WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE

THREE MONTHS ENDED DECEMBER 31, 2013 AND FOR THE PERIOD

FROM MARCH 4, 2013 TO DECEMBER 31, 2013

March 12, 2014

Contents

PART I

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("**MD&A**") is prepared as of March 12, 2014 and outlines WPT Industrial Real Estate Investment Trust's (the "**REIT**") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and financial condition for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013. The REIT was established on March 4, 2013 and had no material operations prior to April 26, 2013. Because the REIT had no material operations prior to the completion of its Initial Public Offering ("**IPO**") on April 26, 2013, the discussion in this MD&A has been limited to the period from April 26, 2013 to December 31, 2013. The analysis provides a comparison to the REIT's financial forecast ("**Forecast**") provided in the REIT's final prospectus dated April 18, 2013 (the "**Prospectus**"), prorated to correspond with the period from April 26, 2013 to December 31, 2013.

This MD&A is based on financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**") in thousands of United States dollars, unless otherwise stated.

This MD&A should be read in conjunction with the REIT's audited consolidated financial statements and accompanying notes for the period from March 4, 2013 to December 31, 2013 and the Forecast. These documents, as well as additional information relating to the REIT (including the REIT's annual information form) can be accessed at www.wptreit.com and at www.sedar.com.

NON-IFRS MEASURES

Certain terms used in this MD&A such as funds from operations ("**FFO**"), adjusted funds from operations ("**AFFO**"), net operating income ("**NOI**") and earnings before interest, taxes, depreciation and amortization ("**EBITDA**") and any related per unit amounts used by management to measure, compare and explain the operating results and financial performance of the REIT are not recognized terms under IFRS, and therefore should not be construed as alternatives to net income and comprehensive income or cash flow from operating activities calculated in accordance with IFRS. Management believes that these terms are relevant measures in comparing the REIT's performance to industry data and the REIT's ability to earn and distribute cash returns to holders of the REIT's trust units ("**REIT Units**"). These terms are defined below and are reconciled to the audited consolidated financial statements of the REIT for the period from March 4, 2013 to December 31, 2013 in Part II. Such terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other issuers.

FFO is defined as net income in accordance with IFRS, (i) plus or minus fair value adjustments on investment properties; (ii) plus or minus gains or losses from sales of investment properties; (iii) plus or minus other fair value adjustments; (iv) plus amortization of tenant incentives; (v) plus transaction costs expensed as a result of the purchase of an investment property being accounted for as a business combination; (vi) plus distributions on redeemable or exchangeable units treated as interest expense; (vii) plus or minus any negative goodwill or goodwill impairment; and (viii) plus deferred income tax expense, after adjustments for equity accounted entities and joint ventures calculated to reflect FFO on the same basis as consolidated investment properties. FFO has been prepared consistently with the definition presented in the white paper on funds from operations prepared by the Real Property Association of Canada for all periods presented.

AFFO is defined as FFO subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on long-term debt and amortization of financing costs; (ii) any differences resulting from recognizing investment property rental revenues or expenses on a straight-line basis; (iii) amortization of grant date fair value related to compensation incentive plans; (iv) adjusting for any deferred compensation expense; and (v) deducting a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions, as determined by the REIT. Other adjustments may be made to AFFO as determined by the board of trustees in their sole discretion.

NOI is used by industry analysts, investors and management to measure operating performance of real estate investment trusts. NOI represents investment properties revenue less investment properties operating expenses as presented in the consolidated financial statements prepared in accordance with IFRS. Accordingly, NOI excludes certain expenses included in the determination of net income and comprehensive income such as interest expense.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

AFFO payout ratio is calculated by dividing distributions by AFFO.

Debt-to-gross book value is calculated by dividing total principal amounts outstanding under mortgages payable and the Revolving Facility by total carrying value of investment properties.

FORWARD LOOKING STATEMENTS

This MD&A contains "**forward-looking information**" as defined under Canadian securities laws (collectively, "**forward-looking statements**") which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the REIT. The words "**plans**", "**expects**", "**does not expect**", "**scheduled**", "**estimates**", "**intends**", "**anticipates**", "**does not anticipate**", "**projects**", "**believes**", or variations of such words and phrases or statements to the effect that certain actions, events or results "**may**", "**will**", "**could**", "**would**", "**might**", "**be achieved**", or "**continue**" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this MD&A include, but are not limited to statements regarding the objectives and strategic focus of the REIT, management's beliefs regarding predictability and certainty of cash flow, management's beliefs regarding investment opportunities in the U.S. industrial real estate market, management's beliefs regarding U.S. economic recovery and vacancy rate trends, statements regarding tenant demand in the distribution sub-segment, including statements regarding demand for state-of-the-art distribution and logistics space, speculative development in distribution markets, management's views on vacancy rates in the state-of-the-art distribution market and management's beliefs regarding absorption of vacancy in distribution investment properties in major distribution markets in the U.S. over the past years, management's beliefs regarding re-tenanting costs, management's beliefs regarding key trends and continued and increased demand within the industrial real estate market, management's beliefs regarding the effect of Welsh's, the external asset and property manager of the REIT, experience in the U.S. industrial real estate market on tenant retention and future acquisitions by the REIT, statements regarding the sources of organic growth including statements regarding initiatives aimed at optimizing the performance, value and long-term cash flow of the REIT's investment property portfolio, statements regarding the REIT's external growth strategy including statements regarding diversification, the REIT's cost of capital, borrowing costs and opportunities to increase the cash flow and value of the existing portfolio of investment properties through initiatives designed to enhance operations, management's beliefs regarding future maintenance expenditures, statements regarding the attractiveness of newer investment properties to prospective tenants, statements relating to the quality and future valuations of the REIT's portfolio of investment properties, statements relating to lease terms, termination and future maintenance and leasing expenditures, statements regarding the REIT's ability to meet all of its ongoing obligations with current cash generated from operations, draws on its revolving facility and new equity and debt issuances, management's belief regarding the fair values of the REIT's investment properties and statements regarding the REIT's debt strategy, including statements regarding the REIT's intention to maintain staggered mortgages payable maturities.

Forward-looking statements are necessarily based on a number of estimates, beliefs and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies which could cause actual results to differ materially from those that are disclosed in such forward-looking statements. While considered reasonable by management of the REIT as of the date of this MD&A, any of these estimates, beliefs or assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those estimates, beliefs or assumptions could be incorrect. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various estimates, beliefs and assumptions set forth herein, and include but are not limited to, the desirability of investment properties in the distribution subsector of the U.S. industrial real estate market to investors, including the industrial investment properties in the REIT's portfolio, key trends in the industrial investment property real estate market, the REIT's future growth potential, anticipated amounts of expenses, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws in both Canada and the United States as currently in effect remaining unchanged, current levels of volatility in the demand for space in the distribution sub-segment remaining unchanged, the continued availability of capital, the current economic conditions remaining unchanged and increased tenant demand for industrial investment properties and declining vacancy rates in the markets in which the REIT's investment properties are located. When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including but not limited to those factors discussed under the "Risk Factors" section of this MD&A.

Certain statements included in this MD&A may be considered a "**financial outlook**" for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this MD&A. These forward-looking statements are made as of the date of this MD&A. Except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this MD&A are qualified by these cautionary statements.

OVERVIEW

The REIT is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust dated March 4, 2013 (as amended and restated on April 26, 2013 and as may be amended and restated from time to time) (the "**Declaration of Trust**") under the laws of the Province of Ontario. A copy of the Declaration of Trust is available under the REIT's profile on the SEDAR website at www.sedar.com. The REIT's Units are listed and publicly traded in Canada on the Toronto Stock Exchange ("**TSX**"), in US Funds, under the symbol "WIR.U" and in the United States on the OTCQX marketplace ("**OTCQX**") under the symbol "WPTIF". As at December 31, 2013, there were 10,732,200 units of the REIT outstanding.

The REIT was formed for the purpose of acquiring and owning primarily industrial investment properties located in the U.S., with a particular focus on distribution industrial real estate. As at December 31, 2013, the REIT indirectly owned a portfolio of investment properties consisting of 9,879,961 square feet of gross leasable area (''**GLA**''), comprised of 36 industrial investment properties and two office investment properties, located in 12 states in the U.S.

On April 26, 2013, the REIT completed an IPO of 10,000,000 REIT Units for gross proceeds of $100,000 or approximately $87,403 net of underwriters' fees and other transaction costs. In connection with the IPO, and pursuant to a contribution agreement dated as of such date (the "**Contribution Agreement**") the REIT, through WPT Industrial, LP (the "**Partnership**"), indirectly acquired from Welsh Property Trust, LLC ("**Welsh**"), a portfolio of investment properties consisting of 8,617,313 square feet of GLA, comprised of 35 industrial investment properties and two office investment properties located in 12 states in the United States (collectively, the "**Initial Properties**"). The Initial Properties were acquired in partial consideration for 10,867,362 Class B Units of the Partnership (the "**Class B Units**") and $66,174 in cash.

On May 16, 2013, in connection with the exercise of the underwriters' over-allotment option granted to the underwriters of the IPO, the REIT issued an additional 1,430,000 REIT Units for gross proceeds of $14,300 or approximately $13,439 net of underwriters' fees and other transaction costs. The net proceeds were used to reduce bank indebtedness on the $75,000 senior secured revolving credit facility (the "**Revolving Facility**").

On June 28, 2013, the REIT Units were approved for trading in the United States on the OTCQX.

On July 15, 2013, the REIT indirectly acquired, through the Partnership, a 100% interest in a fully leased, single-tenant industrial investment property located in Illinois totaling 1,262,648 square feet of GLA. The investment property was purchased from Welsh pursuant to provisions related to the REIT's right of first opportunity under a non-competition and non-solicitation agreement among the REIT, the Partnership and Welsh. Pursuant to that agreement, the purchase price to the REIT was equal to Welsh's cost of acquisition of $53,000, exclusive of closing and transaction costs and an acquisition fee, and inclusive of tenant improvement credits.

The purchase price was satisfied by (i) the indirect assumption by the Partnership of a senior secured promissory note, payable to Welsh, in the principal amount of $31,800 and with a per annum variable interest rate of 2.25% plus the one-month LIBOR rate with a 90-day maturity date and (ii) the issuance by the Partnership of 2,192,347 Class B Units at a price of $9.67 per Class B Unit. On September 28, 2013, the REIT repaid the senior secured promissory note to Welsh with proceeds received from a third-party mortgage payable in the principal amount of $31,800 and with an interest rate of 2.25% plus the one-month LIBOR rate, maturing on October 18, 2018. In connection with this acquisition and per the terms of the asset management agreement, the REIT paid Welsh an acquisition fee in the amount of $530.

On August 12, 2013, the TSX accepted the REIT's notice of intention to make a normal course issuer bid for a portion of its REIT Units. Pursuant to the notice, the REIT may purchase for cancellation up to a maximum of 1,140,000 REIT Units, or approximately 10% of the public float, over the 12-month period commencing August 15, 2013. Any purchases under the normal course issuer bid are made through the facilities of the TSX and in accordance with applicable regulatory requirements at market prices at the time of acquisition. Subject to certain prescribed exemptions and any block purchases made in accordance with the rules of the TSX, the number of REIT Units that can be purchased pursuant to the bid is subject to a daily maximum of 9,195 REIT Units. The actual number of REIT Units which may be purchased, and the timing of any such purchases, is determined by the REIT. REIT Units purchased under the normal course issuer bid are cancelled following purchase. The REIT intends to fund the purchases of REIT Units under the bid out of its available cash and/or undrawn Revolving Facility. During the year ended December 31, 2013, the REIT purchased for cancellation 697,800 REIT Units for $5,679 under the normal course issuer bid at an average price of $8.14.

The REIT believes that the purchase by the REIT of a portion of its outstanding REIT Units may, from time to time, be an appropriate use of available resources. Unitholders may obtain a copy of the filed notice of intention to make a normal course issuer bid without charge by contacting the REIT's General Counsel and Secretary by telephone at (952) 897-7766 or by e-mail at mcimino@welshpt.com.

The REIT declared monthly distributions throughout the quarter ended December 31, 2013 and maintained its annualized distribution rate of $0.70 per unit, or $0.0583 per unit on a monthly basis.

OBJECTIVES

The REIT's objectives are to:

- provide Unitholders with an opportunity to invest in a portfolio of institutional-quality industrial investment properties in U.S. markets, with a particular focus on distribution industrial real estate;

- provide Unitholders with predictable, sustainable and growing cash distributions on a tax-efficient basis. The REIT pays its cash distributions in U.S. dollars;

- enhance the value of the REIT's portfolio and maximize the long-term value of the REIT Units through the active management of the REIT's investment properties; and

- significantly expand the asset base of the REIT through strategic acquisitions of stabilized, high quality industrial Investment properties located in U.S. markets.

STRATEGIC FOCUS AND OUTLOOK

The U.S. industrial real estate sector is comprised primarily of single-story investment properties located in or near major cities. Industrial investment properties typically house such activities as warehousing, distribution, storage and a number of other similar uses. Leases entered into with industrial tenants are frequently ''**triple-net**'', meaning that tenants are responsible for paying the majority of the costs associated with operating an investment property, including real estate taxes, insurance, common area maintenance and capital repairs. Management believes that tenant responsibility for such costs results in greater cash flow predictability and certainty for the REIT relative to other segments of the U.S. real estate market.

The REIT is focused on owning and operating a portfolio of institutional-quality investment properties located in U.S. regions primarily in the distribution sub-segment of the U.S. industrial market. Management believes that tenant demand for space in the distribution sub-segment is less volatile than demand in the overall industrial market as goods distributed through distribution facilities are frequently non-discretionary products characterized by relatively inelastic consumer demand. Inelasticity in consumer demand for these products gives rise to stability in tenants' operations which, in turn, results in more stable occupancies and rental incomes. In addition, the re-tenanting costs associated with distribution investment properties are often lower than the costs associated with investment properties within the overall industrial real estate market, reducing the costs associated with leasing vacant and renewal space.

Management also believes that its primary focus on the distribution sub-segment provides: (i) exposure to the dynamic and growing U.S. economy; (ii) the opportunity to invest in a real estate segment with compelling relative fundamentals; and (iii) the opportunity to earn attractive risk-adjusted returns.

Geographically, the REIT's portfolio is primarily concentrated in the Mid-Western and South-Eastern regions of the U.S., providing the REIT's tenants with a predictable one- or two-day drive to the majority of the population of the continental U.S.

Over the long term, management believes that global demand for U.S. distribution space will continue to increase, driven by the following key trends:

- **Global Supply Chain Trends**. A physical manufacturing presence in the U.S. is becoming increasingly important for most large companies as a result of increasing labor costs in Asia and volatile global fuel costs. This macroeconomic and geopolitical landscape has forced companies to re-evaluate their supply chain networks. Recognizing that the U.S. is a vast consumer market, companies need to be in close proximity to their customers to remain competitive, as shipping currently represents the largest single cost factor in the global supply chain. These critical supply chain considerations make the U.S. increasingly more attractive from a manufacturing, distribution and sourcing perspective.

- **World-Class U.S. Infrastructure**. The U.S. has a world-class supply chain infrastructure across all transportation sectors. Rail, seaports, highways and airports all provide for a robust distribution and logistics landscape, an important factor in attracting and retaining industrial tenants. In the long-term, the U.S. supply chain infrastructure's proximity to the to-be-expanded Panama Canal is expected to result in growth and investment within the broader logistics universe impacting everything from shipping routes to freight rail infrastructure construction. Increasing shipping volumes experienced by U.S. seaports will also create the need to distribute goods directly to inland ports and will expand the utilization of intermodal hubs to alleviate distribution costs, creating additional opportunities in the U.S. industrial real estate market.

- **Positive Impact of the e-Commerce Industry**. The primary industries leading the demand for distribution space are food-and-beverage, e-commerce and traditional retailers. Currently, one-third of all demand for state-of-the-art space is tied to multi-channel e-commerce retailers. E-commerce supply chain design and distribution has revolutionized the retail sector. Retailers utilizing multiple channels to sell their merchandise are finding it more cost-effective to increase online operations rather than open more traditional stores, resulting in an entirely different and evolving distribution model.

As a result of these trends, the U.S. industrial real estate market, and specifically the distribution sub-segment of the market, is experiencing a significant increase in both domestic and foreign capital investment. Historically low interest rates, positive economic indicators, and increasing demand for well-located, high quality and functional investment properties are creating attractive investment opportunities for the REIT, particularly for recently constructed distribution investment properties.

To achieve its objectives, the REIT is executing a number of strategies aimed at enhancing Unitholder value through both organic and external growth. Management believes Unitholders will benefit from Welsh's significant experience acquiring, managing and disposing of industrial investment properties. Welsh maintains an extensive network of relationships with brokers, tenants and institutional and private owners of industrial real estate in its key target geographic markets. Welsh leverages these relationships to enhance tenant retention and source accretive acquisitions of new industrial investment properties for the REIT.

Organic growth will come from capitalizing on increasing demand for distribution space and through a number of initiatives aimed at optimizing the performance, value and long-term cash flow of its investment property portfolio, including: (i) increasing rental rates; (ii) maximizing occupancies; (iii) capitalizing on expansion opportunities; (iv) leveraging continuity of management and strong tenant relationships; (v) continuing to implement active leasing programs; and (vi) maintaining cost management and property maintenance programs.

External growth will come from a disciplined approach to targeting the acquisition of state-of-the-art distribution investment properties in major distribution markets primarily in the mid-western United States. The objective of the REIT's external growth initiatives are to expand the REIT's portfolio in order to enhance geographic diversity, improve the sustainability of cash flow, and mitigate risks associated with concentrated exposure to any one geographic region. Management anticipates that such diversification will reduce the REIT's cost of capital, further facilitating growth and reducing borrowing costs. External growth will be facilitated by: (i) a right of first opportunity to acquire additional investment properties from Welsh; (ii) the reputation and experience of Welsh's acquisitions team; (iii) a disciplined acquisition program; (iv) strategic market analysis; and (v) extensive investment due diligence and oversight.

When evaluating acquisition opportunities, the REIT considers the following criteria:

- Degree to which the acquisition will be accretive to AFFO per unit over both the short term and long term.
- Whether the investment properties are located in close proximity to major transportation infrastructure and close to population centers with available and affordable labor, primarily in the Mid-Western and South-Eastern regions of the U.S.
- Whether the investment properties are situated within municipalities, counties, or states that provide economic incentives to tenants and/or landlords.
- Whether the investment properties are state-of-the-art, modern and functional with quality construction and infrastructure.
- Whether the acquisition cost will represent a discount to replacement cost.
- The creditworthiness of in-place tenants and whether in-place rents are below current market rents.
- Investment properties are evaluated as to clear ceiling height, truck court depth, property dimensions, the locations and functionality of traffic flow for both trucks and automobiles, the number of docking doors and what type of docking equipment is being utilized, the number of trailer and automobile parking stalls, infrastructure relating to fire and life safety equipment, as well as power, lighting, and floor thickness.

The criteria outlined above are designed to provide the REIT with the opportunity to acquire investment properties that will generate stable and growing cash flows and to meet the needs of tenants in the distribution sector. In addition, in the event of property vacancy, such investment properties provide the REIT with the ability to accommodate a multitude of uses and industries, thereby quickly and efficiently filling vacant space.

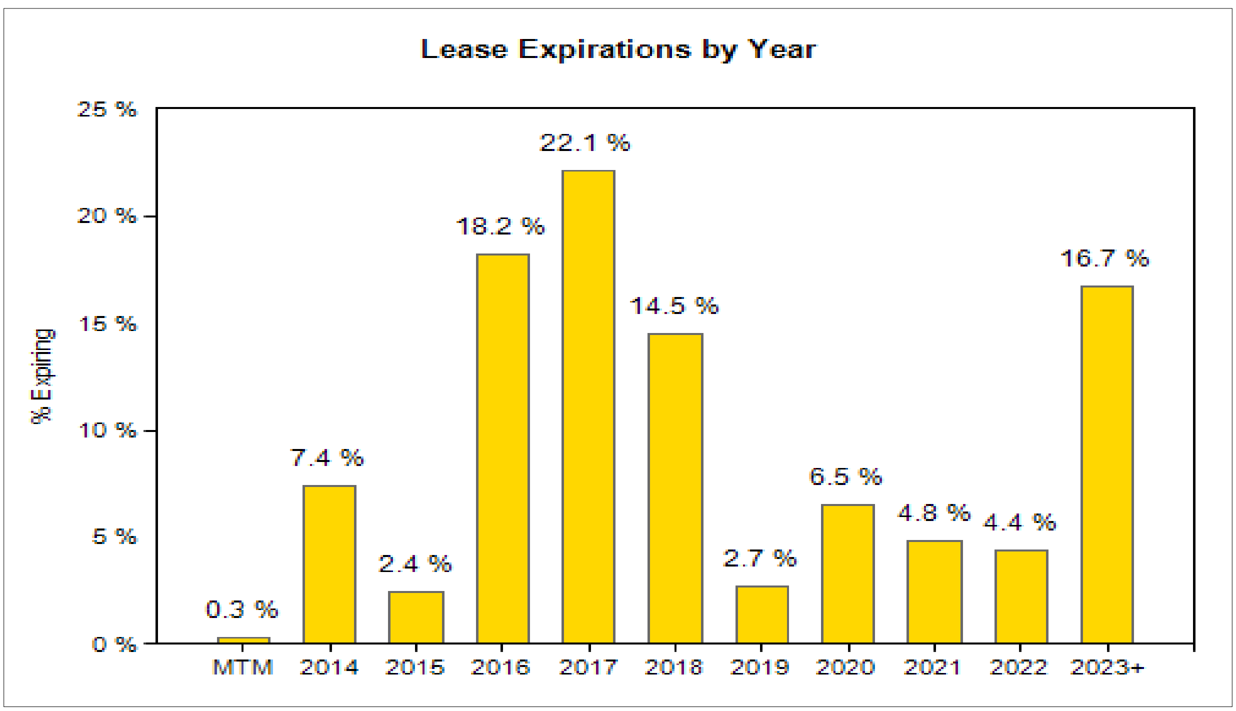
ASSETS

The REIT owns and operates an institutional-quality portfolio of primarily industrial investment properties located in the U.S., with a particular focus on distribution industrial real estate. The IPO of the REIT was completed on April 26, 2013, with a portfolio of 35 industrial and two office investment properties totaling 8,617,313 square feet of GLA and an occupancy rate across the portfolio of 96.3%.

In July 2013, the REIT indirectly acquired a fully leased, single-tenant industrial investment property totaling 1,262,648 square feet of GLA. Portfolio occupancy as at December 31, 2013 was 96.4%, up slightly from 96.3% at IPO.

The majority of the REIT's investment properties were constructed relatively recently, and the portfolio has a weighted average age of approximately 12 years. As a result, management believes that the investment properties will, on average, require less maintenance expenditures and be more attractive to prospective tenants than comparable older investment properties. Furthermore, the REIT's industrial investment properties are highly functional, with a weighted average clear ceiling height of approximately 31 feet. High clear ceiling heights are an important feature to many industrial tenants, as this provides tenants with additional vertical space which can house additional racking and equipment, allowing the tenant to maximize storage space.

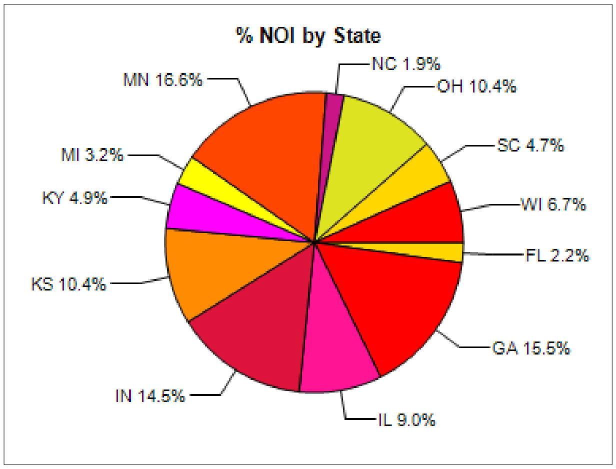
Future lease expirations are shown in the chart below, including those leases which are month-to-month ("**MTM**"):

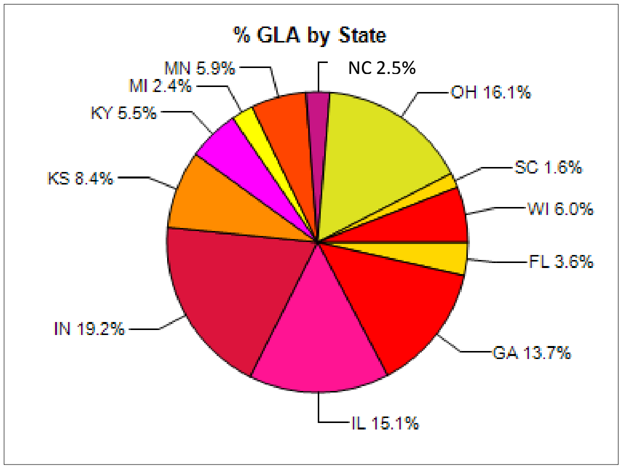


The REIT's investment properties are geographically diversified as follows (GLA in thousands):

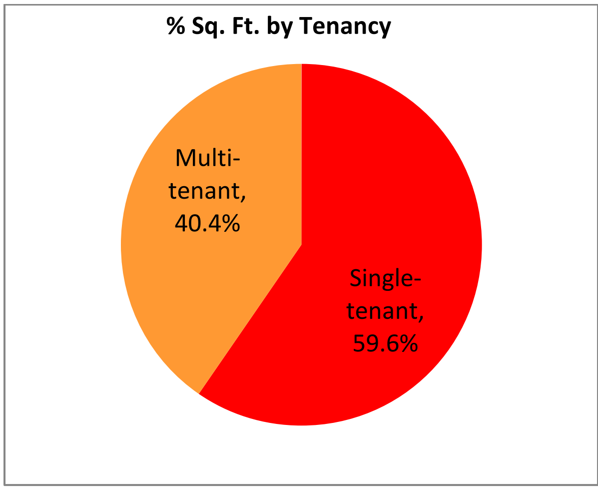
				December 31, 2013
State	**Number of Investment Properties**	**Number of Tenants**	**Owned GLA (sq ft.)**	**% of Owned GLA**
Indiana	3	6	1,896.5	19.2%
Ohio	4	4	1,590.5	16.1%
Illinois	3	5	1,492.1	15.1%
Georgia	7	15	1,355.7	13.7%
Kansas	4	6	827.1	8.4%
Wisconsin	4	7	589.7	6.0%
Minnesota	6	23	586.3	5.9%
Kentucky	1	1	543.5	5.5%
Florida	3	5	356.3	3.6%
North Carolina	1	1	252.5	2.5%
Michigan	1	2	233.9	2.4%
South Carolina	1	5	155.8	1.6%
Total	**38**	**80**	**9,879.9**	**100.0%**

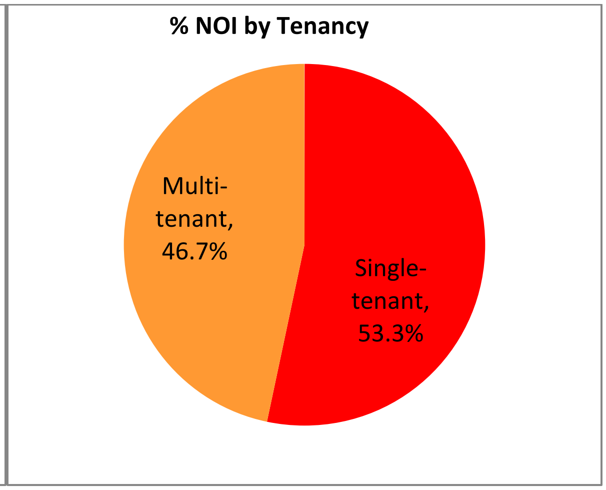
The following charts show both the NOI for the quarter ended December 31, 2013 and GLA as at December 31, 2013 of the REIT's portfolio:



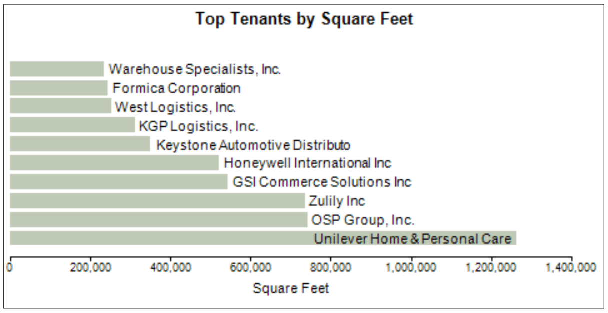


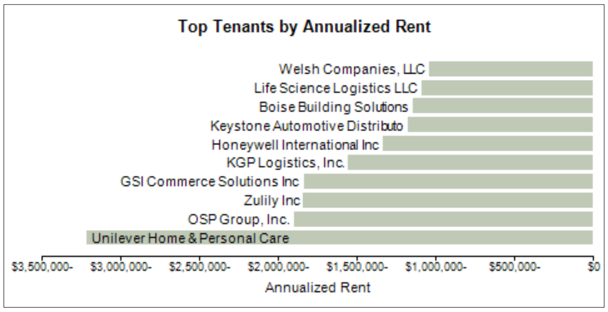
The following charts show the breakout of the REIT's portfolio between single and multi-tenant investment properties based on a percentage of GLA as at December 31, 2013 and percentage of NOI for the quarter ended December 31, 2013:





The following charts highlight the top ten tenants by square feet and annualized rent (shown in whole dollars):





FINANCIAL AND OPERATIONAL HIGHLIGHTS

(In thousands of USD, except where noted)	Three months ended December 31, 2013	Three months ended September 30, 2013	Period from March 4, 2013 to June 30, 2013	Period from March 4, 2013 to December 31, 2013
Operating Results:				
Investment properties revenue	$ 12,649	$ 12,577	$ 8,433	$ 33,659
NOI **(1), (2)**	$ 9,370	$ 9,370	$ 6,263	$ 25,003
FFO **(1), (3)**	$ 5,731	$ 5,686	$ 3,988	$ 15,405
AFFO **(1), (4)**	$ 4,680	$ 4,264	$ 2,957	$ 11,901
FFO per Unit (1)	$ 0.241	$ 0.236	$ 0.180	$ 0.659
AFFO per Unit **(1)**	$ 0.197	$ 0.177	$ 0.140	$ 0.509
Distributions:				
Distributions per Unit	$ 0.175	$ 0.175	$ 0.127	$ 0.477
Distributions declared	$ 4,161	$ 4,234	$ 2,838	$ 11,233
AFFO payout ratio **(1,9)**	88.9%	99.3%	96.0%	94.4%
Weighted-average number of Units **(5)**	23,797,779	24,069,551	21,322,362	23,381,561

As at	**December 31, 2013**	**September 30, 2013**	**June 30, 2013**
Operational Information:			
Number of real estate investment properties	38	38	37
GLA	9,879,961	9,879,961	8,617,313
Occupancy	96.4%	96.9%	96.3%
Average remaining lease term (years)	5.0	5.3	4.7
Ratios:			
Weighted-average effective interest rate **(6)**	4.0%	4.0%	4.3%
Variable rate debt as percentage of total debt **(7)**	29.1%	28.9%	17.0%
Debt-to-gross book value	52.9%	52.9%	51.3%
Interest coverage ratio	3.2x	3.2x	3.3x
Fixed charge coverage ratio	2.8x	2.8x	2.9x
Debt to EBITDA **(1,8)**	8.0x	8.1x	7.1x
Unit Information:			
REIT Units outstanding at period end	10,732,200	10,750,200	11,430,000
Class B Units outstanding at period end	13,059,709	13,059,709	10,867,362
Welsh Retained Interest at period end (on fully-diluted basis assuming all Class B Units held are redeemed for REIT Units)	54.9%	54.8%	48.7%

(1) NOI, FFO, AFFO, AFFO payout ratio and EBITDA are key measures of performance used by real estate operating companies, however, they are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or trusts. This data should be read in conjunction with the “Non-IFRS Measures” section of this MD&A.

(2) NOI is defined as investment properties revenue, less investment properties operating expenses.

(3) The reconciliation of FFO to net income can be found on page 16.

(4) The reconciliation of AFFO to FFO can be found on page 16.

(5) Includes REIT Units and Class B Units (collectively, the "Units").

(6) Includes mortgages payable, bank indebtedness, mark-to-market adjustments and financing costs.

(7) Includes $44,000 outstanding under the Revolving Facility and $31,800 in mortgages payable, subject to an interest rate cap covering a principal amount of $50,000. The uncapped variable rate debt as at December 31, 2013 was 9.9% of total debt.

(8) EBITDA is defined as NOI, less general and administrative expenses and is annualized for purposes of this metric.

(9) Includes the impact of the underwriters' over-allotment issued on May 16, 2013 and the non-recurring general and administrative expenses related to the July 15, 2013 acquisition.

PART II

RESULTS OF OPERATIONS

Comparison to Financial Forecast

The REIT had no material operations from the date of inception, March 4, 2013, to the completion of its IPO on April 26, 2013. The following table compares actual results for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 to the Forecast included in the Prospectus for the three month period ended December 31, 2013 and the prorated period from April 26, 2013 to December 31, 2013. The Forecast provided in the REIT’s Prospectus was based on forecasted results of the Initial Properties and did not contemplate or account for the acquisition of the Illinois property on July 15, 2013. For purposes of this MD&A, the actual results included in the tables below include the results of operations of the Initial Properties and the Illinois property acquired on July 15, 2013. See below in the “Variance Explanation” tables for the impact of the acquisition of the Illinois property:

	For the three months ended December 31, 2013			For the period from March 4, 2013 to December 31, 2013		
	Actual	**Forecast**	**Variance**	**Actual**	**Pro Rated Forecast**	**Variance**
Investment properties revenue	$ 12,649	$ 11,211	$ 1,438	$ 33,659	$ 30,974	$ 2,685
Investment properties operating expenses	3,279	2,986	293	8,656	8,203	453
Net operating income	9,370	8,225	1,145	25,003	22,771	2,232
Other (income) and expenses						
General and administrative	1,013	579	434	2,750	1,578	1,172
Fair value adjustment to investment properties	1,219	-	1,219	(1,765)	-	(1,765)
Finance costs	11,268	4,272	6,996	(3,614)	11,617	(15,231)
Net income and comprehensive income	$ (4,130)	$ 3,374	$ (7,504)	$ 27,632	$ 9,576	$ 18,056

Investment properties revenue

Investment properties revenue includes base rents that each tenant pays in accordance with the terms of its respective lease, recoveries of operating expenses, including property taxes, common area maintenance, lease termination fees and other incidental income. For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, investment properties revenue was higher by $1,438 and $2,685, respectively, as compared to Forecast for the following reasons:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
Investment property revenue earned from the Illinois property acquired July 15, 2013.	$ 1,112	$ 2,049
Straight-line rent adjustments.	73	126
Differences in actual recoverable expenses as compared to the Forecast at certain investment properties.	70	89
Unrealized vacancy assumed in the Forecast.	183	421
Total variance	$ 1,438	$ 2,685

Investment properties operating expenses

Investment properties operating expenses consist primarily of property common area and maintenance expenses, real estate taxes, insurance, property management fees and other costs associated with the management and maintenance of the investment properties. For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, investment properties expenses were higher by $293 and $453, respectively, as compared to Forecast for the following reasons:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
Investment property operating expenses of the Illinois property acquired July 15, 2013.	$ 243	$ 439
Differences in repair and maintenance costs and in actual recoverable expenses as compared to the Forecast at certain investment properties.	50	14
Total variance	$ 293	$ 453

NOI

For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, NOI was $1,145 and $2,232 higher, respectively, as compared to Forecast for the following reasons:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
NOI attributed to the Illinois property acquired July 15, 2013.	$ 869	$ 1,610
Straight-line rent adjustments.	73	126
Unrealized vacancy assumed in the Forecast.	183	421
Differences in repair and maintenance costs and in actual recoverable expenses as compared to the Forecast at certain investment properties.	20	75
Total variance	$ 1,145	$ 2,232

General and administrative expense

General and administrative expenses consist of asset management fees, professional fees, trustee fees, and other miscellaneous expenses. For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, general and administrative expenses were $434 and $1,172 higher, respectively, as compared to Forecast for the following reasons:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
General and administrative costs related to the Illinois property acquisition including professional fees incurred as a result of regulatory requirements and asset management fees.	$ 40	$ 361
Executive deferred compensation expense not assumed in the Forecast.	82	190
Additional trustee fees due to a greater number of trustee meetings than anticipated in the Forecast, as well as the accumulation of distributions on trustee fees converted to DTUs.	65	22
Legal fees incurred in excess of Forecast.	27	369
Additional costs related to investor relations, travel, marketing and general corporate purposes.	220	230
Total variance	$ 434	$ 1,172

Fair value adjustment to investment properties

Under IFRS, the REIT has elected to use the fair value model to account for its investment properties. Under the fair value model, investment properties are carried on the consolidated statement of financial position at fair value. For the three months ended December 31, 2013, the REIT recognized a fair value decrease to investment properties of $1,219 as a result of writing-off capitalized lease incentives and amortization of straight-line rent. For the period from March 4, 2013 to December 31, 2013, the REIT recognized a fair value increase to investment properties of $1,765, as a result of cap rate compression in certain markets, which was partially offset by the fourth quarter activity described above. As is customary, the Forecast did not contain assumptions regarding changes in fair value. Please refer to the "Investment Properties" section of this MD&A for further discussion on the REIT's fair value of investment properties.

Finance Costs

Finance costs include interest expense on mortgages payable and the Revolving Facility, distributions on Class B Units, and gain or loss on the change in fair value of financial liabilities designated as fair value through profit or loss, including Class B Units and other financial instruments, and amortization associated with the mark-to-market premium and financing costs incurred in connection with obtaining long-term mortgages payable.

For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, finance costs were $6,996 higher and $15,231 lower, respectively, as compared to Forecast for the following reasons:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
Fair value adjustment to Class B Units.	$ 6,399	$ (16,385)
Differences in distributions paid on Class B Units as compared to Forecast due to issuance of Class B Units in connection with the Illinois asset acquisition on July 15, 2013.	382	769
Interest expense on mortgage payable related to the Illinois property acquired on July 15, 2013.	196	364
Other	19	21
Total variance	$ 6,996	$ (15,231)

Reconciliation of Non-IFRS Measures

The REIT had no material operations from the date of inception, March 4, 2013, to the completion of its IPO on April 26, 2013. The reconciliation of non-IFRS measures to net income and comprehensive income for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 is presented below, as compared to the Forecast included in the Prospectus for the three month period ended December 31, 2013 and the prorated period from April 26, 2013 to December 31, 2013:

	For the three months ended December 31, 2013			For the period from March 4, 2013 to December 31, 2013		
	Actual	**Forecast**	**Variance**	**Actual**	**Pro Rated Forecast**	**Variance**
Investment properties revenue	$ 12,649	$ 11,211	$ 1,438	$ 33,659	$ 30,974	$ 2,685
Investment properties operating expenses	3,279	2,986	293	8,656	8,203	453
Net operating income	**9,370**	**8,225**	**1,145**	**25,003**	**22,771**	**2,232**
Other (income) and expenses						
General and administrative	1,013	579	434	2,750	1,578	1,172
EBITDA	**8,357**	**7,646**	**711**	**22,253**	**21,193**	**1,060**
Fair value adjustment to investment properties	1,219	-	1,219	(1,765)	-	(1,765)
Finance costs	11,268	4,272	6,996	(3,614)	11,617	(15,231)
Net income and comprehensive income	**$ (4,130)**	**$ 3,374**	**$ (7,504)**	**$ 27,632**	**$ 9,576**	**$ 18,056**
Add/(Deduct):						
Fair value adjustment to investment properties	1,219	-	1,219	(1,765)	-	(1,765)
Fair value adjustments to financial instruments	6,400	-	6,400	(16,372)	-	(16,372)
Fair value adjustments to non-cash compensation expense	(42)	-	(42)	(42)	-	(42)
Distribution on Class B Units treated as interest expense	2,284	1,902	382	5,952	5,183	769
FFO	**$ 5,731**	**$ 5,276**	**$ 455**	**$ 15,405**	**$ 14,759**	**$ 646**
Add/(Deduct):						
Leasing cost reserve (1)	(514)	(600)	86	(1,641)	(1,635)	(6)
Capital expenditure reserve (2)	(182)	(213)	31	(558)	(580)	22
Amortization of mark-to-market mortgages payable premium	(207)	(204)	(3)	(548)	(561)	13
Amortization of financing charges	136	104	32	347	281	66
Deferred compensation expense	264	-	264	458	-	458
Amortization of straight-line rent	(562)	(414)	(148)	(1,578)	(1,329)	(249)
Amortization of tenant incentives	14	24	(10)	16	47	(31)
AFFO	**$ 4,680**	**$ 3,973**	**$ 707**	**$ 11,901**	**$ 10,982**	**$ 919**
FFO per Unit (basic and diluted)	**$** 0.241	**$** 0.253	(0.012)	**$** 0.659	**$** 0.707	(0.048)
AFFO per Unit (basic and diluted)	**$** 0.197	**$** 0.190	0.007	**$** 0.509	**$** 0.526	(0.017)

(1) The leasing cost reserve is a weighted average rate of $0.24 per square foot, based on a five-year average of expected leasing commissions and tenant improvements on the Initial Properties. No leasing costs were estimated for the Illinois property acquisition as a result of the long-term lease currently in place.

(2) The capital expenditure reserve is a weighted average rate of $0.08 per square foot, based on a $0.09 five year average of expected capital expenditures on the Initial Properties and a $0.026 five year average of expected capital expenditures on the Illinois property acquisition.

FFO

For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, FFO was $455 and $646 higher, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
FFO attributable to the Illinois property acquired July 15, 2013.	$ 630	$ 873
NOI variance attributable to straight-line rent adjustments, unrealized vacancy assumed in the Forecast and differences in repair and maintenance costs and in actual recoverable expenses as compared to the Forecast at certain investment properties.	276	622
General and administrative attributable to executive deferred compensation expense not assumed in the Forecast, additional trustee fees due to a greater number of trustee meetings than anticipated in the Forecast and the accumulation of distributions as a result of trustee DTU elections, legal fees incurred in excess of Forecast and additional costs related to investor relations, travel, marketing and general corporate purposes.	(394)	(811)
Other	(57)	(38)
Total variance	$ 455	$ 646

AFFO

For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, AFFO was $707 and $919 higher, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation	Three months ended December 31, 2013	For the period from March 4, 2013 to December 31, 2013
AFFO attributable to the Illinois property acquired July 15, 2013.	$ 657	**$** 745
NOI variance attributable to unrealized vacancy assumed in the Forecast and differences in repair and maintenance costs and in actual recoverable expenses as compared to the Forecast at certain investment properties.	203	496
General and administrative attributable legal fees incurred in excess of Forecast and additional costs related to investor relations, travel, marketing and general corporate purposes.	(247)	(599)
Other	94	277
Total variance	$ 707	$ 919

For the period from March 4, 2013 to December 31, 2013, all trustees elected to receive their trustee fees in the form of DTUs, which is considered deferred compensation and an add-back to AFFO. Trustee fees were assumed to be paid in cash and included in general and administrative expenses in the Forecast.

FFO and AFFO per Unit amounts

The basic weighted average number of Units used to calculate FFO and AFFO per Unit include the weighted average of all outstanding REIT Units and Class B Units, which amounted to 23,797,779 Units for the three months ended December 31, 2013 and 23,381,561 Units for the period from March 4, 2013 to December 31, 2013. For the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013, FFO per unit was $0.012 and $0.048 lower, respectively, as compared to Forecast. AFFO per Unit for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 was $0.007 higher and $0.017 lower, respectively, as compared to Forecast. The cause of the negative AFFO per unit variance for the period from March 4, 2013 to December 31, 2013 is primarily the $361 in professional fees incurred as a result of the Illinois asset acquisition, as well as higher legal fees incurred compared to Forecast.

Distribution Policy

The REIT's Declaration of Trust provides the Board of Trustees with discretion to determine the percentage amount of the REIT's income to be distributed. Amounts retained in excess of the declared distributions are used to fund leasing costs and capital expenditure requirements. Fluctuations in working capital that are deemed to be timing differences are disregarded in determining distributions. The REIT also normalizes the impact of leasing costs, which fluctuate with lease maturities, renewal terms and the type of investment property being leased, and excludes the impact of transaction costs expensed on business combinations. The REIT's AFFO payout ratio (including the impact of the underwriters' over-allotment and professional fees related to the Illinois property acquisition on July 15, 2013) for the period from March 4, 2013 to December 31, 2013 was 94.4%. The AFFO payout ratio for the quarter ended December 31, 2013 was 88.9%.

LIQUIDITY AND CAPITAL RESOURCES

The REIT's primary sources of capital are cash generated from operations, its Revolving Facility, mortgages payable financing and refinancing and equity and debt issuances. The REIT's primary uses of capital include the payment of distributions, costs of attracting and retaining tenants, recurring investment property maintenance, major investment property improvements, mortgages payable principal repayments, interest payments and investment property acquisitions. The REIT expects to meet all of its ongoing obligations with current cash generated from operations, draws on its Revolving Facility and, as growth requires and when appropriate, new equity or debt issues. The Declaration of Trust provides that the REIT cannot incur or assume any indebtedness that would cause total indebtedness levels to exceed 60% of gross book value (or 65% of gross book value including convertible debentures). As at December 31, 2013, the REIT's debt-to-gross book value ratio was 52.9% (total outstanding principal amounts of mortgages payable and Revolving Facility of $260,662, divided by a gross book value of $493,006). The REIT has no convertible debentures outstanding.

The REIT's capacity to issue additional debt without issuing new equity or breaching its targeted and mandated leverage ratios, discussed above, is as follows:

Debt-to-gross book value		Acquisition Capacity
55%	$	23,314
60%	$	87,854

The REIT uses cash flow from operations and debt level indicators to assess its ability to meet its financing obligations. For the period from March 4, 2013 to December 31, 2013, the REIT's interest coverage ratio was 3.2 times, demonstrating an ability to adequately cover interest expense requirements. The REIT's weighted average effective interest rate on all indebtedness as at December 31, 2013 was 4.0%.

The following table details the changes in cash and cash equivalents during the period:

		Three months Ended December 31, 2013		Period from March 4, 2013 to December 31, 2013
Cash provided by/(used in):				
Operating activities	$	9,188	$	20,927
Investing activities	$	(1,846)	$	(66,814)
Financing activities	$	(6,897)	$	51,813
Increase in cash and cash equivalents during the period	$	445	$	5,926
Cash and cash equivalents, beginning	$	5,481	$	-
Cash and cash equivalents, end	$	5,926	$	5,926

Cash flows from operating activities for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 of $9,188 and $20,927, respectively, primarily related to the operation of the investment properties.

Cash flows used in investing activities for the three months ended December 31, 2013 of $1,846 primarily related to cash paid for additions to investment properties, partially offset by increases in capital escrow amounts required to be held in connection with certain mortgages payable. Cash flows used in investing activities for the period from March 4, 2013 to December 31, 2013 of $66,814 primarily related to the cash component of consideration paid for the acquisition of the REIT's Initial Properties and the Illinois property.

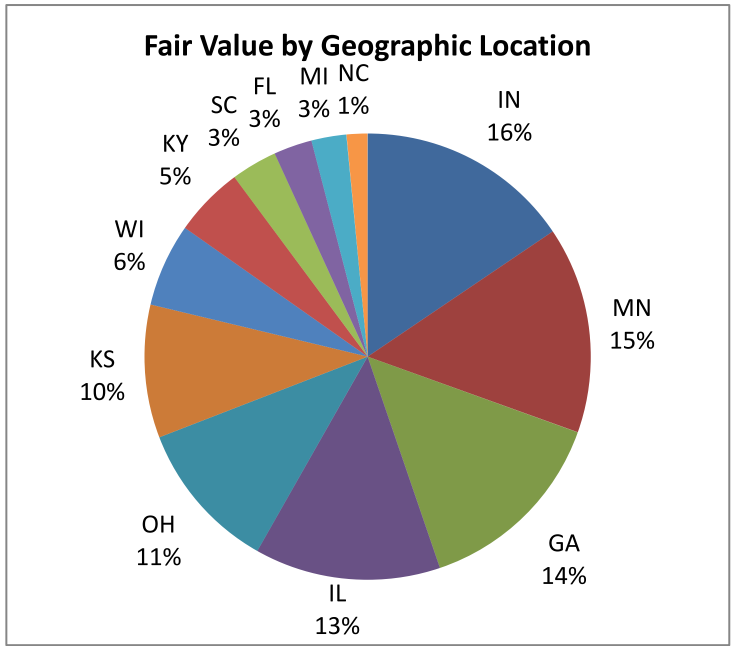
Cash flows used in financing activities for the three months ended December 31, 2013 of $6,897 primarily related to cash used to pay interest expense on mortgages payable and bank indebtedness as well as distributions to Unitholders. Cash flows generated by financing activities for the period from March 4, 2013 to December 31, 2013 of $51,813 primarily related to net proceeds from the issuance of REIT Units from the IPO and exercise of the underwriters' over-allotment of approximately $100,842 as well as draws on the Revolving Facility of approximately $57,300. This was partially offset by the repayment of debt of approximately $82,301, the payment of financing costs and interest of approximately $13,694 and the payment of distributions to Unitholders of approximately $4,655.

Investment Properties

Investment properties include land, building, improvements to investment properties and all direct leasing costs incurred in obtaining property tenants. As at December 31, 2013, the fair value of our investment property portfolio was $493,006, representing a weighted-average, in-place capitalization rate of 7.2%. Excluding the impact of the Illinois property acquisition on July 15, 2013, the fair value of the REIT's investment properties increased approximately 1.2% from the date of the IPO. This increase is primarily the result of capitalization rate compression in certain markets.

Fair values were determined using the discounted cash flow method, which discounts the expected future cash flows, generally over a term of five years, and uses discount rates and terminal capitalization rates specific to each investment property. Individual investment properties were valued using terminal capitalization rates in the range of 6.25% - 10.00%. The REIT retained an independent third-party appraiser to appraise each investment property contained within the Initial Properties and intends to engage third-party appraisers to prepare valuations on a portion of the portfolio annually, commencing after March 31, 2014, such that the entire portfolio is appraised on a regular basis. The fair value of investment properties by geographic region is as follows:

State		December 31, 2013 Fair Value
Indiana	$	76,700
Minnesota		73,950
Georgia		70,315
Illinois		65,371
Ohio		53,875
Kansas		47,525
Wisconsin		29,750
Kentucky		25,000
South Carolina		16,825
Florida		13,670
Michigan		12,550
North Carolina		7,475
Total	$	493,006



Mortgages Payable

The REIT's debt strategy includes obtaining secured mortgage financing with a term to maturity that is appropriate in relation to the lease maturity profile of its portfolio. Mortgages payable consisted of the following:

		December 31, 2013
Mortgages payable	$	216,662
Mark-to-market adjustment, net		4,156
Financing costs, net		(606)
Total		220,212
Less: Current portion		(16,382)
Long-term mortgages payable	$	203,830

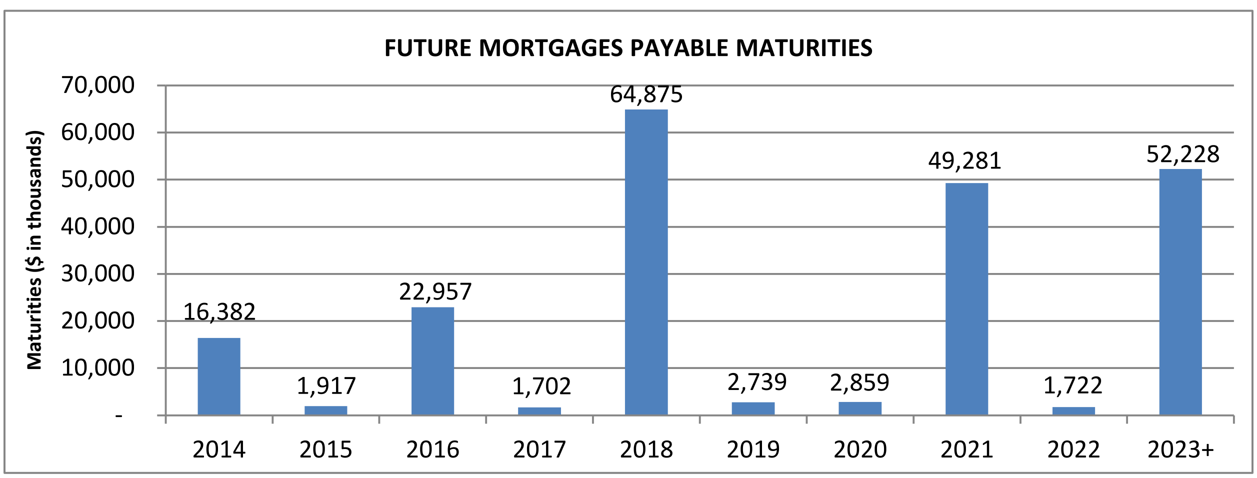
Variable rate debt as a percentage of total debt was 29.1% as at December 31, 2013.

On April 26, 2013, the REIT entered into an interest rate cap, which expires on April 26, 2015, and covers up to a principal amount of $50,000 and provides for a LIBOR cap of 50 basis points. As at December 31, 2013, the percentage of variable rate indebtedness outstanding and not covered under this interest rate cap was 9.9% of the total portfolio indebtedness.

As at December 31, 2013, mortgages payable bear interest at a weighted average effective interest rate of 4.3% and mature between 2014 and 2023. The scheduled mortgage payments, principal maturities and weighted average effective rates are as follows:

As at December 31, 2013	Weighted Average Maturing Effective Rate	Scheduled Mortgage Repayments	Principal Maturities	Total Repayments
2014	5.6%	$ 1,975	$ 14,407	$ 16,382
2015	N/A	1,917	-	1,917
2016	5.7%	1,978	20,979	22,957
2017	N/A	1,702	-	1,702
2018	3.5%	2,756	62,119	64,875
2019	N/A	2,739	-	2,739
2020	N/A	2,859	-	2,859
2021	4.8%	2,589	46,692	49,281
2022	N/A	1,722	-	1,722
2023	3.7%	146	52,082	52,228
Totals		$ 20,383	$ 196,279	$ 216,662
Mark-to-market adjustment, net				4,156
Financing costs, net				(606)
Total				$ 220,212

The following chart shows the future maturities of mortgages payable as at December 31, 2013:



Revolving Facility

Upon completion of its IPO, the REIT obtained a Revolving Facility consisting of a $75,000 senior secured revolving line of credit, with availability determined subject to compliance with a number of borrowing base tests. The Revolving Facility has an initial term of three years from April 26, 2013, subject to a one-year extension option and includes an accordion feature which could increase the size of the facility to $200,000, subject to lender approval. The interest rate on the Revolving Facility is calculated at the REIT's option at either a base rate or LIBOR, in each case plus an applicable margin based on leverage. The base rate is equal to the greater of (i) the "prime rate" plus 1.0%, (ii) 0.5% above the federal funds effective rate, or (iii) 30-day LIBOR plus the applicable margin.

As at December 31, 2013, the REIT had borrowing availability on the Revolving Facility of $61,750 with $44,950 outstanding in draws and a letter of credit, leaving $16,800 remaining in availability. The applicable interest rate as at December 31, 2013 was 2.42%.

Commitments and Contingencies

Leasing Cost Reserve

The REIT uses management's best estimate of leasing costs on expected lease rollover within the portfolio over a forward-looking five-year period to calculate the leasing costs reserve used in the REIT's AFFO calculation (see "Reconciliation of Non-IFRS Measures" section of this MD&A). As part of the IPO process, management estimated leasing costs to be approximately $0.28 per square foot on the Initial Portfolio and is included in the Forecast presented in the Prospectus. When the REIT purchased the Illinois property on July 15, 2013, no adjustment was made to the leasing cost as the lease term on the single-tenant lease at that investment property falls outside of the five-year period management looks to when calculating the REIT's reserve. The five-year average leasing cost per square foot used in the REIT's AFFO calculation will change from time to time as the REIT purchases additional properties. For the period from March 4, 2013 to December 31, 2013, actual leasing costs were $701 as compared to $1,641 reserved on page 16.

Capital Expenditure Reserve

The REIT's policy is to engage a third-party to provide building condition assessment reports ("**BCA Reports**") on each property acquired for the purpose of assessing and documenting the existing condition of each investment property and major investment property operating components and systems. The REIT then uses this information to calculate a five-year weighted average capital expenditure per square foot, which is used in the REIT's AFFO calculation (see "Reconciliation of Non-IFRS Measures" section of this MD&A). The five-year weighted average capital expenditure per square foot used in the REIT's AFFO calculation will change from time to time as the REIT purchases additional properties.

As part of the IPO process, BCA Reports were prepared for each of the 37 Initial Properties. As summarized in the table below, of the estimated $4,704 in costs identified in the BCA Reports over the five years presented, management has estimated that $679 of these amounts will be the direct responsibility of tenants. Non-recoverable and recoverable amounts comprise the balance of the capital expenditures recommended to be completed in the immediate term and over the next five years.

	Five Year Reserve						
	2013	**2014**	**2015**	**2016**	**2017**	**Total**	**Avg.**
Recoverable & Non-recoverable Expense	285	1,038	709	441	1,552	4,025	805
Direct Tenant Work	245	111	46	132	145	679	136
	530	1,149	755	573	1,697	4,704	941

The five-year average capital expenditures to the REIT (not including $679 to be paid directly by the tenant) per the above chart is approximately $0.09 per square foot and is included in the Forecast presented in the Prospectus. The above chart excludes $0.4 million in costs identified in the BCA Reports as needing to be completed on an immediate basis. Management views this reserve as conservative as a portion of the $4,025 will be recovered by tenants through recoverable expense adjustments. For the period from March 4, 2013 to December 31, 2013, actual capital expenditures were $372 as compared to $558 reserved on page 16.

As part of the acquisition process, a BCA Report was prepared for the Illinois property acquired on July 15, 2013. The estimated costs identified in the BCA Report over the five years subsequent to purchase were approximately $0.026 per square foot.

Other Commitments and Contingencies
Management has a contingent obligation to expand the GLA at two investment properties at the option of the tenant. Management estimates the cost associated with these expansions, should they occur, to range between $10,000 and $12,000 in the aggregate. Such expansions are conditional on mutual agreement between the tenant and the REIT with regards to the base rental rates to be charged for occupying such expansion space and terminate at the end of the respective leases.

The REIT has no off-balance sheet items.

EQUITY
This discussion of equity includes all Class B Units, which are economically equivalent to REIT Units. Pursuant to IFRS, the Class B Units are classified as a liability in the REIT's consolidated financial statements.

The REIT's Declaration of Trust authorizes the issuance of an unlimited number of REIT Units. Each REIT Unit represents a Unitholder's ownership interest in the REIT and carries equal voting rights.

The 10,867,362 Class B Units issued in connection with the IPO are entitled to distributions per unit in an amount equal to the distributions per unit declared in respect of the REIT Units, and are redeemable by the holder thereof for cash or REIT Units (on a one-for-one basis subject to customary anti-dilution adjustments), as determined by the general partner of the Partnership in its sole discretion. The REIT Units are puttable and, therefore, the Class B Units issued in connection with the IPO meet the definition of a financial liability under IAS 32 and are accordingly classified as long-term liabilities.

The 2,192,347 Class B Units issued in connection with the acquisition of the industrial investment property on July 15, 2013 are not redeemable for REIT Units unless and until the REIT has received all necessary acceptances and approvals from the TSX for the issuance and listing on the TSX of the underlying REIT Units, including obtaining REIT Unitholder approval. These Class B Units are entitled to distributions per unit in an amount equal to the distributions per unit declared in respect of the REIT Units, but are subject to payment restrictions. These Class B Units contain a liquidity right, exercisable at any time, in favor of Welsh, which compels the REIT to purchase for cancellation all or any portion of the Class B Units issued in connection with the July 15, 2013 acquisition, at the request of Welsh, subject to certain limitations, and accordingly are classified as current liabilities.

As at December 31, 2013, Welsh held 13,059,709 Class B Units, representing an effective ownership interest in the REIT of approximately 54.9% assuming all Class B Units are redeemed for REIT Units but otherwise on a non-dilutive basis.

Upon completion of the IPO, the REIT issued 10,000,000 REIT Units at $10.00 per REIT Unit for gross proceeds of $100,000, less underwriters' fees and other transaction costs of $12,597. Net proceeds of the IPO were used to purchase an 8,617,313 square foot GLA portfolio consisting of 35 industrial and two office investment properties, located throughout the United States, from Welsh, as well as to satisfy certain assumed mortgages payable.

On May 16, 2013, the underwriters' over-allotment option was exercised. As a result, the REIT issued an additional 1,430,000 REIT Units for gross proceeds of $14,300 or approximately $13,439 net of underwriters' fees and other transaction costs. Net proceeds were used to reduce bank indebtedness.

During the year ended December 31, 2013, the REIT purchased for cancellation 697,800 REIT Units for $5,679 under the normal course issuer bid at an average price of $8.14. As a result, the number of outstanding REIT Units as at December 31, 2013 was 10,732,200.

As at December 31, 2013, ownership of the REIT was as follows:

	REIT Units	Class B Units	Total Units	% of Total
Welsh's retained interest	-	13,059,709	13,059,709	54.9%
REIT Units	10,732,200	-	10,732,200	45.1%
Total	10,732,200	13,059,709	23,791,909	100.0%

Effective April 26, 2013, the REIT adopted a unit option plan (the "Plan"). Under the terms of the Plan, the Board of Trustees may from time to time, at its discretion, grant trustees, officers, employees and consultants options to purchase REIT Units, exercisable for a maximum period of 10 years from the date of grant. The maximum number of REIT Units reserved for issuance under the Plan is 10% of the total number of REIT Units issued and outstanding from time to time.

On May 29, 2013, the REIT granted 390,000 options to certain officers of the REIT and employees of Welsh at an exercise price of $10.14 per unit, expiring May 29, 2023. These options vest one-third on the first anniversary of the grant date, and one-third on each of the second and third anniversaries.

Under IFRS, liabilities related to deferred compensation under the Plan are measured at fair value as at the grant date and are remeasured at each reporting date. The fair value changes are recorded within general and administrative expense in the statements of income and comprehensive income. Compensation expense attributable to these options for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 was $24 and $67, respectively. These amounts were determined based on the fair value of the options at the end of the period using the Black-Scholes option pricing model with the following assumptions:

Expected option term	5.7 years
Risk-free interest rate	2.10%
Expected volatility	25.00%
Dividend yield	8.05%

Effective April 26, 2013, the REIT adopted a Deferred Unit Incentive Plan ("**DUIP**") that provides for the granting of deferred trust units ("**DTU**") to trustees, officers, directors, employees, consultants and service providers, as well as employees of such service providers. DTUs are defined as notional units that are tied to the REIT's financial and REIT Unit trading performance. The maximum number of REIT Units reserved for issuance under the DUIP is 5% of the total number of REIT Units issued and outstanding from time to time.

On May 29, 2013, the Board of Trustees granted 50,000 DTUs to certain officers of the REIT and employees of Welsh. These DTUs vest as to one-fifth on the first anniversary of the grant date, and one-fifth on each of the following four anniversaries. Distributions on the DTUs accrue to the holder in additional REIT Units on each distribution date and vest on the same schedule as their corresponding DTUs.

For the period from March 4, 2013 to December 31, 2013, each of the Trustees elected to receive all of their compensation for the current fiscal year in the form of DTUs. Annually, the REIT matches 50% of all annual Trustee compensation received in DTUs, and all such DTUs vest one-third on the first anniversary date of the grant and one-third on each of the second and third anniversaries. For the period from March 4, 2013 to December 31, 2013, 10,430 DTUs were granted to Trustees for their service. Distributions on the DTUs accrue to the holder in additional REIT Units on each distribution date. For the period from March 4, 2013 to December 31, 2013, 302 additional DTUs were granted to trustees through distributions.

Under IFRS, liabilities related to deferred compensation under the DUIP are measured at fair value as at the grant date and are remeasured at each reporting date. The fair value changes are recorded within general and administrative expense in the statements of income and comprehensive income. Compensation expense for the three months ended

December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 was $198 and $349, respectively, related to these instruments.

PART III

INTERNAL CONTROLS

As of December 31, 2013, management evaluated the effectiveness of our disclosure controls and procedures as defined under the Canadian Securities Administrators' National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings.* This evaluation was performed under the supervision of, and with the participation of, the REIT's Chief Executive Officer and Chief Financial Officer. Based on the evaluation conducted as of December 31, 2013, the Chief Executive Officer and Chief Financial Officer concluded that the REIT's disclosure controls and procedures were effective as of December 31, 2013.

As of December 31, 2013, management evaluated the effectiveness of the REIT's internal control over financial reporting taking into account the nature and size of the REIT's business and using the framework criteria established in the "Risk Management and Governance: Guidance on Control (COSO) Framework". Based on the evaluation, management concluded that the REIT's internal control over financial reporting was effective as of December 31, 2013 and that there were no material weaknesses that have been identified in our internal control over financial reporting as of December 31, 2013.

To the best of the knowledge and belief of the REIT's Chief Executive Officer and Chief Financial Officer, no changes were made in the REIT's internal control over financial reporting in fiscal 2013 that have materially affected, or are reasonably like to materially affect, the REIT's internal control over financial reporting.

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, the REIT's disclosure controls and procedures and internal control over financial reporting to provide reasonable assurance that (i) material information relating to the REIT, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the filings are being prepared, (ii) material information required to be disclosed in the filings or other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported on a timely basis and within the time period specified by securities legislation, and (iii) the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS .

Internal controls over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of their inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human error. Internal control over financial reporting also can be circumvented by collusions or improper management override. Because of such limitations, there is risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting.

PART IV

RISK FACTORS

The REIT faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the REIT, the Partnership and the tenants of the properties. Described below are certain risks that could materially affect the REIT and the value of the Units. Other risks and uncertainties that the REIT does not presently consider to be material, or of which the REIT is not presently aware, may become important factors that affect the REIT's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, prospects, financial condition, results of operations, cash flow, and the ability of the REIT to make cash distributions to Unitholders or value of the Units.

Risk Factors Related to the Real Estate Industry

Real Property Ownership and Tenant Risks

The REIT owns the Properties and is expected in the future to acquire interests in and develop other real property. All real property investments are subject to elements of risk. By specializing in a particular type of real estate, the REIT is exposed to adverse effects on that segment of the real estate market and does not benefit from a diversification of its portfolio by property type.

There is no assurance that the operations of the REIT will be profitable or that cash from operations will be available to make distributions to Unitholders. Real estate, like many other types of long-term investments, experiences significant fluctuation in value and, as a result, specific market conditions may result in occasional or permanent reductions in the value of the REIT's portfolio. The marketability and value of the portfolio will depend on many factors, including, without limitation: (i) changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit); (ii) local economic conditions (such as business layoffs, industry slowdowns, changing demographics and other factors); (iii) local real estate conditions (such as an oversupply of properties or a reduction in demand for real estate in the area); (iv) changes in occupancy rates; (v) the attractiveness of properties to potential tenants or purchasers; (vi) competition with other landlords with similar available space; (vii) the ability of the REIT to provide adequate maintenance at competitive costs; (viii) changes in exchange rates; (ix) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (x) the financial condition of borrowers and of tenants, buyers and sellers of property; (xi) changes in real estate tax rates and other operating expenses; (xii) the imposition of rent controls; (xiii) energy and supply shortages; (xiv) various uninsured or uninsurable risks; and (xv) natural disasters. There can be no assurance of profitable operations because the costs of operating the portfolio, including debt service, may exceed gross rental income therefrom, particularly since certain expenses related to real estate, such as property taxes, utility costs, maintenance costs and insurance, tend to increase even if there is a decrease in the REIT's income from such investments.

The REIT's properties generate income through rent payments made by tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease and renewed rent may be lower than prevailing market rent. The REIT's cash flow and financial position would be materially adversely affected if its tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the REIT's properties was not able to be leased on economically favourable lease terms. In the event of default by a tenant, the REIT may experience delays or limitations in enforcing its rights as lessor and incur substantial costs in protecting its investment. In addition, restrictive covenants may narrow the field of potential tenants at a property and could contribute to difficulties in leasing space to new tenants. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease by the tenant and, thereby, cause a reduction in the REIT's cash flow, financial condition and results of operations and its ability to make distributions to Unitholders.

Additionally, due to changing trends in the design of the types of properties owned by the REIT, it is possible that the REIT's properties will in the future be less desirable than newer properties developed by competitors. This, in turn, would affect the ability of the REIT to renew its leases with existing tenants and, in the event that such leases are not renewed, to rent unleased suites.

Competition

The real estate business is competitive. The REIT competes with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable properties. Some of the industrial properties of the REIT's competitors are newer, better located or better capitalized than the REIT's properties. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the REIT. Those entities may be able to accept more risk than the REIT can prudently manage and may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those the REIT may be prepared to accept. The existence of competing managers and owners could have a material adverse effect on the REIT's ability to lease space and on the rents the REIT is able to charge, and could materially adversely affect revenues and the REIT's ability to meet its obligations. In addition, such competition could have an adverse effect on property values in the markets in which the investments are located. Competition generally reduces the number of suitable investment opportunities available to the REIT and increases the bargaining power of property owners seeking to sell. Furthermore, the number of entities and the amount of funds competing for suitable industrial properties may increase. This could result in increased demand for these assets and therefore, increased prices paid for them, which may in turn adversely affect the REIT's ability to make investments and generate revenues.

Liquidity

Real property investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the REIT's ability to vary its portfolio of properties promptly in response to changing economic, investment or other conditions. If the REIT were to be required to liquidate its real property investment, the proceeds to the REIT might be significantly less than the aggregate carrying value of its properties which could have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. Illiquidity may result from the absence of an established market for real property investments, as well as from legal or contractual restrictions on their resale. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession the REIT may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the REIT to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions.

Environmental Matters

Environmental legislation and regulations have become increasingly important in recent years. As a current or previous owner of interests in real property in the U.S., the REIT is be subject to various U.S. federal, state and municipal laws relating to environmental matters. Such laws provide that the REIT could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment and/or affecting persons, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties or at third-party sites, at which wastes were sent for disposal, including lead-based paints, mould, asbestos, polychlorinated biphenyls, petroleum-based fuels, mercury, volatile organic compounds, underground storage tanks, pesticides and other miscellaneous materials. Further, liability may be incurred by the REIT with respect to the release of such substances from or to the REIT's properties. These laws often impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. These laws also govern the maintenance and removal of asbestos containing materials in the event of damage, demolition or renovation of a property and also govern emissions of and exposure to asbestos fibres in the air. Certain of the REIT's properties might contain asbestos containing materials. The costs of investigation, removal and remediation of such substances or properties, if any, may be substantial and could adversely affect the REIT's financial condition and results of operations but is not estimable. There may be contamination on the REIT's properties of which management is not aware. The presence of contamination or the failure to remediate contamination may adversely affect the REIT's ability to sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in claims against the REIT by public or private parties.

The REIT's properties may contain soil or groundwater contamination, hazardous substances and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos, mould or other hazardous substances above the allowable or recommended thresholds, or other environmental risks could be associated with the buildings. The REIT will bear the risk of cost-intensive assessment, remediation or removal of such soil or groundwater contamination, hazardous substances or other residual pollution. The discovery of any such contamination or residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against the REIT. The remediation of any contamination and the related additional measures the REIT would have to undertake could have a materially adverse effect on the REIT and could involve considerable additional costs. The REIT will also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible. Moreover, the existence or even the mere suspicion of the existence of soil or groundwater contamination, hazardous materials or other residual pollution can materially adversely affect the value of a property and the REIT's ability to lease or sell such a property.

The REIT's operating policy is to obtain a Phase I ESA Report of each real property to be acquired by it and, if the Phase I ESA Report recommends that a further environmental site assessment be conducted, the REIT will have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant. As a condition to any acquisition of real property, such assessments will be satisfactory to the Trustees. Although such environmental site assessments would provide the REIT with some level of assurance about the condition of property, the REIT may become subject to liability for undetected contamination or other environmental conditions at its properties, which could negatively impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

The REIT intends to make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters that may have a material adverse effect on the REIT's business, financial condition or results of operation and decrease the amount of cash available for distribution. Furthermore, environmental laws can change and the REIT may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Regulation and Changes in Applicable Laws

The REIT is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the REIT (including with retroactive effect). Any changes in the laws to which the REIT is subject could materially adversely affect the REIT's rights and title to its properties. It is not possible to predict whether there will be any further changes in the regulatory regimes to which the REIT is subject or the effect of any such changes on its investments.

Lower revenue growth or significant unanticipated expenditures may result from the REIT's need to comply with changes in applicable laws or the enactment of new laws, including: (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions; (ii) rent control or rent stabilization laws or other landlord/tenant laws; or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the REIT's properties, including changes to building codes and fire and life-safety codes.

Capital Expenditures and Fixed Costs

As a matter of conducting business in the ordinary course, certain significant 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 property is producing sufficient income to pay such expenses. This may include expenditures to fulfill mandatory requirements for energy efficiency. In order to retain desirable rentable space and to generate adequate revenue over the long-term, the REIT must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the REIT may not be able to pass on to its tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. The timing and amount of capital expenditures required by the REIT will indirectly affect the amount of cash available for distribution to

Unitholders. Distributions may be reduced, or even eliminated, at times when the REIT deems it necessary to make significant capital or other expenditures.

If the actual costs of maintaining or upgrading a property exceed the REIT's estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if the REIT is not permitted to raise rents due to legal constraints, the REIT will incur additional and unexpected costs. If competing industrial properties are built in the area where one of the REIT's properties is located or similar industrial properties located in the vicinity of one of the REIT's properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced. Any failure by the REIT to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that the REIT earns from such properties and could have a material adverse effect on the REIT's cash flow, financial condition and results of operations and its ability to make distributions to Unitholders.

Current Economic Environment

Continued concerns regarding the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the mortgage market in the U.S. and a distressed real estate market have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the REIT to maintain occupancy rates which could harm the REIT's financial condition. If these economic conditions continue, the REIT's tenants may be unable to meet their rental payments and other obligations due to the REIT, which could have a material adverse effect on the REIT. In addition, fluctuation in interest rates or other financial market volatility may restrict the availability of financing for future prospective purchasers of the REIT's investments and could significantly reduce the value of such investments.

Natural Disasters

Certain of the REIT's properties are located in locations where buildings are susceptible to sustaining storm damage. While the REIT has insurance to cover a substantial portion of the cost of such events, the REIT's insurance includes deductible amounts and certain items may not be covered by insurance. Future natural disasters may significantly affect the REIT's operations and properties and, more specifically, may cause the REIT to experience reduced rental revenue (including from increased vacancy), incur clean-up costs or otherwise incur costs in connection with such events. Any of these events may have a material adverse effect on the REIT's business, cash flow, financial condition, results of operations and ability to make distributions to Unitholders.

Risks Relating to the REIT and its Business

Tenant Defaults, Bankruptcies or Insolvencies

The bankruptcy or insolvency of the REIT's tenants may adversely affect the income produced by its properties. If a tenant defaults on its lease obligations, the REIT may experience delays in enforcing its rights as landlord and may incur substantial costs, including litigation and related expenses, in protecting its investment and re-leasing its property. If a tenant files for bankruptcy, the REIT generally cannot evict the tenant solely because of such bankruptcy. A court may authorize a bankrupt tenant to reject and terminate its lease. In such a case, any claim against the tenant for unpaid future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and it is unlikely that a bankrupt tenant would pay in full amounts it owes under the lease. This shortfall could adversely affect the REIT's cash flow and results of operations.

If a tenant experiences a downturn in its business or other types of financial distress, it may be unable to make timely rental payments. Under some circumstances, the REIT may agree to partially or wholly terminate the lease in advance of the termination date in consideration for a lease termination fee that is less than the agreed rental amount. Additionally, without regard to the manner in which a lease termination occurs, the REIT is likely to incur additional costs in the form of tenant improvements and leasing commissions in its efforts to lease the space to a new tenant, as well as possibly lower rental rates reflective of declines in market rents. The REIT cannot assure an investor that it will have adequate sources of funding available to us for such purposes.

Tenant Concentration

The REIT derives approximately 43.4% of its in-place base rental revenue from its ten largest tenants. Consequently, revenues are dependent on the ability of those tenants to meet rent obligations and the REIT's ability to collect rent from them. Unilever Home & Personal Care is the REIT's largest tenant by GLA and percentage of annualized base rent occupying 12.8% of total portfolio GLA and accounting for 8.5% of the total portfolio's annualized base rent. OSP Group, Inc. is the second largest tenant by GLA, occupying 7.5% of total portfolio GLA and ranked third by annualized base rent, accounting for 5.0% of the total portfolio's annualized base rent . The lease for Zulily, the REIT's third largest tenant by GLA, occupying 7.5% of total portfolio GLA and second largest tenant by annualized base rent, accounting for 5.6% of the total portfolio's annualized rent, expires on May 31, 2017; however, Zulily has a one-time option to terminate its lease at May 31, 2015 with at least six months' prior notice and upon payment of a termination fee of $1,968,000 (which is equal to approximately one year of gross rent for this tenant). The lease for StayWell, the REIT's tenth largest tenant by GLA and annualized base rent, occupies 0.7% of the total portfolio GLA and accounts for 2.3% of the total portfolio's annualized base rent,, expires on May 31, 2018, however, StayWell has a one-time option to terminate its lease at June 1, 2015 upon at least six months' prior notice and payment of a termination fee equal to the unamortized amount of all leasehold improvements, design fees and commissions actually paid with respect to the lease, amortized over the term at an interest rate of 10%. Early termination options are also held by six of the other tenants of the properties. In total, early termination options represent 10.69% of the total GLA or 13.42% of the December 31, 2013 annualized base rent of the properties. If such tenants default on or cease to satisfy their payment obligations, or if tenants exercise their early termination options, there could be an adverse impact on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Occupancy by Tenants

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Certain tenants have a right to terminate their leases upon payment of a penalty but others are not required to pay any penalty associated with an early termination. There can be no assurance that tenants will continue their activities and continue occupancy of the premises. Any cessation of occupancy by tenants may have an adverse effect on the REIT and could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Approximately 59.6% of GLA of the REIT's portfolio of properties is comprised of single-tenant properties. The largest five such tenants represent approximately 28.5% of contractual base rent of the portfolio as at January 1, 2014.

In the event that such tenants were to terminate their tenancies or become insolvent, the REIT's financial results would be materially adversely affected. Until the REIT is in a position to acquire more assets and further diversify its tenant base, the REIT will take certain steps to mitigate any credit risk by closely monitoring its tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Access to Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and certain capital expenditures from time to time. Although the Revolving Facility is available to the REIT, there can be no assurances that the REIT will otherwise have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, in certain circumstances, the REIT may not be able to borrow funds due to the limitations set forth in the Declaration of Trust or to issue securities to raise capital in a timely manner due to applicable regulatory limitations and restrictions.

In recent years, domestic and international financial markets have experienced unusual volatility and uncertainty. Although this condition occurred initially within the “subprime” single-family mortgage lending sector of the credit market, liquidity has tightened in overall financial markets, including the investment grade debt and equity capital markets. Consequently, there is greater uncertainty regarding the REIT’s ability to access the credit market in order to attract financing on reasonable terms. Investment returns on the REIT’s assets and its ability to make acquisitions could be adversely affected by the REIT’s inability to secure financing on reasonable terms, if at all.

Financing Risks

The REIT’s outstanding indebtedness as at December 31, 2013 was $263,540. Although a portion of the cash flow generated by the REIT’s properties are devoted to servicing such debt, there can be no assurance that the REIT will continue to generate sufficient cash flow from operations to meet required interest and principal payments. If the REIT is unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. The failure of the REIT to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing could adversely impact the REIT’s financial condition, liquidity and results of operations and decrease the amount of cash available for distribution to Unitholders. If the REIT defaults under a mortgage loan, it may lose the properties securing such loan.

The REIT is subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by the REIT’s properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, which may reduce AFFO. With the current world economic and financial crisis, there is a heightened risk that not only will existing maturing mortgages be subject to increased interest rates, but the distinct possibility also exists that maturing mortgages will not be renewed or, if they are renewed, they will be renewed at significantly lower loan-to-value ratios.

Approximately 29.1% of the REIT’s total principal indebtedness is variable rate debt as at December 31, 2013. Such variable rate debt will result in fluctuations in the REIT’s cost of borrowing as interest rates change. To the extent that interest rates rise, the REIT’s operating results and financial condition could be adversely affected and decrease the amount of cash available for distribution. However, the REIT has purchased a two-year interest rate cap instrument covering a notional principal amount of $50 million and providing for a U.S. LIBOR cap of 50 basis points. As at December 31, 2013, approximately 9.9% of the REIT’s total principal indebtedness is not covered under the initial interest rate cap.

The REIT’s credit facilities also contain covenants that require it to maintain certain financial ratios on a consolidated basis. If the REIT does not maintain such ratios, its ability to make distributions will be limited.

Existing mortgages secured by the REIT’s properties mature between April 2014 through to January 2023. Approximately 12.3% of the REIT’s mortgage debt will mature in 2016, amplifying the risks described above. Additionally, to the extent that the REIT incurs variable rate indebtedness, such indebtedness will result in fluctuations in the REIT’s cost of borrowing as interest rates change. To the extent that interest rates rise, the REIT’s operating results and financial condition could be adversely affected and decrease the amount of cash available for distribution.

Operational Risk

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. Management endeavours to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and if deemed necessary improvements are implemented.

Acquisitions

The REIT’s business plan includes, among other things, growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and leasing such properties. If the REIT is unable to manage its growth effectively, it could adversely impact the REIT’s financial position and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis and, as such, there can be no assurance that distributions to Unitholders will increase in the future.

Acquired properties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of the REIT. Representations and warranties given by third parties to the REIT may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Furthermore, it is not always possible to obtain from the seller the records and documents that are required in order to fully verify that the buildings to be acquired are constructed in accordance, and that their use complies with, planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. These circumstances could lead to additional costs and could have a material adverse effect on proceeds from sales and rental income of the relevant properties.

The REIT's ability to acquire properties on satisfactory terms and successfully integrate and operate them is subject to the following additional risks: (i) the REIT may be unable to acquire desired properties because of competition from other real estate investors with more capital, including other real estate operating companies, real estate investment trusts and investment funds; (ii) the REIT may acquire properties that are not accretive to results upon acquisition, and the REIT may not successfully manage and lease those properties to meet its expectations; (iii) competition from other potential acquirers may significantly increase the purchase price of a desired property; (iv) the REIT may be unable to generate sufficient cash from operations, or obtain the necessary debt or equity financing to consummate an acquisition or, if obtainable, financing may not be on satisfactory terms; (v) the REIT may need to spend more than budgeted amounts to make necessary improvements or renovations to acquired properties; (vi) agreements for the acquisition of properties are typically subject to customary conditions to closing, including satisfactory completion of due diligence investigations, and the REIT may spend significant time and money on potential acquisitions that the REIT does not consummate; (vii) the process of acquiring or pursuing the acquisition of a new property may divert the attention of the REIT's senior management team from existing business operations; (viii) the REIT may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into existing operations; (ix) market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and (x) the REIT may acquire properties without any recourse, or with only limited recourse, for liabilities, whether known or unknown, such as clean-up of environmental contamination, claims by tenants, vendors or other persons against the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If the REIT cannot complete property acquisitions on favourable terms, or operate acquired properties to meet the REIT's goals or expectations, the REIT's business, financial condition, results of operations and cash flow, the per Unit trading price and the REIT's ability to satisfy debt service obligations and to make distributions to the Unitholders could be materially and adversely affected.

Limits on Activities

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

Reliance on the Partnership

The REIT is dependent for a certain portion of NOI on the business of the Partnership. The cash distributions to Unitholders are dependent on the ability of the Partnership to pay distributions in respect of the units of the Partnership. The ability of the Partnership to pay distributions or make other payments or advances to the REIT may be subject to contractual restrictions contained in any instruments governing the indebtedness of the Partnership. The ability of the Partnership to pay distributions or make other payments or advances is also dependent on the ability of its subsidiaries to pay distributions or make other payments or advances to the Partnership.

General Litigation Risks

In the normal course of the REIT's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the REIT and as a result, could have a material adverse effect of the REIT's assets, liabilities, business, financial condition and results of operations. Even if the REIT prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the REIT's business operations, which could have a material adverse effect on the REIT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders. This risk may be heightened for the REIT as compared to other Canadian real estate investment trusts without properties located in the U.S. because the legal climate in the U.S., in comparison to that in Canada, tend to give rise to a greater number of claims and larger damages awards.

Reliance on Key Personnel

The management and governance of the REIT depends on the services of certain key personnel, including certain executive officers and the Trustees. The loss of the services of any key personnel and the inability of the REIT to attract and retain qualified and experienced personnel could have an adverse effect on the REIT and adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Risks Relating to the Nature of the REIT's Business

As outlined above, investing in real estate exposes the REIT to a high degree of risk. The ultimate performance of the REIT's portfolio is subject to the varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property. The ultimate value of the REIT's portfolio depends upon the REIT's ability to identify, acquire, develop and dispose of properties in a profitable manner. Revenues may be adversely affected by changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighbourhood characteristics; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; and other factors that are beyond the control of the REIT. The REIT's operating results will also be dependent upon the availability of, as well as Welsh's ability to identify, consummate, manage and realize, attractive real estate investment opportunities. It may take considerable time for the REIT to identify and consummate appropriate investments. No assurance can be given that the REIT will be successful in identifying and consummating investments which satisfy the REIT's rate of return objective or that such investments, once consummated, will perform as expected.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other market price risk. There is interest rate risk associated with the properties' fixed rate mortgages payable due to the expected requirement to refinance such mortgages payable in the year of maturity. In order to manage exposure to interest rate risk, management endeavours to manage maturities of fixed rate mortgages payable, and match the nature of the mortgages payable with the cash flow characteristics of the underlying asset. In some cases, interest rate swaps are entered into to alter the properties' exposure to the impact of changing interest rates. Currently, the properties have no exposure to currency or other market price risk.

Restrictive Covenants in Existing Loan Agreements

The REIT and the Partnership are subject to certain restrictions pursuant to the restrictive covenants of their outstanding indebtedness, which may affect distribution and operating policies and the ability to incur additional debt. Loan documents evidencing this existing indebtedness contain, and loan documents entered into in the future will likely contain, certain operating covenants that limit the ability to further mortgage the property or discontinue insurance coverage. In addition, these agreements contain, and future agreements likely will contain, financial covenants, including certain coverage ratios and limitations on the ability to incur secured and unsecured debt, make distributions, sell all or substantially all assets, and engage in mergers and consolidations and certain acquisitions. Covenants under existing indebtedness do, and under any future indebtedness likely will, restrict the ability to pursue certain business initiatives or certain acquisition transactions. In addition, failure to meet any of these covenants, including the financial coverage ratios, could cause an event of default under or accelerate some or all of the REIT's indebtedness, which would have a material adverse effect on the REIT.

Availability of Off-market Deal Flow

A key component of the REIT's growth strategy is to acquire additional industrial real estate before it is widely marketed by real estate brokers, or "off-market." Properties that are acquired off-market are typically more attractive to the REIT as a purchaser because of the absence of a formal marketing process, which could lead to higher prices. If the REIT cannot obtain off-market deal flow in the future, its ability to locate and acquire additional properties at attractive prices could be materially and adversely affected.

Litigation at the Property Level

The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to a property acquired by the REIT or its Subsidiaries in relation to activities that took place prior to the REIT's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of the REIT's efforts to maximize sale proceeds. Similarly, successful buyers may later sue the REIT under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

Asset Class Diversification

The REIT's investments are not widely diversified by asset class. Substantially all of the REIT's investments are in industrial real estate. A lack of asset class diversification increases risk because industrial real estate is subject to its own set of risks, such as vacancies, rising operating costs and changes in mortgage rates.

Control Over Investments

In certain situations, the REIT may, directly or indirectly, invest in a joint venture arrangement, thereby acquiring a non-controlling interest in certain investments. Although the REIT may not have control over these investments and therefore, may have a limited ability to protect its position therein, such joint venture arrangements will contain terms and conditions which, in the opinion of the Independent Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties and provisions to provide for the participation of the REIT in the management of the joint venture arrangements. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the REIT (including relating to the sale of properties held in the joint venture or the timing of the termination and liquidation of such joint venture) or may be in a position to take action contrary to the REIT's investment objectives. The REIT also may, in certain circumstances, be liable for the actions of its third-party co-venturers.

Property Redevelopment and Renovations

Property redevelopment or major renovation work are subject to a number of risks, including: (i) the potential that the REIT may fail to recover expenses already incurred if it abandons redevelopment opportunities after commencing to explore them; (ii) the potential that the REIT may expend funds on and devote management time to projects which it does not complete; (iii) construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable; (iv) the time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting the REIT's cash flow and liquidity; (v) the cost and timely completion of construction (including risks beyond the REIT's control, such as weather, labour conditions or material shortages); (vi) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (vii) the failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all; (viii) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws; (ix) occupancy rates and rents of a completed project may not be sufficient to make the project profitable; (x) the REIT's ability to dispose of properties redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and (xi) the availability and pricing of financing to fund the REIT's development activities on favourable terms or at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of redevelopment activities or the completion of redevelopment activities once undertaken. In addition, redevelopment projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have an adverse effect on the REIT's financial condition, results of operations, cash flow, per Unit trading price of the Units, distributions to Unitholders and ability to satisfy the REIT's principal and interest obligations. Also, the REIT may be required to execute guarantees in connection with construction financing for redevelopments which would subject the REIT to recourse for construction completion risks and repayment of the construction indebtedness.

New Markets

If the opportunity arises, the REIT may explore acquisitions of properties in new markets. Each of the risks applicable to the REIT's ability to acquire and successfully integrate and operate properties in its current markets is also applicable to its ability to acquire and successfully integrate and operate properties in new markets. In addition to these risks, the REIT may not possess the same level of familiarity with the dynamics and market conditions of any new markets, which could adversely affect its ability to expand into or operate in those markets. The REIT may be unable to achieve a desired return on its investments in new markets. If the REIT is unsuccessful in expanding into new markets, it could adversely affect its business, financial condition, results of operations and cash flow, the per Unit trading price and ability to satisfy debt service obligations and to make distributions to Unitholders.

Property Development

The REIT may engage in development and redevelopment activities with respect to certain properties. If it does so, it will be subject to certain risks, including, without limitation: (i) the availability and pricing of financing on satisfactory terms or at all; (ii) the availability and timely receipt of zoning and other regulatory approvals; (iii) the cost and timely completion of construction (including unanticipated risks beyond the REIT's control, such as weather or labour conditions, material shortages and construction overruns); and (iv) the ability to achieve an acceptable level of occupancy upon completion.

Change in Property Taxes

The REIT is required to pay state and local taxes on its properties. The real property taxes on the properties may increase as property tax rates change or as the REIT's properties are assessed or reassessed by taxing authorities. In addition, certain of the REIT's properties currently benefit from tax abatement arrangements pursuant to which tax rates are effectively lowered for specified periods of time. The REIT's properties currently subject to these tax abatement arrangements are: (i) 8 Mount Moriah Road (tax abatement expires in 2015); (ii) 2401-2430 Midpoint Drive (tax abatement expires in 2015); (iii) 2440-2450 Midpoint Drive (tax abatement expires in 2016); (iv) 600 Hartman Industrial Court (tax abatement expires in 2017); 6766 Pontius Road (tax abatement expires in 2022); 3051 Creekside Parkway (tax abatement expires in 2022); 1105 East Northfield Drive (tax abatement expires in 2018 and 2019); 6579 West 350 North (tax abatement expires in 2014 and 2017); and 3003 Reeves Road (tax abatement expires in 2015 and 2016). Upon expiry of these tax abatement arrangements, property taxes will be assessed at usual rates. Property taxes are typically passed through to the tenant; however, the amount of property taxes, if any, the REIT pays directly may in the future differ substantially from what has been paid in the past. If the property taxes paid directly by the REIT increase, the REIT's ability to pay expected distributions to the Unitholders could be materially and adversely affected.

Potential Conflicts of Interest

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REIT may be dealing, or may be seeking investments similar to those desired by the REIT. The interest of these persons could conflict with those of the REIT. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of the Independent Trustees only. Conflicts may also exist due to the fact that (i) certain Trustees of the REIT are affiliated with Welsh; (ii) the REIT and Welsh will enter into certain arrangements; (iii) Welsh and its affiliates are engaged in a wide variety of real estate activities; and (iv) the REIT may become involved in transactions that conflict with the interests of the foregoing.

Indirect Ownership of Units by Welsh

Welsh currently owns an approximate 54.9% effective interest in the REIT through ownership of Class B Units (assuming all Class B Units are redeemed for Units but otherwise on a non-diluted basis): provided, however, that the Class B Units issued pursuant to the terms of the contribution agreement for the Illinois property acquisition dated June 28, 2013 *inter alia* the REIT and Welsh ("**Illinois Property Contribution Agreement"**) may not be redeemed for Units until TSX approval is received as further described below. In addition, the Declaration of Trust grants Welsh the right to nominate a certain number of Trustees to the Board of Trustees depending on the size of the Board of Trustees and the Retained Interest. For so long as the Retained Interest represents a significant effective interest in the REIT, Welsh will have the ability to exercise certain influence with respect to the affairs of the REIT and will have the ability to prevent certain fundamental transactions.

Accordingly, the Units may be less liquid and trade at a relative discount compared to such Units in circumstances where Welsh did not have the ability to influence or determine matters affecting the REIT. Additionally, Welsh's significant effective interest in the REIT and its ability to prevent certain fundamental transactions undertaken by the Partnership for so long as it maintains a certain ownership threshold may discourage transactions involving a change of control of the REIT, including transactions an investor, as a holder of the Units, might otherwise receive a premium for its Units over the then-current market price.

Pursuant to the agreement of limited partnership dated April 26, 2013 governing the Partnership (the "**Partnership Agreement**"), and subject to certain restrictions described below, each Class B Unit is redeemable by the holder thereof for cash or one Unit of the REIT, as determined by the general partner of the Partnership in its sole discretion (subject to customary anti-dilution adjustments). Subject to compliance with applicable securities laws, Welsh may sell some or all of its Units and/or Units issuable on redemption of its Class B Units in the future. No prediction can be made as to the effect, if any, such future sale of Units will have on the market price of the Units prevailing from time to time. However, the future sale of a substantial number of Units by Welsh, or the perception that such sale could occur, could adversely affect prevailing market prices for the Units.

The Illinois Property Contribution Agreement contains provisions that restrict (i) the transfer of all or any portion of the Class B Units issued pursuant to the terms of the Illinois Property Contribution Agreement and (ii) the exercise of (and issuance of Units in connection therewith) the redemption right available under the Partnership Agreement in respect of the Class B Units issued pursuant to the terms of the Illinois Property Contribution Agreement unless and until the REIT has received all necessary acceptances and approvals from the TSX for the issuance and listing on the TSX of such Class B Units. Until such TSX approval is received, the holder of such Class B Units has a liquidity right to redeem such units for cash, the terms of which are described in the Partnership Agreement.

Any Uninsured Losses or High Insurance Premiums will Reduce Net Income and the Amount of Cash Distributions to Unitholders

The REIT will attempt to obtain adequate insurance to cover significant areas of risk to it as an entity and to its properties. However, there are types of losses at the property level, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, which are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. The REIT may not have adequate coverage for such losses. If any of the REIT's properties incurs a casualty loss that is not fully insured, the value of the REIT's assets will be reduced by any such uninsured loss. In addition, other than any working capital reserve or other reserves the REIT may establish, it has no source of funding to repair or reconstruct any uninsured damaged property. Further, to the extent the REIT must pay unexpectedly large amounts for insurance, it could suffer reduced earnings that would result in lower distributions to Unitholders.

Degree of Leverage

The REIT's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the REIT's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general trust purposes, making the REIT more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, the maximum the REIT can leverage is 60% of its Gross Book Value (or 65% of its Gross Book Value including convertible debentures).

Limitations on Sale

The REIT may be required to expend funds to correct defects or to make improvements before a property can be sold. No assurance can be given that the REIT will have funds available to correct such defects or to make such improvements. In acquiring a property, the REIT may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These lock-out provisions would restrict the REIT's ability to sell a property. These factors and any others that would impede the REIT's ability to respond to adverse changes in the performance of its properties could significantly affect the REIT's financial condition and operating results and decrease the amount of cash available for distribution.

Investments in Debt Instruments

The REIT may hold direct or indirect investments in mortgages and mortgage bonds (including participating or convertible mortgages). Adverse changes to the financial condition of a mortgagor with respect to a mortgage held directly or indirectly by the REIT could have an adverse impact on the REIT's ability to collect principal and interest payments from such mortgagor and therefore, cause a reduction in the REIT's ability to make distributions to Unitholders and in the value of that investment.

Based upon applicable laws governing the REIT's investment in debt instruments and the loans underlying the REIT's debt securities, the REIT's investments in debt may also be adversely affected by: (i) the operation of applicable laws regarding the ability to foreclose mortgage loans or to exercise other creditors' rights provided in the underlying loan documents;

(ii) lender liability with respect to the negotiation, administration, collection or foreclosure of mortgage loans; (iii) penalties for violations of applicable usury limitations; and (iv) the impact of bankruptcy or insolvency laws.

Further, the REIT will not know whether the values of the properties securing the mortgage loans will remain at the levels existing on the dates of origination of those mortgage loans. If the values of the underlying properties fall, the risk to the REIT will increase because of the lower value of the security associated with such loans.

Land Leases

To the extent that the properties in which the REIT has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments which could adversely impact the REIT's financial condition and operating results and decrease the amount of cash available for distribution.

Specific Lease Considerations

Some of the leases in the REIT's properties are leased on a base year or semi-gross basis or otherwise have caps on operating costs and/or tax recoveries. As a result, the REIT will bear the economic cost of increases in certain of the operating costs and/or property taxes in such cases to the extent it is not able to fully recover increases in operating costs and property taxes from these tenants which increases would likely adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Less Marketable Properties

Less marketable properties may be more difficult to value due to the unavailability of reliable market quotations. The sale of less marketable properties may require more time and result in lower prices, due to higher brokerage charges or dealer discounts and other selling expenses, than the sale of more marketable properties. In addition, the marketability of the portfolio will be dependent on numerous other factors, including interest rates, competition from other industrial properties and general economic conditions. There can be no assurance that the REIT will be able to sell one or more of the properties in the portfolio at the time that it may be in the best interests of the REIT to sell.

Lease Renewals and Rental Increases

The expiry of leases for the REIT's properties will occur from time to time over the short and long-term. No assurance can be provided that the REIT will be able to renew any or all of the leases upon their expiration or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board of Canada confirmed its decision to require that all publicly accountable enterprises report under IFRS for interim and annual financial statements. The REIT is required to report under IFRS. There are ongoing projects conducted by the International Accounting Standards Board, and joint projects with the Financial Accounting Standards Board in the U.S. that are expected to result in new pronouncements that continue to evolve, which could adversely impact the manner in which the REIT reports its financial position and operating results.

Laws Benefitting Disabled Persons

Laws benefiting disabled persons may result in unanticipated expenses being incurred by the REIT. Under the Americans with Disabilities Act of 1990, including changes made by the *ADA Amendments Act of* 2008,all places intended to be used by the public are required to meet certain federal requirements related to access and use by disabled persons. For those projects receiving federal funds, the Rehabilitation Act of 1973 also has requirements regarding disabled access. These and other federal, state and local laws may require modifications to the REIT's properties, or affect renovations of the properties. Non-compliance with these laws could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. Although the REIT believes that the properties are substantially in compliance with the present requirements, the REIT may incur unanticipated expenses to comply with these and other federal, state and local laws in connection with the ongoing operation or redevelopment of the REIT's properties.

Restrictions on Activities

Several of the REIT's constating documents and material contracts (including, without limitation, the Declaration of Trust, the Partnership Agreement and the operating agreement for WPT Industrial, Inc ("US Holdco") contain restrictions that limit the activities of the REIT and its Subsidiaries to ensure the REIT complies with certain provisions of the Tax Act and the *United States Internal Revenue of 1986*, as amended (the "**Code**"). See "Risk Factors — Tax Related Risks". Compliance with these restrictions may limit the flexibility of the REIT in terms of the nature and scope of its investments and activities and thereby may adversely affect the REIT's economic performance, including its ability to grow.

Geographic Concentration

The REIT's properties are located in the U.S., in the states of Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, North Carolina, Ohio, South Carolina and Wisconsin. Approximately 30.0% of the REIT's NOI from April 26, 2013 to December 31, 2013 is derived from properties located in Georgia and Indiana. As a result, the REIT's performance is sensitive to economic condition and regulatory changes in Georgia and Indiana. Adverse changes in the economic condition or regulatory environment of Georgia and Indiana may have a material adverse effect on the REIT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

Tax-Related Risks

Canadian Tax Risks

(a) *Residency of the REIT for Canadian and US Tax Purposes* — The REIT is resident in Canada for purposes of the *Income Tax Act* (Canada), as amended (the "**Tax Act**"), and is treated as a domestic corporation in the U.S. under the Code. As a result, the REIT is generally taxable on its worldwide income in both Canada and the U.S. However, in both jurisdictions, the REIT generally will not be subject to tax on the portion of its income that it distributes to Unitholders (subject to certain limitations and exceptions). The status of the REIT as taxable in both Canada and the U.S. is not likely to give rise to any material adverse consequences in the future as it is not anticipated that the REIT will be subject to material federal income tax in either Canada or the U.S. Nevertheless, the REIT's status as taxable on its worldwide income in both Canada and the U.S. could, in certain circumstances, have a material adverse effect on the REIT and the Unitholders. As a result of the REIT being resident in both Canada and the U.S., withholding taxes of both Canada and the U.S. will be relevant to distributions by the REIT and could result in double taxation to certain investors and other consequences.

(b) *Mutual Fund Trust Status* — The REIT intends to continue to qualify as a "unit trust" and a "mutual fund trust" for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and practices of the Canada Revenue Agency (the "**CRA**") respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. Should the REIT cease to qualify as a mutual fund trust under the Tax Act, current income tax considerations could be materially and adversely different in certain respects.

(c) *Application of the SIFT Rules* — The "SIFT Rules" in the Tax Act will apply to a trust that is a SIFT trust. The REIT will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it does not own any non-portfolio property and does not carry on business in Canada in that year. The REIT has not and does not currently intend to own any non-portfolio property nor carry on a business in Canada.

In the event that the SIFT Rules apply to the REIT, the impact to Unitholders will depend on the status of the holder and, in part, on the amount of income distributed which would not be deductible by the REIT in computing its income in a particular year and what portions of the REIT's distributions constitute "non-portfolio earnings", other income and returns of capital. The likely effect of the SIFT Rules on the market for Units, and on the REIT's ability to finance future acquisitions through the issue of Units or other securities is uncertain. If the SIFT Rules apply to the REIT, they may adversely affect the marketability of the Units, the amount of cash available for distribution and the after-tax return to investors.

(d) *Foreign Tax Credits* — The after-tax return from an investment in Units to a Unitholder resident in Canada for the purposes of the Tax Act will depend in part on the Unitholder's ability to recognize for purposes of the Tax Act US taxes paid by the Unitholder through foreign tax credits or foreign tax deductions under the Tax Act. A Unitholder's ability to recognize US taxes through foreign tax credits or foreign tax deductions may be affected where the Unitholder does not have sufficient taxes otherwise payable under Part I of the Tax Act or sufficient US source income in the taxation year the US taxes are paid or where the Unitholder has other US sources of income or losses, has paid other US taxes or, in certain circumstances, has not filed a U.S. federal income tax return. Furthermore, foreign tax credits or foreign tax deductions will be dependent upon the Canadian federal and provincial tax rates and US tax rates that will prevail in future years to apply to applicable sources of income. Unitholders are therefore advised to consult their own tax advisors in regards to foreign tax credits and foreign tax deductions.

A Unitholder that is a "registered retirement savings plan", "registered retirement income fund", "registered education savings plan", "deferred profit sharing plan", "registered disability savings plan" or "tax-free savings account" for the purposes of the Tax Act (each an "**Exempt Plan**") will not be entitled to a foreign tax credit or deduction under the Tax Act in respect of any US tax paid by the Exempt Plan (including any US withholding tax imposed on distributions paid to the Exempt Plan). As a result, the after-tax return from an investment in Units to a Unitholder that is an Exempt Plan may be adversely affected. Such Unitholders should consult with their own tax advisors in regards to US tax payable in respect of an investment in Units. If (i) a Unitholder holds, or has held, actually or constructively, more than 5% of the outstanding Units, as determined for U.S. federal income tax purposes, or (ii) the TSX Publicly Traded Exception (as defined below) or the U.S. Publicly Traded Exception (as defined below) are not satisfied, a Unitholder may be subject to additional U.S. tax on a disposition of the Units and on certain distributions by the REIT. The proceeds receivable on a disposition of a Unit may not qualify as U.S. source income for purposes of the Tax Act (including for Canadian foreign tax credit purposes), and beneficiaries of certain Unitholders that are trusts may not be considered to have paid such tax for purposes of the Tax Act and, accordingly, may not be entitled to a foreign tax credit in respect of such U.S. tax for Canadian tax purposes.

(e) *FAPI* —"foreign accrual property income", as defined in the Tax Act ("**FAPI**"), earned by US Holdco, as well as US Holdco's allocable share of any FAPI earned by controlled foreign affiliates of the Partnership (or any subsidiary partnerships thereof) must be included in computing the income of the REIT for the fiscal year of the REIT in which the taxation year of US Holdco ends, subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act. It is not anticipated that the deduction for grossed-up "foreign accrual tax" will materially offset FAPI realized by the REIT, and accordingly any FAPI realized generally will increase the allocation of income by the REIT to Unitholders. In addition, as FAPI generally must be computed in accordance with Part I of the Tax Act as though the controlled foreign affiliate were a resident of Canada (subject to the detailed rules contained in the Tax Act), income or transactions may be taxed differently under foreign tax rules as compared to the FAPI rules and, accordingly, may result in additional income being allocated to Unitholders. For example, certain transactions that do not give rise to taxable income under the Code may still give rise to FAPI for purposes of the Tax Act.

(f) *Non-Residents of Canada* — The Tax Act may impose additional withholding or other taxes on distributions made by the REIT to a Unitholder who is a "non-resident" of Canada within the meaning of the Tax Act (or, in the case of a partnership, a partnership that is not a "Canadian partnership" within the meaning of the Tax Act) (a "**Non-Resident**"). These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. Further, because the REIT is both resident in Canada for purposes of the Tax Act and treated as a domestic corporation in the U.S. under the Code, withholding taxes of both Canada and the U.S. will be relevant to Unitholders who are both Non-Residents and beneficial holders of units that are neither a U.S. Holder (as defined below) nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes) (a "Non-U.S. Holder") and could, in certain circumstances, result in both Canadian and US withholding tax applying to certain distributions to certain investors and other consequences. A "U.S. Holder" is a beneficial owner of a Unit that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the U.S, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (1) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (2) has a valid election in effect under applicable regulations of the U.S. Treasury Department ("**Treasury Regulations")** to be treated as a U.S. person.

(g) *Foreign Currency* — For purposes of the Tax Act, the REIT generally is required to compute its Canadian tax results, including any FAPI earned, using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the REIT may realize gains and losses for tax purposes and FAPI by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

(h) *Changes in Law* — There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the U.S.-Canada Income Tax Convention (1980), as amended, or the administrative practices and policies of the CRA and the Department of Finance (Canada) will not be changed in a manner that adversely affects the REIT or Unitholders. Any such change could increase the amount of tax payable by the REIT or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

U.S. Tax Risks

(a) *Operating Partnership* — All of the operations and assets of the REIT are held through the Partnership. For so long as the Partnership is treated as a partnership for U.S. federal income tax purposes, the REIT will be treated as owning its proportionate share of the assets and income of the Partnership for the purposes of the REIT asset and income tests. An entity that would otherwise be treated as a partnership for U.S. federal income tax purposes may nonetheless be treated as a corporation for U.S. federal income tax purposes if it is a "publicly traded partnership" and certain other requirements are met. A partnership would be treated as a publicly traded partnership if its interests were traded on an established securities market or were readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. The Partnership Agreement contains provisions intended to ensure that the Partnership is not considered a "publicly traded partnership." Accordingly, it is not anticipated that the Partnership will be treated as a publicly traded partnership that is taxable as a corporation. However, if the Partnership were classified as a "publicly traded partnership", the Partnership would be treated as a corporation rather than as a partnership for U.S. federal income tax purposes. In such case, the REIT would not be treated as owning its proportionate share of the assets and income of the Partnership for the purposes of the REIT asset and income test requirements (and, instead, would be treated as owning the stock of a corporation). This could cause the REIT to fail to qualify as a REIT. In addition, the income of the Partnership would become subject to U.S. federal corporate income tax.

The Partnership Agreement provides for the creation and issuance of Class B Units, which have been issued to Welsh as part of the consideration for its ownership interests in properties acquired by the REIT. Under the terms of the Partnership Agreement, the Class B Units are, in all material respects, economically equivalent to the Units on a per unit basis. However, in respect of the Initial Properties, and any properties transferred by Welsh to the Partnership on a tax-free basis, for U.S. federal income tax consequences, the built-in gain in such properties would be allocated to Welsh upon a taxable sale of such properties. In addition, a reduction of Partnership liabilities could result in U.S. federal income tax consequences to Welsh. This may create a conflict of interest in that Welsh may take into account its own U.S. federal tax consequences in assessing the desirability of a proposed sale or refinancing transaction.

(b) *Qualification as a Real Estate Investment Trust* — The REIT intends to continue to operate in a manner that will allow it to qualify as a real estate investment trust for U.S. federal income tax purposes. The REIT's qualification as a real estate investment trust depends on the REIT's satisfaction of certain asset, income, organizational, distribution, Unitholder ownership and other requirements on a continuing basis**,** the results of which will not be monitored by the REIT's U.S. counsel. Accordingly, given the complex nature of the rules governing real estate investment trusts, the ongoing importance of factual determinations, including the potential tax treatment of investments the REIT makes, and the possibility of future changes in the REIT's circumstances, no assurance can be given that the REIT's actual results of operations for any particular taxable year will satisfy such requirements. Moreover, no assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not change the tax laws with respect to qualification as a real estate investment trust or the U.S. federal income tax consequences of that qualification.

If the REIT fails to qualify as a real estate investment trust in any calendar year, it would be required to pay U.S. federal income tax (and any applicable state and local tax), including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and dividends paid to the Unitholders would not be deductible by the REIT in computing its taxable income and would be taxable to the Unitholders under the rules generally applicable to corporate distributions. A loss of real estate investment trust status would reduce the net earnings available for investment or distribution to Unitholders because of the additional tax liability which in turn could have an adverse impact on the value of the Units. Unless its failure to qualify as a real estate investment trust was subject to relief under U.S. federal tax laws, the REIT could not re-elect to qualify as a real estate investment trust until the fifth calendar year following the year in which it failed to qualify.

(c) *Annual Distribution Requirement* — To qualify as a real estate investment trust for U.S. federal income tax purposes, the REIT generally must distribute annually to its Unitholders a minimum of 90% of its net taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. The REIT will be subject to regular corporate income taxes on any undistributed real estate investment trust taxable income each year. Additionally, it will be subject to a 4% non-deductible excise tax on any amount by which distributions paid by the REIT in any calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from previous years. Payments the REIT makes to its Unitholders under Unitholders' rights of redemption will not be taken into account for purposes of these distribution requirements. Compliance with the real estate investment trust distribution requirements may hinder the REIT's ability to grow, which could adversely affect the value of its Units. Furthermore, the REIT may find it difficult or impossible to meet distribution requirements in certain circumstances. The requirement to distribute most of its taxable income could cause the REIT to: (i) sell assets in adverse market conditions, (ii) borrow on unfavourable terms, (iii) distribute amounts that would otherwise be used to make future acquisitions or capital expenditures or (iv) make a taxable distribution of its Units as part of a distribution in which Unitholders may elect to receive Units or cash, in order to comply with real estate investment trust requirements. These alternatives could adversely affect the REIT's economic performance.

(d) *Impact of Real Estate Investment Trust Compliance on Performance* — To qualify as a real estate investment trust for U.S. federal income tax purposes, the REIT must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amounts that it distributes to the Unitholders and the ownership of the Units. The REIT may be required to make distributions to Unitholders at disadvantageous times or when it does not have funds readily available for distribution, and may be unable to pursue investments that would be otherwise advantageous to it in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a real estate investment trust. Thus, compliance with the real estate investment trust requirements may hinder the REIT's ability to operate solely on the basis of maximizing profits.

Additionally, the REIT must ensure that at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, government securities and real estate assets (as defined in the Code), including certain mortgage loans and certain kinds of mortgage-backed securities. The remainder of the REIT's investment in securities (other than government securities and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of the REIT's assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer (other than a taxable REIT subsidiary), and no more than 25% of the value of its total assets can be represented by securities of one or more taxable REIT subsidiaries. If the REIT fails to comply with these requirements at the end of any calendar quarter, it must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing its real estate investment trust qualification and suffering adverse tax consequences.

(e) *Ownership Limitations* — In order for the REIT to qualify as a real estate investment trust for each taxable year under the Code, no more than 50% in value of its outstanding Units may be owned, directly or indirectly, by five or fewer individuals during the last half of any calendar year. "Individuals" for this purpose include natural persons, private foundations, some employee benefit plans and trusts, and some charitable trusts. In order to assist the REIT in qualifying as a real estate investment trust, ownership of its Units by any person is generally limited to 9.8% in value or number of Units, whichever is more restrictive, of any class or series of Units. These ownership limitations could have the effect of discouraging a takeover or other transaction in which holders of the Units might receive a premium for their Units over the then-prevailing market price or which holders might believe to be otherwise in their best interests.

(f) *Other Taxes* — Even if the REIT qualifies and maintains its status as a real estate investment trust, it may be subject to U.S. federal and state income taxes. The REIT may not be able to make sufficient distributions to avoid excise taxes applicable to real estate investment trusts. The REIT may also decide to retain income it earns from the sale or other disposition of its real estate assets and pay income tax directly on such income. In that event, the Unitholders would be treated as if they earned that income and paid the tax on it directly. The REIT may also be subject to state and local taxes on its income or property, either directly or at the level of the entities through which it indirectly owns its assets. Any U.S. federal or state taxes the REIT pays will reduce its cash available for distribution to the Unitholders.

In addition, in order to meet the real estate investment trust qualification requirements or to avert the imposition of the prohibited transactions tax discussed below, the REIT may hold some of its assets or conduct activities through subsidiary corporations (taxable REIT subsidiaries) that will be subject to corporate-level income tax at regular rates. If the REIT lends money to a taxable REIT subsidiary, the taxable REIT subsidiary may be unable to deduct all or a portion of the interest paid to the REIT, which could result in an even higher corporate level tax liability. Furthermore, the Code imposes a 100% tax on certain transactions between a taxable REIT subsidiary and its parent real estate investment trust that are not conducted on an arm's-length basis. The REIT will structure transactions with any taxable REIT subsidiary on terms that it believes are arm's length to avoid incurring the 100% excise tax described above, but there can be no assurances that it will be able to avoid application of the 100% tax.

(g) *Prohibited Transactions Tax* — The REIT's ability to dispose of property during its first few years of operations is restricted to a substantial extent as a result of its real estate investment trust status. Under applicable provisions of the Code regarding prohibited transactions by real estate investment trusts, the REIT will be subject to a 100% tax on any gain realized on the sale or other disposition of any property (other than foreclosure property) that it owns, directly or through any subsidiary entity, including the Partnership, but excluding any taxable REIT subsidiary, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of trade or business. The REIT intends to avoid the 100% prohibited transaction tax by (1) conducting activities that may otherwise be considered prohibited transactions through a taxable REIT subsidiary, (2) conducting operations in such a manner so that no sale or other disposition of an asset will be treated as a prohibited transaction or (3) structuring certain dispositions of its properties to comply with certain safe harbours available under the Code for properties held at least two years. However, no assurance can be given that any particular property will not be treated as inventory or property held primarily for sale to customers in the ordinary course of a trade or business.

(h) *Changes in Law* — The present U.S. federal income tax treatment of real estate investment trusts may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the U.S. federal income tax treatment of an investment in the REIT. The U.S. federal income tax rules relating to real estate investment trusts constantly are under review by persons involved in the legislative process, the U.S. Internal Revenue Service (the "**IRS**") and the U.S. Treasury Department, which results in frequent statutory changes and revisions to regulations and interpretations. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the REIT or cause it to change its investments and commitments and affect the tax considerations of an investment in it.

(i) *FIRPTA* — A non-U.S. person disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests, is generally subject to a tax, known as FIRPTA, on the gain recognized on the disposition and required to file a U.S. federal income tax return reporting this disposition. FIRPTA does not apply, however, to the disposition of stock in a real estate investment trust if the shares are considered "regularly traded on an established securities market" and the non-U.S. person does not hold, actually or constructively, more than 5% of the outstanding shares of the REIT at any time during the 5-year period ending on the date of disposition or such shorter period that the shares were held. For purposes of this exception, the TSX is considered an "established securities market" and, as long as 100 or fewer persons do not own 50% or more of the Units, the Units should be treated as regularly traded on the TSX if (a) the Units are traded, other than in *de minimis* quantities, on at least 15 days of the calendar quarter, (b) the aggregate number of Units traded during such calendar quarter is at least 7.5% of the average number of Units outstanding during such calendar quarter (reduced to 2.5% if there are 2,500 or more record Unitholders), and (c) the REIT attaches a statement to its U.S. federal income tax return that provides information relating to it, the Units, and beneficial owners of more than 5% of the Units (the "**TSX Publicly Traded Exception**"). However, there can be no assurance that these requirements will be satisfied.

In addition, the Units would be considered "regularly traded on an established securities market" if the Units are regularly quoted by more than one broker or dealer making a market in the Units through an interdealer quotation system in the U.S. (the "**U.S. Publicly Traded Exception**"). The REIT intends for its Units to be traded through an interdealer quotation system in the U.S. in a manner that would be considered “regularly traded on an established securities market” for purposes of this exception.

Investors are cautioned that there can be no assurances that there will be at least two brokers or dealers regularly quoting in the Units on the OTC Pink tier of the OTC Markets Group or OTCQX in any particular calendar quarter. In addition, neither the Code, the applicable Treasury regulations, administrative pronouncements nor judicial decisions provide guidance as to the frequency or duration with which the Units must be quoted during a calendar quarter to be “regularly quoted”. U.S. counsel to the REIT believes that it is reasonable to interpret this exception to the effect that, so long as the brokers or dealers quote the Units during a calendar quarter, any gain from a sale at any time during the quarter would not be subject to U.S. federal income tax for Non-U.S. Holders that own 5% or less of all or a portion of the outstanding Units during the applicable testing period. Due to the lack of guidance from the IRS, however, investors are cautioned that there can be no assurance the IRS would concur in this interpretation.

However, if neither of these exceptions is satisfied, the sale of Units by a non-U.S. person would be subject to U.S. federal income tax at normal graduated rates with respect to gain recognized and the REIT would be required to withhold at a rate of 10% on distributions in excess of the REIT’s current and accumulated earnings and profits. In addition, a purchaser of Units would be required to withhold tax at the rate of 10% of the amount realized from the sale and to report and to remit such tax to the IRS. Furthermore, under FIRPTA, if any non-U.S. person holds, actually or constructively, more than 5% of the outstanding Units, the REIT will be required to withhold 35% (or less to the extent provided in applicable Treasury Regulations) of any distribution to such Unitholder that could be designated by the REIT as a capital gain dividend. Any such withheld amount is creditable against such Unitholder’s FIRPTA tax liability.

In order for the REIT to comply with its withholding obligations under FIRPTA, the Units are subject to notice requirements and transfer restrictions. Non-U.S. persons holding Units are required to provide the REIT with such information as the REIT may request. Furthermore, any non-U.S. person that would be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units is required to notify the REIT by the close of the business day prior to the date of the transfer that would cause the non-U.S. person to own more than 5% of the Units. For the purpose of determining whether a non-U.S. person has acquired more than 5% of the Units, rules of constructive ownership apply which can attribute ownership of Units (i) among family members, (ii) to non-U.S. persons from entities that own Units, to the extent that such non-U.S. persons own interests in such entities and (iii) to entities from non-U.S. persons that own interests in such entities. Under these attribution rules, Units of related entities (including related investment funds) may be aggregated to the extent of overlapping ownership. If any non-U.S. person that otherwise would be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units fails to comply with the notice provisions described above, the excess Units (i.e., the excess of the number of Units they are treated as owning over an amount equal to 5% of the outstanding Units) will be sold, with such non-U.S. persons receiving the lesser of (i) its original purchase price for the excess Units and (ii) the sale price of the excess Units (net of selling expenses). Any such non-U.S. person would also not have any economic entitlement to any distribution by the REIT on an excess Unit, and, if any such distributions are received by the non-U.S. person and are not repaid, the REIT is permitted to withhold from subsequent payments to the non-U.S. person up to the amount of such forfeited distributions. Non-U.S. persons holding Units are strongly advised to monitor their actual and constructive ownership of Units. Notwithstanding that a non-U.S. person may comply with the notice requirements and transfer restrictions described above, the REIT is entitled to withhold on distributions as otherwise required by law, and, to the extent that the REIT has not sufficiently withheld on prior distributions, is entitled to withhold on subsequent distributions.

Risks Related to the REIT's Relationship with Welsh

Reliance on Welsh

The REIT relies on Welsh's expertise in identifying acquisition opportunities, transaction execution, administrative services and asset management and property management capabilities. The REIT also relies on Welsh with respect to certain advisory services, including the services of the Chief Executive Officer, Chief Financial Officer and General Counsel and Secretary and the management of its properties. Consequently, the REIT's ability to achieve its investment objectives depends in large part on Welsh and its ability to advise the REIT. This means that the REIT's investments are dependent upon Welsh's business contacts within the U.S. industrial sector, its ability to successfully hire, train, supervise and manage personnel that have strong knowledge of real estate and its ability to operate its business in a manner that supports the REIT. If the REIT were to lose the services provided by Welsh or its key personnel or if Welsh fails to perform its obligations under its agreements with the REIT, the REIT's investments and growth prospects may decline. The REIT may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager or property manager. Additionally, the asset management agreement dated April 26, 2013 among the REIT, the Partnership and Welsh, (the "**Asset Management Agreement**") and the property management agreement dated April 26, 2013 among the REIT, the Partnership and Welsh, (the "**Property Management Agreement**") provide that, subject to certain exceptions, the REIT will not retain any other person to perform any asset management, property management or administrative services on its behalf, without the consent of Welsh, not to be unreasonably withheld. While the Trustees have oversight responsibility with respect to the services provided by Welsh pursuant to the Asset Management Agreement and the Property Management Agreement, the services provided by Welsh under such agreements will not be performed by employees of the REIT or its subsidiaries, but by Welsh directly, and through entities to which it may subcontract its duties. As a result, Welsh directly, and through entities to which it may subcontract, will have the ability to influence many matters affecting the REIT and the performance of its properties now and in the foreseeable future. Prospective investors should not purchase any Units unless they are prepared to rely on the Trustees, executive officers and Welsh.

Risks Associated with External Management Arrangements

The Asset Management Agreement and the Property Management Agreement each have an initial term of five years, subject to earlier termination and/or internalization and may be renewed for an additional five-year term upon the approval of a majority of the Independent Trustees. In the event that the Independent Trustees determine not to renew such agreement(s) the REIT will provide Welsh with at least 12 months written notice or, in lieu of such notice, shall pay Welsh an amount equal to 12 months of fees to be calculated based on the gross fees paid to Welsh under the Asset Management Agreement and/or the Property Management Agreement, as applicable, over the 12 months immediately preceding the end of the initial term of such agreement(s).

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

Accordingly, there can be no assurance that the REIT will continue to have the benefit of Welsh's advisory services, including its executive officers, or that Welsh will continue to be the REIT's asset manager or property manager. If Welsh should cease for whatever reason to provide advisory services or be the asset manager or property manager of the REIT, the REIT may be unable to engage an asset manager and/or property manager on acceptable terms or the cost of obtaining substitute services, whether through an external manager or by internalizing its management, may be greater than the fees the REIT pays Welsh, and this may adversely impact the REIT's ability to meet its objectives and execute its strategy which could materially and adversely affect the REIT's cash flow, operating results and financial condition. Furthermore, at any time, on 180 days' prior written notice following the date on which Welsh ceases to be the asset manager of the REIT, Welsh may terminate the license agreement with the REIT pursuant to which the REIT has the right to the use of the "WPT" name and trademark and related marks and designs. If Welsh terminated the license agreement, the REIT would be required to change its name and this may adversely impact the REIT.

Past Performance is not a Predictor of Future Results

The past performance of Welsh and its affiliates and the performance of the REIT are dependent on future events and are, therefore, inherently uncertain. The track records of Welsh and its affiliates cannot be relied upon to predict future events due to a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition and varying circumstances pertaining to the real estate markets.

Expedited Transactions

Investment analyses by Welsh may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Welsh at the time of making an investment recommendation may be limited, and Welsh may not have access to detailed information regarding the investment property, such as physical characteristics, environmental matters, zoning regulations or other local conditions that may affect an investment property. In addition, Welsh expects to rely upon independent consultants in connection with its evaluation of proposed investment properties and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the REIT's right of recourse against them in the event errors or omissions occur.

Risk Factors Related to the Units

Cash Distributions are Not Guaranteed

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amount distributed, is entirely dependent on the operations and assets of the REIT, and is subject to various factors including financial performance, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from the tenants of the REIT's properties and any capital expenditure requirements. Unlike fixed-income securities, there is no obligation of the REIT to distribute to Unitholders any fixed amount, and reductions in, or suspensions of, cash distributions may occur that would reduce yield based on the price of Units. The market value of the Units will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors.

Market for Securities and Prices

The REIT is an unincorporated open-ended investment trust and its Units are listed on the TSX. There can be no assurance that an active trading market in the Units will be sustained. A publicly traded real estate investment trust does not necessarily trade at the values determined solely by reference to the underlying value of its real estate assets. Instead, the Units may trade at a premium or a discount to such values. A number of factors may influence the market price of the Units, including general market conditions, fluctuations in the markets for equity securities, short-term supply and demand factors for real estate investment trusts and numerous other factors.

Potential Volatility of Unit Price

One of the factors that may influence the market price of the Units is the annual yield on the Units. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which accordingly could adversely affect the market price of the Units. In addition, the market price of the Units may be affected by numerous factors, many of which are beyond the control of the REIT, including: (i) changes in general market conditions; (ii) fluctuations in the markets for equity securities; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to the REIT; (v) release or expiration of lock-up or other transfer restrictions on outstanding Units; (vi) sales or perceived sales of additional Units; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the REIT's industry or target markets.

Restrictions on Redemptions

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

Redemption Notes which may be distributed to holders of Units in connection with a redemption will not be listed on any exchange, no market is expected to develop in Redemption Notes and such securities may be subject to an indefinite ''hold period'' or other resale restrictions under applicable securities laws. Redemption Notes so distributed may not be qualified investments for Exempt Plans, depending upon the circumstances at the time.

Currency Exchange Rate Risk

The price for Units is denominated in U.S. dollars. The Canadian dollar is not maintained at a fixed exchange rate compared to foreign currencies. Although investors are Canadian residents, an investment in Units is required to be made in U.S. dollars. Further, the REIT's portfolio generate cash flow in U.S. dollars and the distributions made on the Units are in U.S. dollars. Consequently, income and expense or any ultimate gain on sale is earned or incurred in U.S. dollars. As a result of fluctuations in the Canada/U.S. dollar exchange rate, the value of an investment in Units and the return on the original investment, when expressed in Canadian dollars, may be greater or less than that determined only with reference to U.S. dollars. Accordingly, investors are subject to currency exchange rate risk.

Appraisals

The REIT may, from time to time, engage appraisers to provide independent estimates of the fair market value range in respect of the REIT's properties. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. Furthermore, a publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by any appraisal(s) of the REIT's properties.

Availability of Cash Flow

AFFO may exceed actual cash available to the REIT from time to time because of items such as principal repayments, leasing costs and capital expenditures in excess of stipulated reserves identified by the REIT in its calculation of AFFO and redemptions of Units, if any. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Credit facility terms may prohibit payments or distributions from the REIT in default circumstances.

Structural Subordination of Units

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

The REIT's Fiduciary Duties

The REIT, as the sole member of the general partner of the Partnership, has fiduciary duties to the Partnership and the limited partners of the Partnership, the discharge of which may conflict with the interests of the Unitholders. The limited partners of the Partnership have agreed that, in the event of a conflict between the duties owed by the Trustees to the REIT and the duties that the REIT owes, in its capacity as the sole member of the general partner of the Partnership, to such limited partners, the Trustees are under no obligation to give priority to the interests of such limited partners.

Limited Control

Unitholders have limited control over changes in the REIT's policies and operations, which increases the uncertainty and risks of an investment in the REIT. The Board of Trustees determine major policies, including policies regarding financing, growth, debt capitalization, REIT qualification and distributions. The Board of Trustees may amend or revise these and other policies without a vote of Unitholders. Under the REIT's organizational documents, Unitholders have a right to vote only on limited matters. The Trustees' broad discretion in setting policies and Unitholders' inability to exert control over those policies increases the uncertainty and risks of an investment in the REIT. In addition, the Declaration of Trust requires that the Chief Executive Officer of the REIT be nominated to serve as a Trustee and also provides Welsh with the right to nominate (subject to election together with the Independent Trustees at annual unitholder meetings) a certain number of Trustees to the Board of Trustees depending on the size of the Board of Trustees and the Retained Interest.

Dilution

The number of Units the REIT is authorized to issue is unlimited. Subject to the rules of any applicable stock exchange on which the Units are listed and applicable securities laws, the REIT may, in its sole discretion, issue additional Units from time to time (including pursuant to any employee incentive compensation plan that may be introduced in the future), and the interests of the holders of Units may be diluted thereby.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is intended to provide Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the REIT to be remote in the circumstances, that a holder of Units could be held personally liable for the obligations of the REIT to the extent that claims are not satisfied out of the assets of the REIT. It is intended that the affairs of the REIT will be conducted to seek to minimize such risk wherever possible.

Nature of Investment

The Units represent a fractional interest in the REIT and do not represent a direct investment in the REIT's assets and should not be viewed by investors as direct securities of the REIT's assets. A holder of a Unit of the REIT does not hold a share of a body corporate. As holders of Units, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the *Business Corporations Ac*t (Ontario) or the *Canada Business Corporations Act* (the "**CBCA**") which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada), and thus the treatment of Unitholders upon an insolvency is uncertain.

Enforceability of Judgments

Welsh, the external asset manager and property manager of the REIT, is an entity organized under the laws of a foreign jurisdiction and resides outside Canada. All of the managers and officers of the Partnership are residents of countries other than Canada. Additionally, all of the Partnership's assets and the assets of these persons are located outside of Canada. As a result, although each of Welsh and the Partnership has appointed GODA Incorporators, Inc. as its agent for service of process in Ontario, it may be difficult for Unitholders to initiate a lawsuit within Canada against these non-Canadian residents. In addition, it may not be possible for Unitholders to collect from Welsh or other non-Canadian residents judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for Unitholders to succeed in a lawsuit in the U.S., based solely on violations of Canadian securities laws.

Financial Reporting and Other Public Company Requirements

The REIT is subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Units are listed, including National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations place significant demands on the REIT's management, administrative, operational and accounting resources. In order to meet such requirements, the REIT has established systems, implemented financial and management controls, reporting systems and procedures and retained accounting and finance personnel. If the REIT is unable to accomplish any such necessary objectives in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the REIT to fail to meet its reporting obligations or result in material misstatements in its financial statements. If the REIT cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the REIT's reported financial information, which could result in a lower trading price of Units.

Management does not expect that the REIT's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

PART V

RELATED PARTY TRANSACTIONS

On April 26, 2013, the REIT indirectly acquired, through the Partnership, 37 investment properties from Welsh, which was accounted for as a business combination, in connection with its IPO. As consideration for these assets, the REIT paid $66,174 in cash, issued 10,867,362 Class B Units, and assumed $190,632 in mortgages payable, including a mark-to-market adjustment of $4,700.

On June 25, 2013, in accordance with the Contribution Agreement, Welsh paid $2,208 to the REIT in settlement for working capital adjustments related to the acquisition of the Initial Properties.

On July 15, 2013, the REIT indirectly acquired, through the Partnership, a 100% interest in an industrial investment property located in Illinois, from Welsh, which was accounted for as an asset acquisition. The total purchase price of $53,000, (exclusive of closing and transaction costs and an acquisition fee, and inclusive of tenant improvement credits), was satisfied by (i) the indirect assumption of a senior secured promissory note, payable to Welsh, in the principal amount of $31,800 and bearing an interest rate of 2.25% plus the one-month LIBOR rate with a 90-day maturity date and (ii) the issuance by the Partnership of 2,192,347 Class B Units at a price of $9.67. Interest expense on the senior secured promissory note of $142 was paid to Welsh for the period from March 4, 2013 to December 31, 2013. On September 28, 2013, the REIT repaid the senior secured promissory note to Welsh with proceeds from a third-party mortgage secured by the Illinois asset. In connection with this acquisition and per the terms of the Asset Management Agreement, the REIT paid Welsh an acquisition fee of $530.

Upon completion of the IPO, the REIT entered into an Asset Management Agreement with Welsh under which Welsh agreed to provide the REIT with certain advisory and investment management services, as well as legal services. Total asset management fees paid to Welsh under the Asset Management Agreement for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 were $310 and $813, respectively.

The REIT also entered into a Property Management Agreement with Welsh upon completion of the IPO under which Welsh has agreed to provide services to administer the day-to-day operations of the REIT's portfolio of investment properties. Total fees paid to Welsh under the Property Management Agreement for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 were $316 and $842, respectively.

As the sole unitholder of all Class B Units, Welsh received cash distributions for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 of $2,284 and $5,190, respectively. As at December 31, 2013, distributions payable to Welsh of approximately $761 were recorded in the consolidated financial statements.

The REIT has a lease with an affiliate of Welsh at an investment property located at 4350 Baker Road, Minnetonka, MN. Rental revenue earned by the REIT from the affiliate of Welsh for the three months ended December 31, 2013 and for the period from March 4, 2013 to December 31, 2013 was $260 and $706, respectively. The lease commenced on June 1, 2008 and expires on May 31, 2020, with annual rent increases of 2%.

PART VI

SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies, including significant judgments and critical accounting estimates made by management of the REIT, is described in note 2 of the REIT's audited consolidated financial statements for the period from March 4, 2013 to December 31, 2013.

PART VII

SUBSEQUENT EVENTS

There are no subsequent events requiring disclosure as of the date of this MD&A.