Oversight and Responsibility.* In respect of the external auditors of the Trust:
 - (i) The Committee shall recommend to the trustees the external auditors nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the issuer; and the compensation of the external auditors.
 - (ii) The Committee is directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Trust, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- (b) *Reporting.* The external auditors shall report directly to the Committee and are ultimately accountable to the Committee.
- (c) *Performance and Review.* The Committee shall annually review the performance of the external auditors and recommend to the trustees the appointment of the external auditors or approve any discharge of the external auditors when circumstances warrant, for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Trust.
- (d) *Annual Audit Plan.* The Committee shall review with the external auditors and management, together and separately, the overall scope of the annual audit plan and the resources the external auditors will devote to the audit. The Committee shall annually review and approve the fees to be paid to the external auditors with respect to the annual audit.

(e) *Non-Audit Services*

- (i) “Non-audit services” means all services performed by the external auditors other than audit services. The Committee shall pre-approve all non-audit services to be provided to the Trust or its subsidiary entities by the Trust’s external auditor and permit all non-audit services, other than non-audit services where:
 - (A) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the Trust’s external auditor during the fiscal year in which the services are provided;
 - (B) the issuer or the subsidiary entity of the Trust, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (C) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals had been delegated by the Committee.
- (ii) The Committee may delegate to one or members of the Committee the authority to grant such pre-approvals for non-audited services. The decisions of such member(s) regarding approval of “non-audit” services shall be reported by such member(s) to the full Committee at its first scheduled meeting following such pre-approval.
- (iii) The Committee shall adopt specific policies and procedures for the engagement of the non-audit services if:
 - (A) the pre-approval policies and procedures are detailed as to the particular services;
 - (B) the Committee is informed of each non-audit service; and
 - (C) the procedures do not include delegation of the Committee’s responsibilities to management.
- (f) *Independence Review.* The Committee shall review and assess the qualifications, performance and independence of the external auditors, including the requirements relating to such independence of the law governing the Trust. At least annually, the Committee shall receive from and review with the external auditors, their written statement delineating all relationships with the Trust and, if necessary, recommend that the trustees take appropriate action to satisfy themselves of the external auditors’ independence and accountability to the Committee.

4. Risk Management

- (a) *General.* The Audit Committee shall identify, monitor, assess and mitigate the principal risks that could impact the financial reporting and business of the Trust.
- (b) *Hedging.* The Audit Committee shall evaluate the Trust’s policies with respect to hedge transactions and derivative trading and periodically obtain assurance from management that such policies have been adhered to.
- (c) *Disaster Recovery.* The Audit Committee shall evaluate the Trust’s policies with respect to disaster recovery, including policies and programs for computer systems and buildings.

- (d) *Insurance.* The Audit Committee shall annually review the amount and terms of any insurance to be obtained or maintained by the Trust with respect to risks inherent in its operations and potential liabilities incurred by the Trustees or officers of the Trust in the discharge of their duties and responsibilities.
- (e) *Fraud.* The Audit Committee shall evaluate risks related to fraud in financial reporting and provide recommendations to management of procedures to manage such risks.

5. Reports to Board of Trustees

- (a) *Reports.* In addition to such specific reports contemplated elsewhere in these Terms, the Committee shall report regularly to the trustees regarding such matters, including:
 - (i) with respect to any issues that arise with respect to the quality or integrity of the financial statements of the Trust, compliance with legal or regulatory requirements by the Trust, or the performance and independence of the external auditors of the Trust;
 - (ii) following meetings of the Committee; and
 - (iii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.
- (b) *Recommendations.* In addition to such specific recommendations contemplated elsewhere in these Terms, the Committee shall provide such recommendations as the Committee may deem appropriate. The report to the trustees may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.

6. Whistle-Blowing

- (a) *Procedures.* The Committee shall establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Trust regarding questionable accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees and of concerns regarding questionable accounting or auditing matters.
- (b) *Notice to Employees.*
 - (i) To comply with the above, the Committee shall ensure each of the Entities advises all employees, by way of a written code of business conduct and ethics (the "Code"), or if such Code has not yet been adopted by the respective board, by way of a written or electronic notice, that any employee who reasonably believes that questionable accounting, internal accounting controls, or auditing matters have been employed by the Trust Entities, or their external auditors is strongly encouraged to report such concerns by way of communication directly to the Chair. Matters referred may be done so anonymously and in confidence.
 - (ii) None of the Entities shall take or allow any reprisal against any employee for, in good faith, reporting questionable accounting, internal accounting, or auditing matters. Any such reprisal shall itself be considered a very serious breach of this policy.
 - (iii) All reported violations shall be investigated by the Committee following rules of procedure and process as shall be recommended by outside counsel.

7. General

- (a) *Access to Counsel.* The Committee shall review, periodically, with outside counsel of its choosing, any legal matter that could have a significant impact on the financial statements, the Trust's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- (b) *Hiring of Partners and Employees of External Auditors.* The Committee shall annually review and approve the Trust's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Trust.
- (c) *General.* The Committee shall perform such other duties and exercise such powers as may, from time to time, be assigned or vested in the Committee by the trustees, and such other functions as may be required of an audit committee by law, regulations or applicable stock exchange rules.

F. ANNUAL PERFORMANCE REVIEW**1. Evaluation**

- (a) The Committee shall perform a review and evaluation, annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with these Terms. In addition, the Committee shall evaluate, annually, the adequacy of these Terms and recommend any proposed changes to the trustees.
- (b) The Committee shall annually review transactions involving directors and officers, including a review of travel expenses and entertainment expenses, related party transactions and any conflicts of interests.
- (c) Management shall be required to provide the Committee, at least annually, a report on internal controls, including reasonable assurance that such controls are adequate to facilitate reliable and timely financial information. The Committee shall also review and follow-up on any areas of internal control weakness identified by the external auditors with the auditors and management.

G. AGENDA

Attached to these Terms is the forward agenda for the Audit Committee.

Audit Committee Forward AGENDA

Meeting Timing

Agenda Item		March	May	August	November
A. Financial Reporting Control Systems					
(i)	Review reports from senior officers outlining changes in financial risks.	X	X	X	X
(ii)	Review management letter of external auditor and the Entities' responses to suggestions made.	X			
(iii)	Review any new appointments to senior positions with financial reporting responsibilities.	X	X	X	X
(iv)	Obtain assurance from both internal and external auditors regarding the overall control environment and the adequacy of accounting system controls.	X	X	X	X
(v)	Review financial statement certification process and disclosure controls and procedures.	X			
(vi)	Review procedures for receipt and treatment of complaints regarding accounting controls or auditing matters and confidential, anonymous submission of concerns regarding accounting or auditing matters.			X	
(vii)	Receive and review external auditors' report on critical accounting policies.	X			
B. Interim Financial Statements					
(i)	Review interim financial statements prior to their release and recommend their approval to the trustees.		X	X	X
(ii)	Review management's discussion and analysis and associated press releases, accompanying interim financial statements.		X	X	X

Agenda Item	March	May	August	November
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C. Annual Financial Statements and Other Financial Information

(i)	Review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements.	X	X	X	X
(ii)	Obtain summaries of significant transactions and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration.	X	X	X	X
(iii)	Obtain draft annual financial statements in advance of the committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by officers.	X			
(iv)	Review summary of the status of any material pending or threatened litigation, claims and assessments.	X	X	X	X
(v)	Discuss the annual financial statements and the auditors' report thereon in detail with officers and the auditors.	X			
(vi)	Review critical accounting policies, alternative treatments of financial information and material communication between management and external auditors.	X	X	X	X
(vii)	Review the annual report and other annual public information documents, including management's discussion and analysis and earnings press release.	X			
(viii)	Provide to the trustees a recommendation as to whether the annual financial statements should be approved.	X			
(ix)	Review risk management plans and insurance programs.		X		
(x)	Review hedging programs and policies.		X		
(xi)	Assess adequacy of disclosure controls and procedures.	X			

Agenda Item	March	May	August	November
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D. External Audit Terms of Reference, Reports, Planning and Appointment.

(i)	Review the audit plan with the external auditors.			X	
(ii)	Discuss in private with the external auditors matters affecting the conduct of their audit and other corporate matters.	X	X	X	X
(iii)	Recommend the retention or replacement of the external auditors. If there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition.	X			
(iv)	Assess independence of external auditors. Ensure rotation of lead or coordinating audit partner having primary responsibility for the audit as required by law.	X			
(v)	Review and approve engagement of external auditors for non-audit services.	X	X	X	X
(vi)	Review and recommend for approval to the trustees the terms of engagement and the remuneration of the external auditor.			X	
(vii)	Review hiring policies regarding employees of external auditor.				X

E. Internal Audit Reports and Planning

(i)	Review the summary report of the internal audit function for the past year.	X			
(ii)	Review planned activities and resources of the internal audit function for the coming year.		X		

F. Governance Matters

(i)	Review Audit Committee terms of reference				X
(ii)	Review key accounting and finance policies.	X			

G. Material Disclosure Documents

(i)	Review the contents of any material disclosure document prior to their release and recommend their approval to the trustees.	X	X	X	X
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