WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

August 12, 2015

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PART I

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") is prepared as at August 12, 2015 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 and six months ended June 30, 2015 and 2014. This MD&A should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015 and 2014 and the REIT's audited consolidated financial statements and accompanying notes for the year ended December 31, 2014 and for the period from March 4, 2013 to December 31, 2013. These documents, as well as additional information relating to the REIT (including the REIT's annual information form for the year ended December 31, 2014) (the "**Annual Information Form**") can be accessed on the REIT's website at www.wptreit.com and under the REIT's SEDAR profile at www.sedar.com.

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

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**"), earnings before interest, taxes, depreciation and amortization ("**EBITDA**"), debt to EBITDA, AFFO payout ratio, debt-to-gross book value, interest coverage ratio, fixed charge coverage ratio, 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 (loss) and comprehensive income (loss) 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 unaudited condensed consolidated interim financial statements of the REIT for the three and six months ended June 30, 2015 and 2014, 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 (loss) in accordance with IFRS, (i) plus or minus fair value adjustments to 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; (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; and (ix) adjustments for property taxes accounted for under International Financial Reporting Interpretations Committee ("**IFRIC**") 21. 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) adjusting for any deferred compensation expense; and (iv) 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 of the REIT (the "**Board**" or the "**Board of Trustees**") in their sole discretion. Strategic process expenses (as described in the "Overview" section of this MD&A) have been adjusted for in this manner.

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 less fair value adjustment to investment properties in respect of IFRIC 21. Accordingly, NOI excludes certain expenses included in the

determination of net income (loss) and comprehensive income (loss) such as interest expense.
EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Debt to EBITDA is defined as the average rolling twelve month consolidated debt balance (excluding mark-to-market adjustments and financing costs) divided by a rolling twelve month EBITDA.

AFFO payout ratio is defined as distributions of the REIT (including distributions on Class B partnership units ("**Class B Units**") of WPT Industrial, LP (the "**Partnership**") divided by AFFO.

Debt-to-gross book value is calculated by dividing total principal amounts outstanding under mortgages payable and the senior secured revolving credit facility (the "**Revolving Facility**") by the total carrying value of investment properties.

Interest coverage ratio is defined as year-to-date EBITDA divided by the sum of the REIT's year-to-date interest on mortgages payable and interest on the Revolving Facility.

Fixed charge coverage ratio is defined as year-to-date EBITDA divided by the sum of the REIT's year-to-date interest on mortgages payable, interest on the Revolving Facility, and scheduled principal repayments of mortgages payable.

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, future distributions by 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 the experience of Welsh Property Trust's ("**Welsh**"), the external asset and property manager of the REIT, 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 and continued and increased demand within the industrial investment property real estate market, the effect of Welsh's experience in the U.S. industrial real estate market on tenant retention and future acquisitions by the REIT, the future growth potential of the REIT and its properties, 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 U.S. 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 in the REIT's Annual Information Form.

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, under the laws of the Province of Ontario, (the "**Declaration of Trust**"), as amended and restated on April 26, 2013. A copy of the Declaration of Trust is available on the REIT's website at www.wptreit.com and 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 U.S. Funds, under the symbol "WIR.U", and in the U.S. on the OTCQX marketplace ("**OTCQX**") under the symbol "WPTIF". As at June 30, 2015, there were 18,523,119 REIT Units 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 June 30, 2015, the REIT owned a portfolio of investment properties consisting of 15,097,471 square feet of gross leasable area (''**GLA**''), comprised of 46 industrial investment properties and two office investment properties, located in 13 states in the U.S.

On April 4, 2014, the REIT issued 3,478,200 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted to the underwriters by the REIT) at a price of $9.30 per REIT Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $32,347 (the "**April 2014 Offering**"). Issue costs related to the April 2014 Offering were $1,723. As part of the April 2014 Offering, Welsh purchased $7,000 of the REIT Units being offered, or 752,700 REIT Units at the offering price of $9.30 per REIT Unit.

On April 4, 2014, the REIT indirectly acquired from Welsh, a 100% leased, 300,000 square foot industrial investment property located in Hebron, Kentucky (the "**Kentucky Property**"), for a purchase price of $13,300 (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the $32,347 gross proceeds from the April 2014 Offering.

On April 29, 2014, the REIT indirectly acquired from a third party, a 100% leased, 1,512,552 square foot industrial investment property located in Atlanta, Georgia (the "**Atlanta Property**") for a purchase price of $51,500 (exclusive of closing costs and acquisition fee). The purchase price was satisfied with proceeds from the April 2014 Offering, proceeds from a new, $28,325 five-year mortgage payable bearing a fixed interest rate of 3.41%, and cash.

On June 18, 2014, the REIT indirectly acquired from Welsh, a 100% leased, 936,000 square foot industrial investment property located in Shepherdsville, Kentucky (the "**Louisville Property**") for a purchase price of $45,396 (exclusive of closing costs and fair value adjustment to Class B Units issued). The purchase price was satisfied by the issuance of 2,165,605 Class B Units to Welsh and proceeds from a new, $24,915 eight-year mortgage payable bearing a fixed interest rate of 3.77%.

On June 27, 2014, the REIT indirectly acquired from a third party, a 100% leased, 127,800 square foot industrial investment property located in Hebron, Kentucky (the "**OIA Property**") for a purchase price of $5,500 (exclusive of closing costs and acquisition fee). The purchase price was satisfied with cash and proceeds from the Revolving Facility.

On January 28, 2015, the REIT issued 4,312,500 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted by the REIT to the underwriters of the offering) at a price of $10.80 per REIT Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $46,575 (the "**January 2015 Offering**"). Issue costs related to the January 2015 Offering were $2,407.

On February 20, 2015, the REIT indirectly acquired from a third party vendor, a 100% leased, 2,327,018 square foot portfolio of six industrial investment properties located in Memphis, Tennessee (the "**Memphis Portfolio**") for a purchase price of $86,667 (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the net proceeds from the January 2015 Offering and a new, $51,750 five-year mortgage payable bearing a fixed interest rate of 2.87%.

On May 18, 2015, the REIT announced that its Board of Trustees had formed a special committee to explore strategic alternatives. There can be no assurance that this exploration process will result in any transaction. The REIT does not currently intend to disclose further developments with respect to this process, unless and until its Board approves a specific transaction or otherwise concludes the review of strategic alternatives. The REIT has incurred expenses totaling approximately $450 to date related to this process.

The REIT declared monthly distributions throughout the six months ended June 30, 2015 and maintained its annualized distribution rate of $0.70 per unit, or $0.0583 per unit on a monthly basis. On August 12, 2015, the Board of Trustees approved an increase to the REIT's annualized distribution rate of $0.70 per unit to $0.76 per unit (from $0.0583 to $0.0633 on a monthly basis), representing an 8.6% increase over the current annualized distribution rate. The increase will be effective beginning with the distribution payable on or about October 15, 2015 to unitholders of record as of the close of business on September 30, 2015.

OBJECTIVES

The REIT's objectives are to:

- provide Unitholders with an opportunity to invest in a portfolio of institutional-quality industrial 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 and well-located industrial properties located in U.S. markets.

STRATEGIC FOCUS AND OUTLOOK

The U.S. industrial real estate sector is comprised primarily of single-story properties located in or near major cities. Industrial 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 a 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 stability 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 properties located in U.S. markets, 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 properties are often lower than the costs associated with properties within the overall industrial real estate market due to the generic nature of distribution properties, 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 competitive risk-adjusted returns.

Geographically, the REIT's portfolio is primarily concentrated in the Midwestern and Southeastern 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. continues to be important for most large companies as a result of increasing labor costs and instability 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 (completion expected in early 2016), 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. Approximately one-third of all demand for state-of-the-art distribution space remains tied to multi-channel e-commerce retailers. E-commerce supply chain design and distribution 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 continued demand for distribution space.

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 properties have created increasingly competitive investment opportunities for the REIT, particularly for recently constructed distribution 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 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 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) maintaining and increasing occupancy levels; (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 properties in major distribution markets primarily in the Midwestern and Southeastern U.S. 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.

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 properties are located in close proximity to major transportation infrastructure and close to population centers with available and affordable labor, primarily in the Midwestern and Southeastern regions of the U.S.
- Whether the properties are situated within municipalities, counties, or states that provide economic incentives to tenants and/or landlords.
- Whether the 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.
- Properties are evaluated as to ceiling clear 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.

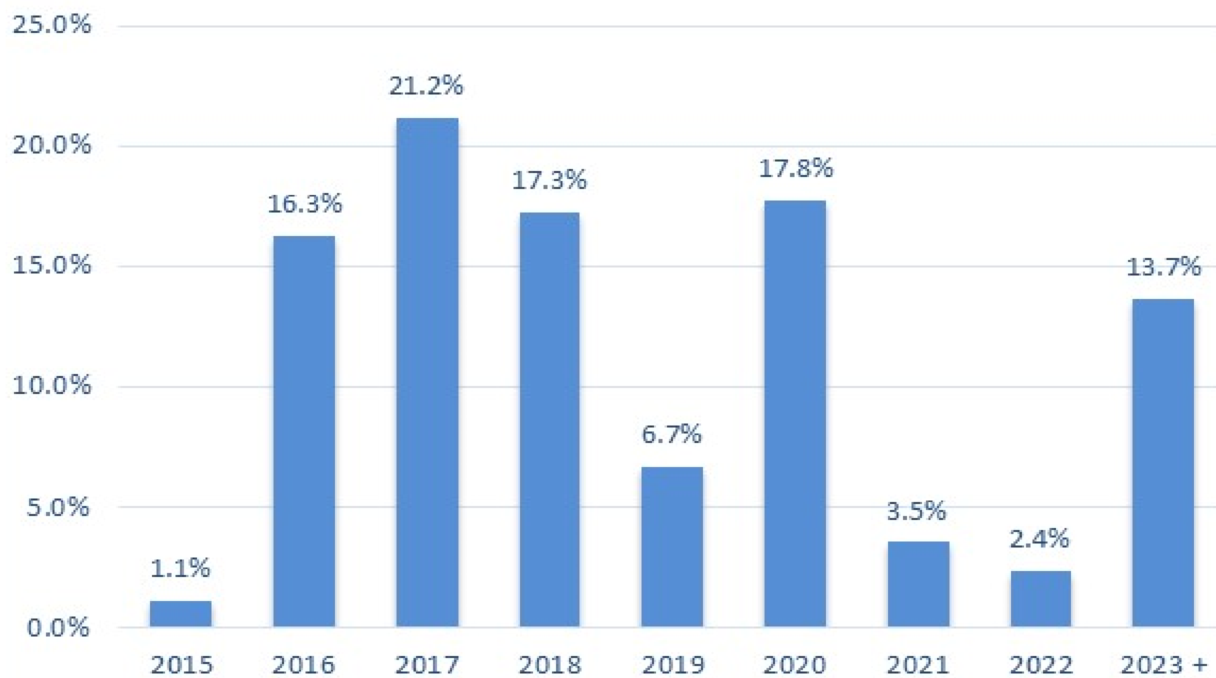
The criteria outlined above are designed to provide the REIT with the opportunity to acquire properties that will generate stable and growing cash flows and to meet the needs of tenants in the distribution sector. In addition, in the event of property vacancy, such properties provide the REIT with the 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. As at June 30, 2015, the REIT owned a portfolio of 46 industrial and two office investment properties totaling 15,097,471 square feet of GLA with an occupancy rate across the portfolio of 98.9%.

The majority of the REIT's investment properties were constructed relatively recently, with a weighted average age of approximately 13 years. As a result, management believes that the REIT's investment properties will, on average, require less maintenance capital 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 ceiling clear height of approximately 31 feet. High ceiling clear 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 graph below as at June 30, 2015:

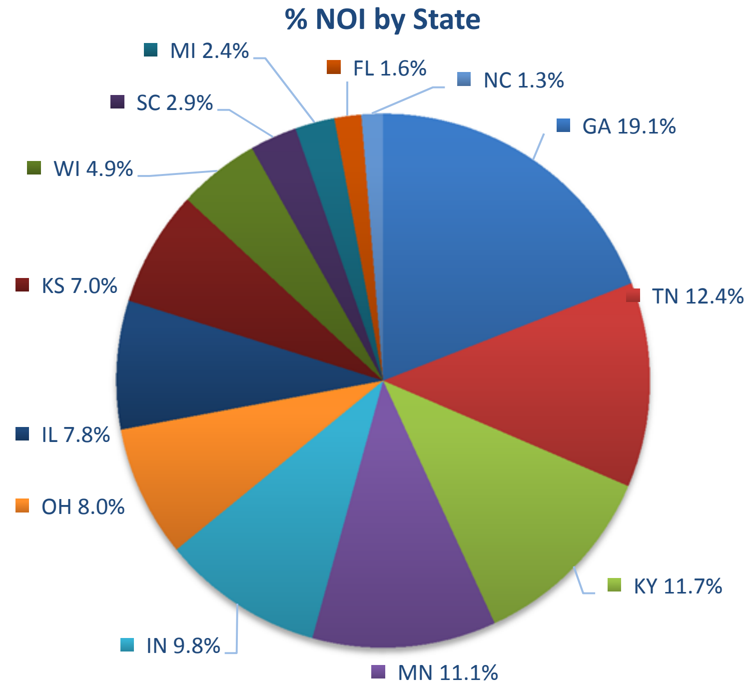


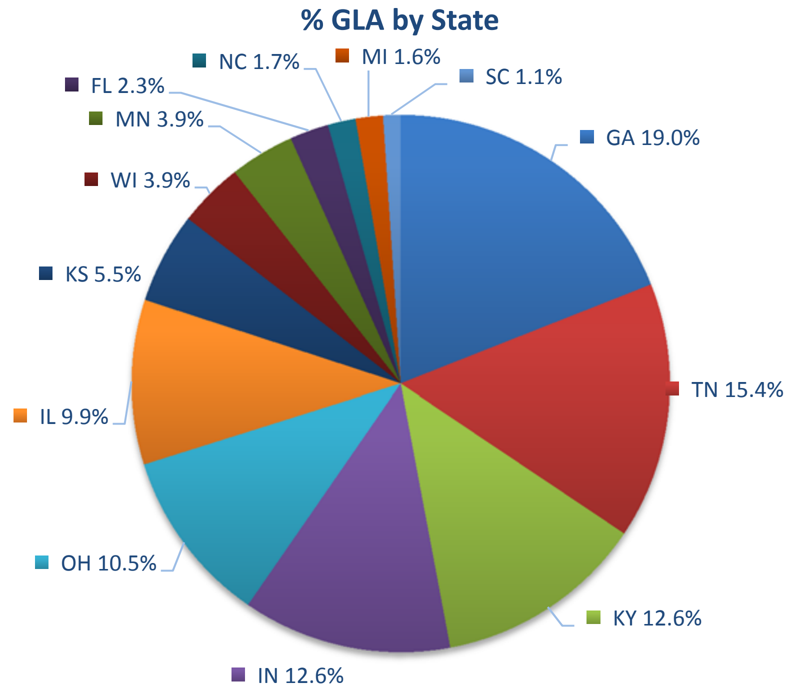
Leases expiring	2	19	15	16	10	11	8	3	7

The REIT's investment properties are geographically diversified as follows (GLA in thousands) as at June 30, 2015:

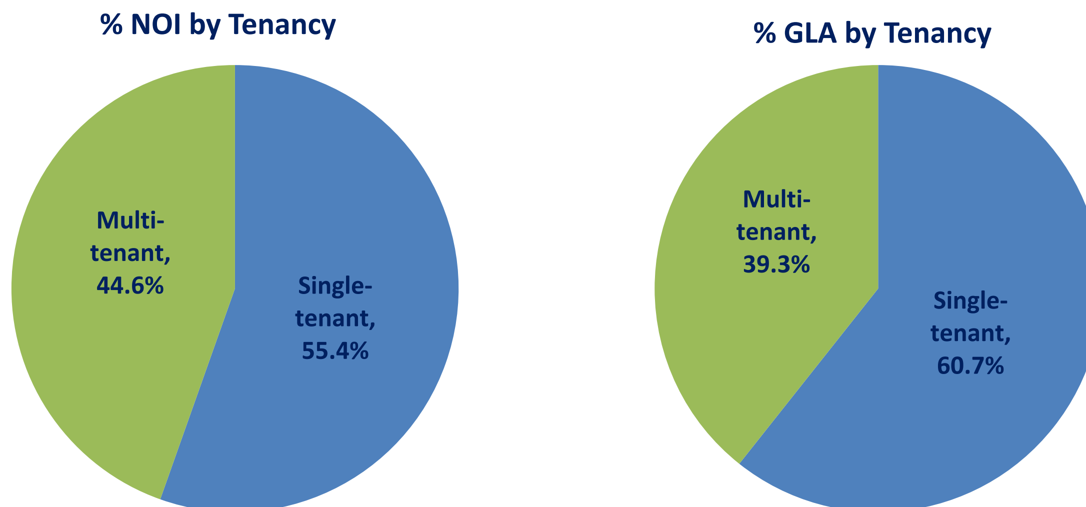
State	Number of Investment Properties	Number of Tenants	Owned GLA (sq ft.)	% of Owned GLA
Georgia	8	14	2,868.3	19.0%
Tennessee	6	11	2,327.0	15.4%
Kentucky	4	5	1,907.4	12.6%
Indiana	3	6	1,896.5	12.6%
Ohio	4	4	1,590.5	10.5%
Illinois	3	4	1,492.1	9.9%
Kansas	4	6	827.1	5.5%
Wisconsin	4	8	589.7	3.9%
Minnesota	6	20	586.4	3.9%
Florida	3	6	353.4	2.3%
North Carolina	1	1	252.5	1.7%
Michigan	1	2	248.0	1.6%
South Carolina	1	4	158.6	1.1%
Total	**48**	**91**	**15,097.5**	**100.0%**

The following charts show the NOI by state for the three months ended June 30, 2015 and GLA by state as at June 30, 2015 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 percentage of NOI for the three months ended June 30, 2015 and a percentage of GLA as at June 30, 2015:



The following table highlights the top ten tenants by annualized contractual base rent and GLA occupied as at June 30, 2015:

Top 10 Tenants	Annualized Contractual Base Rent	% of Total Annualized Base Rent	GLA Occupied	% of Total Portfolio GLA
General Mills Operations, LLC	$ 3,970,380	7.57%	1,512,552	10.02%
Unilever Home & Personal Care	3,276,096	6.24%	1,262,648	8.36%
Zulily Inc	2,164,848	4.13%	737,471	4.88%
OSP Group (dba. Fullbeauty Brands, Inc.)	2,075,424	3.96%	741,092	4.91%
United Stationers Supply Co	2,027,652	3.86%	654,080	4.33%
CEVA Logistics U.S. Inc	1,868,400	3.56%	648,750	4.30%
GSI Commerce Solutions Inc	1,835,616	3.50%	543,512	3.60%
Amazon.com	1,801,800	3.43%	572,000	3.79%
Honeywell International Inc	1,771,896	3.38%	754,000	4.99%
KGP Logistics, Inc.	1,695,492	3.23%	311,100	2.06%
Total	$ 22,487,604	42.86%	7,737,205	51.25%

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(In thousands of USD, except where noted)

As at and for the quarter ended	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Operating Results:								
Investment properties revenue	$ 17,563	$ 16,386	$ 15,431	$ 15,227	$ 13,846	$ 12,847	$ 12,649	$ 12,577
NOI (1)	13,358	12,452	11,796	11,610	10,480	9,432	9,370	9,370
FFO (1), (2)	8,143	7,990	7,623	7,431	6,541	5,928	5,731	5,686
AFFO (1), (3)	7,156	6,697	6,363	6,234	5,155	4,816	4,680	4,264
FFO per Unit (1), (4), (7)	0.241	0.247	0.259	0.252	0.238	0.249	0.241	0.236
AFFO per Unit (1), (4), (7)	0.212	0.207	0.216	0.212	0.188	0.202	0.197	0.177
Distributions:								
Distributions per Unit (7), (8)	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175
Distributions declared (7), (8)	5,903	5,903	5,148	5,148	4,896	4,161	4,161	4,234
AFFO payout ratio (1)	82.5%	88.1%	80.9%	82.6%	95.0%	86.4%	88.9%	99.3%
Weighted-average number of Units (4), (7)	33,748,433	32,406,766	29,435,733	29,435,714	27,441,017	23,791,909	23,797,779	24,069,551

As at	June 30, 2015	December 31, 2014	June 30, 2014
Operational Information:			
Number of investment properties	48	42	42
GLA	15,097,471	12,770,313	12,756,313
Occupancy	98.9%	99.1%	97.0%
Average remaining lease term (years)	3.9	4.6	5.0
Fair value of investment properties	$ 723,227	$ 633,056	$ 615,587
Ratios:			
Weighted-average effective interest rate (5)	3.8%	3.9%	3.9%
Variable interest rate debt as percentage of total debt (6)	13.5%	17.7%	28.0%
Debt-to-gross book value (1)	50.4%	50.8%	52.7%
Interest coverage ratio (1)	3.3x	3.3x	3.2x
Fixed charge coverage ratio (1)	2.9x	2.8x	2.7x
Debt to EBITDA (1)	7.8x	7.6x	8.0x
Unit Information:			
REIT Units outstanding	18,523,119	14,210,619	14,210,400
Class B Units outstanding	15,225,314	15,225,314	15,225,314
Welsh Retained Interest (7) (assuming all Class B Units held are redeemed for REIT Units)	47.3%	54.3%	54.3%
REIT Unit price	$ 12.25	$ 10.95	$ 10.00

(1) NOI, FFO, AFFO, FFO per Unit, AFFO per Unit, AFFO payout ratio, EBITDA, debt-to-gross book value, interest coverage ratio, fixed charge coverage ratio and debt to 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) Reconciliations of FFO to net income (loss) can be found on page 16 for the three and six months ended June 30, 2015 and 2014. Refer to the REIT's Respective annual and interim MD&As issued for a reconciliation of FFO to net income (loss) relating to all other periods.
(3) Reconciliations of AFFO to FFO can be found on page 16 for the three and six months ended June 30, 2015 and 2014. Refer to the REIT's respective annual and interim MD&As issued for a reconciliation of AFFO to FFO relating to all other periods.
(4) Includes REIT Units and Class B Units (collectively, the "**Units**").
(5) Includes mortgages payable, the Revolving Facility, mark-to-market adjustments and financing costs.
(6) Includes amounts outstanding under the Revolving Facility.
(7) Excludes options and DTUs outstanding under the REIT's equity compensation plans.
(8) Includes distributions on REIT Units and Class B Units.

PART II

RESULTS OF OPERATIONS

The following tables compare results for the three and six months ended June 30, 2015 and 2014. The principal reasons for the variances between the financial figures presented in such year-over-year periods is the Memphis Portfolio, which was acquired on February 20, 2015, and differences resulting from owning the Kentucky Property, Atlanta Property, Louisville Property and OIA Property (the "**2014 Acquisitions**") for the full period in 2015 as compared to a partial period in 2014. See below in the "Variance Explanation" tables for the impact of the REIT's acquisition of these properties:

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	Variance	2015	2014	Variance
Investment properties revenue	$ 17,563	$ 13,846	$ 3,717	$ 33,949	$ 26,693	$ 7,256
Investment properties operating expenses	1,688	1,400	288	11,510	10,521	989
Fair value adjustment to investment properties – IFRIC 21	2,517	1,966	551	(3,371)	(3,740)	369
Net operating income (1)	13,358	10,480	2,878	25,810	19,912	5,898
Other (income) and expenses						
General and administrative	1,945	1,068	877	3,500	2,017	1,483
Fair value adjustment to investment properties	(2,392)	207	(2,599)	347	(2,329)	2,676
Finance costs	9,945	11,351	(1,406)	31,842	26,766	5,076
Net income (loss) and comprehensive income (loss)	$ 3,860	$ (2,146)	$ 6,006	$ (9,879)	$ (6,542)	$ (3,337)

(1) Non-IFRS measure. See "Non-IFRS Measures" section of this MD&A.

Investment properties revenue

Investment properties revenue includes contractual base rent to be received from operating leases recognized on a straight-line basis over the term of its respective lease, recoveries of operating expenses, including property taxes, common area maintenance, lease termination fees and other incidental income. Investment properties revenue was higher by $3,717 for the three months ended June 30, 2015 for the following reasons:

Variance Explanation	**Three months ended June 30, 2015**
Due to the Memphis Portfolio.	$ 2,299
Difference resulting from owning the 2014 Acquisitions for 91 days in the current period as compared to a partial period in 2014.	1,255
Increase in occupancy and higher recoveries of operating expenses of the investment properties acquired from Welsh at IPO (as defined herein) (the "**Initial Properties**").	163
Total variance	$ 3,717

Investment properties revenue was higher by $7,256 for the six months ended June 30, 2015 for the following reasons:

Variance Explanation		Six months ended June 30, 2015
Due to the Memphis Portfolio.	$	3,294
Difference resulting from owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014.		3,611
Increase in occupancy of the Initial Properties.		351
Total variance	$	7,256

Investment properties operating expenses

Investment properties operating expenses consist primarily of property common area and maintenance expenses, real estate taxes (including adjustments for property taxes accounted for under IFRIC 21), insurance, property management fees and other costs associated with the management and maintenance of the investment properties. Investment properties expenses were higher by $288 for the three months ended June 30, 2015 for the following reasons:

Variance Explanation		Three months ended June 30, 2015
Due to the Memphis Portfolio.	$	641
Adjustments for property taxes accounted for under IFRIC 21.		(551)
Difference resulting from owning the 2014 Acquisitions for 91 days in the current period as compared to a partial period in 2014.		183
Higher operating expenses of the Initial Properties.		15
Total variance	$	288

Investment properties expenses were higher by $989 for the six months ended June 30, 2015 for the following reasons:

Variance Explanation		Six months ended June 30, 2015
Due to the Memphis Portfolio.	$	925
Adjustments for property taxes accounted for under IFRIC 21.		(369)
Difference resulting from owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014.		478
Lower non-recoverable expenses of the Initial Properties.		(45)
Total variance	$	989

Net operating income

Net operating income was higher by $2,878 for the three months ended June 30, 2015 for the following reasons:

Variance Explanation		Three months ended June 30, 2015
Due to the Memphis Portfolio.	$	1,658
Difference resulting from owning the 2014 Acquisitions for 91 days in the current period as compared to a partial period in 2014.		1,072
Increase in occupancy and higher recoveries of operating expenses of the Initial Properties.		148
Total variance	$	2,878

Net operating income was higher by $5,898 for the six months ended June 30, 2015 for the following reasons:

Variance Explanation		Six months ended June 30, 2015
Due to the Memphis Portfolio.	$	2,369
Difference resulting from owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014.		3,133
Increase in occupancy and lower non-recoverable expenses of the Initial Properties.		396
Total variance	$	5,898

General and administrative expense

General and administrative expenses consist of asset management fees, professional fees, deferred compensation expense, trustee fees, and other miscellaneous expenses. General and administrative expenses were higher by $877 for the three months ended June 30, 2015 the following reasons:

Variance Explanation		Three months ended June 30, 2015
Additional asset management fees as a result of the Memphis Portfolio.	$	56
Deferred compensation expense, of which $232 is due to an increase in fair value of units outstanding under the DUIP and the Plan.		336
Strategic process expenses.		450
Other.		35
Total variance	$	877

General and administrative expenses were higher by $1,483 for the six months ended June 30, 2015 the following reasons:

Variance Explanation		Six months ended June 30, 2015
Additional asset management fees as a result of the Memphis Portfolio.	$	75
Difference in asset management fees due to owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014.		119
Deferred compensation expense, of which $573 is due to an increase in fair value of units outstanding under the DUIP and the Plan.		723
Strategic process expenses.		450
Higher legal, tax and other professional fees.		116
Total variance	$	1,483

Fair value adjustment to investment properties

The REIT has selected the fair value method of accounting to account for real estate classified as investment properties. As a result, subsequent to initial recognition, investment properties are carried at fair value, with gains and losses arising from changes in fair value recognized in the consolidated statements of net income (loss) and comprehensive income (loss) during the year in which they arise. For the three months ended June 30, 2015 and 2014, the REIT recognized a fair value increase (decrease) to investment properties of $2,392 and ($207), respectively. For the six months ended June 30, 2015 and 2014, the REIT recognized a fair value (decrease) increase in investment properties of ($347) and $2,329, respectively. The fair value increases are mainly due to marginal cap rate compression in certain markets, lease renewals and increased occupancy at certain properties, partially offset by the write-off of capitalized lease incentives and amortization of straight-line rent. The fair value decreases are mainly due to the write-off of acquisition related transaction costs, capitalized lease incentives and amortization of straight-line rent. 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, the gain or loss on the change in fair value of financial liabilities designated as fair value through profit and loss, including Class B Units and other financial instruments, amortization associated with the mark-to-market adjustments and financing costs incurred in connection with obtaining long-term financings. Finance costs were lower by $1,406 for the three months ended June 30, 2015 for the following reasons:

Variance Explanation		Three months ended June 30, 2015
Fair value adjustment to Class B Units and financial instruments.	$	(2,290)
Interest expense on mortgage payable related to the Memphis Portfolio.		370
Interest expense on mortgages payable due to owning the Atlanta Property and Louisville Property for 91 days in the current period as compared to a partial period in 2014.		279
Difference in distributions paid on Class B Units due to owning the Louisville Property for 91 days in the current period as compared to a partial period in 2014.		253
Other.		(18)
Total variance	$	(1,406)

Finance costs were higher by $5,076 for the six months ended June 30, 2015 for the following reasons:

Variance Explanation		Six months ended June 30, 2015
Fair value adjustment to Class B Units and financial instruments.	$	3,120
Interest expense on mortgage payable related to the Memphis Portfolio.		528
Interest expense on mortgages payable due to owning the Atlanta Property and Louisville Property for 181 days in the current period as compared to a partial period in 2014.		755
Difference in distributions paid on Class B Units due to owning the Louisville Property for 181 days in the current period as compared to a partial period in 2014.		632
Other.		41
Total variance	$	5,076

Reconciliation of Non-IFRS Measures

The reconciliation of non-IFRS measures to net income (loss) and comprehensive income (loss) for the three and six months ended June 30, 2015 and 2014 are presented below:

	Three months ended June 30, 2015	Three months ended June 30, 2014	Variance	Six months ended June 30, 2015	Six months ended June 30, 2014	Variance
Investment properties revenue	$ 17,563	$ 13,846	$ 3,717	$ 33,949	$ 26,693	$ 7,256
Investment properties operating expenses	1,688	1,400	288	11,510	10,521	989
Fair value adjustment to investment properties – IFRIC 21	2,517	1,966	551	(3,371)	(3,740)	369
Net operating income (4)	**13,358**	**10,480**	**2,878**	**25,810**	**19,912**	**5,898**
Other (income) and expenses						
General and administrative	1,945	1,068	877	3,500	2,017	1,483
EBITDA	11,413	9,412	2,001	22,310	17,895	4,415
Fair value adjustment to investment properties	(2,392)	207	(2,599)	347	(2,329)	2,676
Finance costs	9,945	11,351	(1,406)	31,842	26,766	5,076
Net income (loss) and comprehensive income (loss)	**$ 3,860**	**$ (2,146)**	**$ 6,006**	**$ (9,879)**	**$ (6,542)**	**$ (3,337)**
Add/(Deduct):						
Fair value adjustment to investment properties	(2,392)	207	(2,599)	347	(2,329)	2,676
Fair value adjustments on Class B Units and financial instruments	3,806	6,096	(2,290)	19,793	16,673	3,120
Fair value adjustment to deferred compensation	206	(26)	232	546	(27)	573
Fair value adjustment to investment properties – IFRIC 21	2,517	1,966	551	(3,371)	(3,740)	369
Property taxes accounted for under IFRIC 21	(2,517)	(1,966)	(551)	3,371	3,740	(369)
Distributions on Class B Units treated as interest expense	2,663	2,410	253	5,326	4,694	632
FFO	**$ 8,143**	**$ 6,541**	**$ 1,602**	**$ 16,133**	**$ 12,469**	**$ 3,664**
Add/(Deduct):						
Leasing cost reserve (1)	(930)	(638)	(292)	(1,725)	(1,241)	(484)
Capital expenditure reserve (2)	(240)	(212)	(28)	(467)	(414)	(53)
Amortization of mark-to-market adjustments	(171)	(207)	36	(339)	(414)	75
Amortization of financing costs	171	155	16	327	290	37
Deferred compensation expense	329	225	104	597	447	150
Strategic process expenses (3)	450	-	450	450	-	450
Amortization of straight-line rent	(705)	(737)	32	(1,358)	(1,217)	(141)
Amortization of tenant incentives	109	28	81	235	51	184
AFFO	**$ 7,156**	**$ 5,155**	**$ 2,001**	**$ 13,853**	**$ 9,971**	**$ 3,882**
FFO per Unit (basic) (3)	$ 0.241	$ 0.238	$ 0.003	$ 0.488	$ 0.487	$ 0.001
AFFO per Unit (basic)	$ 0.212	$ 0.188	$ 0.024	$ 0.419	$ 0.389	$ 0.030

(1) The leasing cost reserve is a weighted average rate of approximately $0.25 per square foot and $0.22 per square foot as at June 30, 2015 and 2014, respectively, based on a five-year average of expected leasing commissions and tenant improvements on the portfolio.

(2) The capital expenditure reserve is a weighted average rate of approximately $0.06 per square foot and $0.07 per square foot as at June

30, 2015 and 2014, respectively, based on the five year average of expected capital expenditures on the portfolio.

(3) Excluding strategic process expenses for the three and six months ended June 30, 2015, FFO per Unit (basic) would have been $0.255 and $0.501, respectively.

FFO

For the three months ended June 30, 2015, FFO was higher by $1,602 for the following reasons:

Variance Explanation		Three months ended June 30, 2015
Due to the Memphis Portfolio.	$	1,069
Difference resulting from owning the 2014 Acquisitions for 91 days in the current period as compared to a partial period in 2014.		771
Strategic process expenses.		(450)
Increase in occupancy, higher recoveries of operating expenses, and lower non-recoverable expenses of the Initial Properties.		212
Total variance	$	1,602

For the six months ended June 30, 2015, FFO was higher by $3,664 for the following reasons:

Variance Explanation		Six months ended June 30, 2015
Due to the Memphis Portfolio.	$	1,592
Difference resulting from owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014.		2,251
Strategic process expenses.		(450)
Increase in occupancy, higher recoveries of operating expenses, and lower non-recoverable expenses of the Initial Properties.		271
Total variance	$	3,664

AFFO

For the three months ended June 30, 2015, AFFO was higher by $2,001 for the following reasons:

Variance Explanation		Three months ended June 30, 2015
Due to the Memphis Portfolio.	$	856
Difference resulting from owning the 2014 Acquisitions for 91 days in the current period as compared to a partial period in 2014.		704
Increase in occupancy, contractual base rent increases, higher recoveries of operating expenses, lower non-recoverable expenses of the Initial Properties and lower general and administrative expenses.		441
Total variance	$	2,001

For the six months ended June 30, 2015, AFFO was higher by $3,882 for the following reasons:

Variance Explanation		Six months ended June 30, 2015
Due to the Memphis Portfolio.	$	1,289
Difference resulting from owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014.		1,970
Increase in occupancy, contractual base rent increases, higher recoveries of operating expenses, and lower non-recoverable expenses of the Initial Properties.		623
Total variance	$	3,882

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 number of all outstanding REIT Units and Class B Units, which amounted to 33,748,433 Units and 27,441,017 Units for the three months ended June 30, 2015 and 2014, respectively. The weighted average number of all outstanding REIT Units and Class B Units amounted to 33,081,306 and 25,626,544 for the six months ended June 30, 2015 and 2014, respectively. The increase in the weighted average number of units outstanding is due to the January 2015 Offering of 4,312,500 Units, the April 2014 Offering of 3,478,200 Units, and 2,165,605 Class B Units issued in connection with the acquisition of the Louisville Property.

For the three months ended June 30, 2015, FFO per Unit and AFFO per Unit were higher by $0.003 and $0.024, respectively, as compared to the three months ended June 30, 2014. The increase in AFFO per Unit is mainly due to (i) the Memphis Portfolio, (ii) owning the 2014 Acquisitions for 91 days in the current period as compared to a partial period in 2014, and (iii) increased occupancy. These were partially offset by (i) a 23.0% increase in the weighted average number of units outstanding and (ii) $450 in strategic process expenses, causing a decrease in FFO per Unit of $0.014 for the three months ended June 30, 2015.

For the six months ended June 30, 2015, FFO per Unit and AFFO per Unit were higher by $0.001 and $0.030, respectively, as compared to the six months ended June 30, 2014. The increase in FFO per Unit and AFFO per Unit is mainly due to (i) the Memphis Portfolio, (ii) owning the 2014 Acquisitions for 181 days in the current period as compared to a partial period in 2014, and (iii) increased occupancy. The increase was partially offset by a 29.1% increase in the weighted average number of units outstanding and the timing of the Memphis Portfolio acquisition. Although the January 2015 Offering was completed on January 28, 2015, the proceeds weren't deployed until the acquisition of the Memphis Portfolio on February 20, 2015. The timing of this acquisition occurring at the end of February 2015 instead of simultaneously with the completion of the January 2015 Offering caused a slight decrease in FFO per Unit and AFFO per Unit. Additionally, $450 in strategic process expenses caused a decrease in FFO per Unit of $0.013 for the six months ended June 30, 2015.

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 primarily 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 for the three months ended June 30, 2015 and 2014 was 82.5% and 95.0%, respectively. The REIT's AFFO payout ratio for the six months ended June 30, 2015 and 2014 was 85.2% and 90.8%, respectively. The decreased AFFO payout was mainly due to an increase in AFFO due to (i) the Memphis Portfolio, (ii) owning the 2014 Acquisitions for the full period in 2015 as compared to a partial period in 2014, and (iii) increased occupancy.

On August 12, 2015, the Board of Trustees approved an increase to the REIT's annualized distribution rate of $0.70 per unit to $0.76 per unit (from $0.0583 to $0.0633 on a monthly basis), representing an 8.6% increase over the current annualized distribution rate. The increase will be effective beginning with the distribution payable on or about October 15, 2015 to unitholders of record as of the close of business on September 30, 2015.

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 issuances. 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). Management of the REIT targets an indebtedness level at or below 55% of gross book value. As at June 30, 2015 and December 31, 2014,

the REIT's debt-to-gross book value ratio was 50.4% and 50.8% (total outstanding principal balance of mortgages payable and the Revolving Facility of $364,163 and $321,359 as at June 30, 2015 and December 31, 2014, respectively, divided by a gross book value of $723,227 and $633,056 as at June 30, 2015 and December 31, 2014, respectively). The REIT has no convertible debentures outstanding.

The REIT uses cash flow from operations and debt level indicators to assess its ability to meet its financing obligations. For the six months ended June 30, 2015, the REIT's interest coverage ratio was 3.3 times (excluding adjustments for property taxes accounted for under IFRIC 21), demonstrating an ability to more than adequately cover interest expense requirements. The REIT's weighted average effective interest rate on all indebtedness as at June 30, 2015 and December 31, 2014 was 3.8% and 3.9%, respectively.

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

	Six months ended June 30,	
	2015	**2014**
Cash provided by/(used in):		
Operating activities	$ 23,102	$ 17,363
Financing activities	$ 68,222	$ 79,756
Investing activities	$ (88,394)	$ (98,726)
Increase (decrease) in cash and cash equivalents during the period	**$ 2,930**	**$ (1,607)**
Cash and cash equivalents, beginning of period	$ 5,526	$ 5,926
Cash and cash equivalents, end of period	**$ 8,456**	**$ 4,319**

Cash flows from operating activities for the six months ended June 30, 2015 and 2014 of $23,102 and $17,363, respectively, primarily related to the operation of investment properties.

In accordance with National Policy 41-201 - *Income Trusts and Other Indirect Offerings*, the REIT is required to provide the following additional disclosure relating to cash distributions:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Cash flows provided by operating activities	$ **12,443**	$ **10,357**	$ **23,102**	$ **17,363**
Less: Interest paid (excluding distributions on Class B Units classified as finance costs incurred)	(3,505)	(3,045)	(6,677)	(5,544)
	8,938	7,312	16,425	11,819
Distributions paid (1)	(5,903)	(4,567)	(11,554)	(8,728)
Excess of cash flows provided by operating activities over distributions paid	**3,035**	**2,745**	**4,871**	**3,091**
Cash flows provided by operating activities	**12,443**	**10,357**	**23,102**	**17,363**
Change in non-cash working capital	(1,091)	(1,455)	(772)	(214)
Less: Interest expense (2)	(3,476)	(2,897)	(6,735)	(5,523)
Less: Leasing cost reserve and capital expenditure reserve	(1,170)	(850)	(2,192)	(1,655)
Plus: Strategic process expenses	450	-	450	-
AFFO (3)	$ **7,156**	$ **5,155**	$ **13,853**	$ **9,971**
Distributions declared (1)	$ 5,903	$ 4,896	$ 11,806	$ 9,057
AFFO payout ratio (3)	82.5%	95.0%	85.2%	90.8%

(1) Includes distributions on REIT Units and distributions on Class B Units.
(2) Includes interest on mortgages payable, Revolving Facility interest, and Class B Unit issuance costs included in finance costs.
(3) Management considers AFFO and AFFO payout ratio to be key measures of the REIT's performance. As an alternative measure of cash flows from operations, AFFO (defined on page 1) represents a measure of cash generated from operating activities, after deducting a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions, and is considered to be indicative of the REIT's ability to pay distributions to unitholders. However, AFFO and AFFO payout ratio are not defined by IFRS, do not have standardized meanings, and may not be comparable to similarly titled measures presented by other industries or trusts.

While cash flows from operating activities are generally sufficient to cover distribution requirements, the timing of expenses and fluctuations in non-cash working capital may result in a temporary shortfall.

Cash flows provided by financing activities for the six months ended June 30, 2015 and 2014 of $68,222 and $79,756, respectively, primarily related to net proceeds from the issuance of REIT Units and the exercise of the underwriters' over-allotment, proceeds from mortgages payable, and proceeds from the Revolving Facility, partially offset by the repayment of mortgages payable and the Revolving Facility, the payment of financing costs, and interest expense on mortgages payable and the Revolving Facility as well as distributions to Unitholders.

Cash flows used in investing activities for the six months ended June 30, 2015 and 2014 of $88,394 and $98,726, respectively, primarily related to cash paid for acquisitions of investment properties, additions to investment properties, and changes in capital escrow amounts required to be held in connection with certain mortgages payable.

Investment Properties

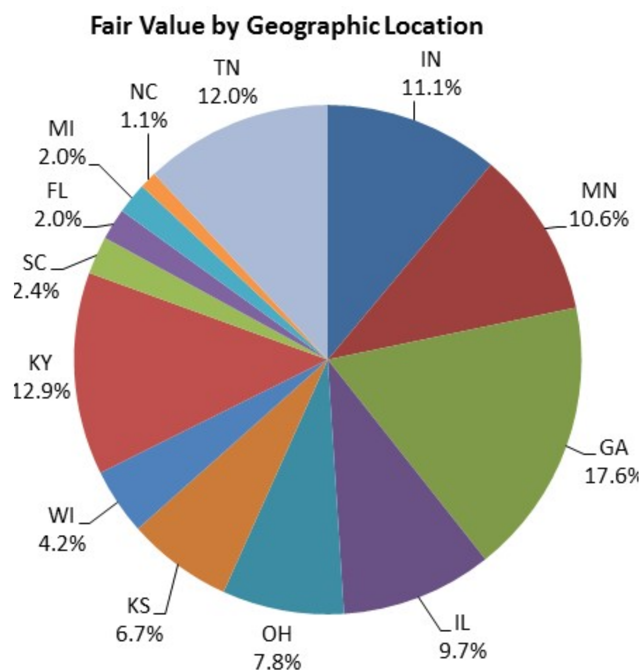
Investment properties include the current fair value of the land, building, improvements to the investment property and all direct leasing costs incurred in obtaining and retaining property tenants. Management reviews the fair value of the investment properties regularly using independent property valuations and market conditions existing at the reporting

date, which are generally accepted market practices. Judgment is also applied in determining the extent and frequency of independent third party appraisals. The REIT determines the fair value of an investment property at the end of each reporting period using a combination of the following methods: (i) an internal valuation using the discounted cash flow model, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows, and reviewing the key assumptions from previous appraisals and updating the value for changes in the property cash flow, physical condition and changes in market conditions, and (ii) appraisals by an independent third party, according to professional appraisal standards and IFRS.

Management retained an independent third party appraiser to appraise each investment property contained within the portfolio at the time of the initial public offering ("**IPO**"), and has obtained independent third party appraisals in respect to each investment property subsequently acquired, except for those investment properties in respect of which the requirement to obtain an appraisal was waived by the independent trustees of the Board of Trustees. Additionally, the REIT, as part of management's regular review of the investment properties fair value, obtained independent third party appraisals for 12 existing properties in the portfolio during the third quarter of 2014.

As at June 30, 2015, the fair value of investment properties was $723,227 ($633,056 as at December 31, 2014), implying a weighted-average terminal capitalization rate of 7.10% (7.07% as at December 31, 2014).

		June 30, 2015
State		**Fair Value**
Georgia	$	127,400
Kentucky		92,950
Tennessee		86,667
Indiana		80,400
Minnesota		76,665
Illinois		69,800
Ohio		56,070
Kansas		48,535
Wisconsin		30,600
South Carolina		17,425
Florida		14,415
Michigan		14,400
North Carolina		7,900
Total	$	**723,227**



Mortgages Payable and Revolving Facility

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 consist of the following:

	June 30, 2015	December 31, 2014
Mortgages payable	$ 315,163	$ 264,459
Mark-to-market adjustments, net	3,039	3,378
Financing costs, net	(1,502)	(1,158)
Carrying value	316,700	266,679
Less current portion	(2,162)	(2,113)
Non-current mortgages payable	**$ 314,538**	**$ 264,566**

As at June 30, 2015, approximately 33.7% of the REIT's outstanding mortgages payable were payable to a single financial institution, of which 14.7% matures in 2021 and 19.0% matures in 2023.

As at June 30, 2015, mortgages payable bear interest at various rates ranging from 2.87% to 5.80% (3.40% to 5.80% as at December 31, 2014), and have a weighted average effective interest rate of 3.99% (4.21% as at December 31, 2014), with maturity dates ranging from 2016 - 2024. The weighted average term to maturity on mortgages payable was 5.4 years and 6.1 years as at June 30, 2015 and December 31, 2014, respectively. As at June 30, 2015, there were no mortgages payable with variable interest rates.

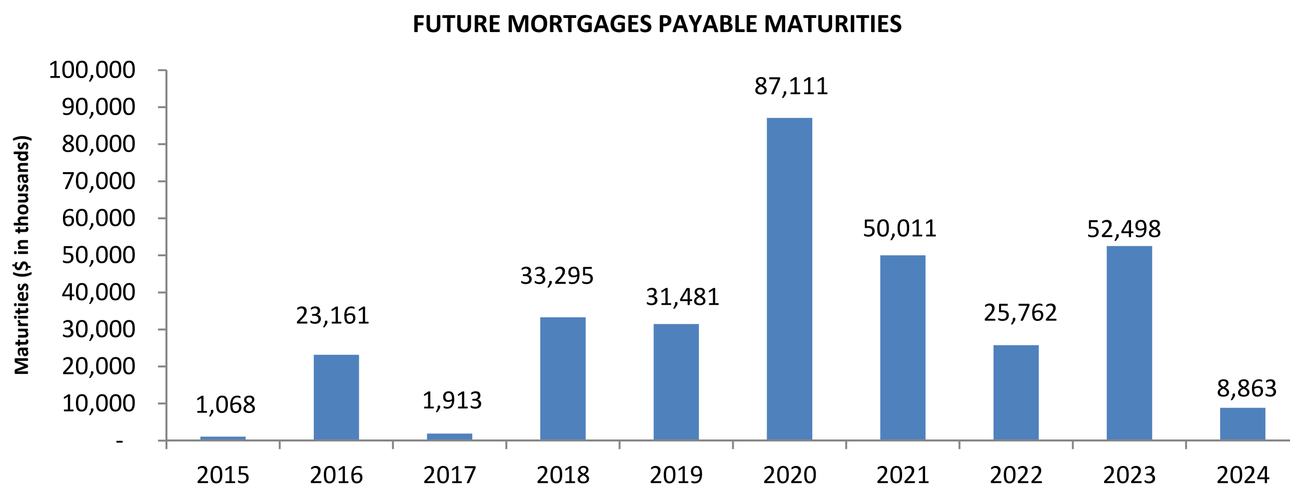
During the six months ended June 30, 2015, the REIT entered into a new, five-year fixed interest rate mortgage payable totaling $51,750, bearing a fixed interest rate of 2.87%, as a result of the Memphis Portfolio acquisition.

The scheduled mortgage payments, principal maturities and weighted average maturing effective interest rates are as follows:

As at June 30, 2015	Weighted Average Maturing Effective Interest Rate	Scheduled Mortgage Repayments	Principal Mortgage Maturities	Revolving Facility	Total Repayments
2015 (remainder)	-	$ 1,068	$ -	$ -	$ 1,068
2016	3.5% (1)	2,182	20,979	49,000	72,161
2017	-	1,913	-	-	1,913
2018	4.5%	2,976	30,319	-	33,295
2019	3.4%	3,156	28,325	-	31,481
2020	3.1%	3,561	83,550	-	87,111
2021	5.1%	3,319	46,692	-	50,011
2022	3.8%	2,228	23,534	-	25,762
2023	3.7%	416	52,082	-	52,498
2024	4.0%	186	8,677	-	8,863
Totals		$ 21,005	$ 294,158	$ 49,000	$ 364,163
Mark-to-market adjustment, net					3,039
Financing costs, net					(1,753)
Total					$ 365,449

(1) Includes one mortgage payable with an interest rate of 5.77% and the Revolving Facility with an interest rate of 2.44% as at June 30, 2015.

The following chart shows the future maturities of mortgages payable as at June 30, 2015:



Revolving Facility
On April 26, 2013, the REIT entered into a senior secured revolving facility with a maximum commitment of $75,000 (the "**Revolving Facility**"), and 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 and provides the REIT the right to a one-year extension option that includes an accordion feature which could increase the size of the facility to $200,000, subject to lender approval. The rate on the Revolving Facility is, at the REIT's option, based on 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: (a) the "prime rate" plus 1.0%, (b) 0.5% above the federal funds effective rate, or (c) 30-day LIBOR plus the applicable margin. As at June 30, 2015 and December 31, 2014, the Revolving Facility interest rate was 2.44% and 2.67%, respectively.

Availability on the Revolving Facility was $75,000 as at June 30, 2015, of which the REIT had drawn $49,000, leaving remaining availability of $26,000.

Variable interest rate debt as a percentage of total debt was 13.5% and 17.7% as at June 30, 2015 and December 31, 2014, respectively.

On May 1, 2015, the interest rate cap expired, which covered a principal amount of up to $50,000 of the REIT's variable interest rate debt and provided for a LIBOR cap of 50-basis points.

Commitments and Contingencies
Leasing Cost Reserve
The REIT uses management's best estimate of leasing costs on expected lease maturities within the portfolio to calculate the leasing cost reserve used in the REIT's AFFO calculation (see "Reconciliation of Non-IFRS Measures" section of this MD&A). Management currently estimates leasing costs to be approximately $0.25 per square foot of the portfolio GLA. 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 and disposes of investment properties and as the forward-looking five-year period is updated. For the Initial Properties, the REIT continues to use the five-year period established at IPO. For subsequent acquisitions, the REIT uses the five-year period established from each acquisition date.

The following tables shows actual leasing costs as compared to reserved leasing costs since IPO:

Leasing Costs		Period from March 4, 2013 to December 31, 2013	Year ended December 31, 2014	Six months ended June 30, 2015	Since IPO
Reserved	$	1,641	2,670	1,725	6,036
Actual	$	701	1,322	1,132	3,155
Excess	$	940	1,348	593	2,881

Capital Expenditure Reserve
The REIT's policy is to engage third party consultants 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). Management currently estimates capital expenditures to be approximately $0.06 per square foot of the portfolio GLA. 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 and disposes of investment properties and as the forward-looking five-year period is updated. For the Initial Properties, the REIT continues to use the five-year period established at IPO. For subsequent acquisitions, the REIT uses the five-year period established from each acquisition date.

The following tables shows actual capital expenditures as compared to reserved capital expenditures since IPO:

Capital Expenditures		Period from March 4, 2013 to December 31, 2013	Year ended December 31, 2014	Six months ended June 30, 2015	Since IPO
Reserved	$	558	860	467	1,885
Actual	$	372	323	71	766
Excess	$	186	537	396	1,119

Other Commitments and Contingencies
The REIT has a contingent obligation to expand the GLA at two of its investment properties at the option of the tenant. Management estimates the cost associated with these expansions, should they occur, of roughly $11,000 in the aggregate. Such expansions are conditional on mutual agreement between the tenants and the REIT with regard to the base rental rates to be charged for occupying such expansion space. These obligations of roughly $1,000 and $10,000 will terminate at expiration of the underlying leases, inclusive of renewal options, on August 31, 2029 and August 31, 2031, respectively.

The REIT has no off-balance sheet items other than those discussed within this MD&A.

EQUITY
This discussion of equity includes all Class B Units, which are economically equivalent to REIT Units. Pursuant to IFRS, 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. REIT Units are ordinary units of the REIT, each of which represents a unitholders' proportionate undivided beneficial interest and voting rights in the REIT.

The 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, 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. Class B Units are puttable and, therefore, meet the definition of a financial liability under International Accounting Standard ("**IAS**") 32, *Financial Instruments – Presentation,* and are accordingly classified as non-current liabilities in the consolidated statements of financial position.

As at June 30, 2015, Welsh held 15,225,314 Class B Units and 752,700 REIT Units, representing an effective ownership interest in the REIT of approximately 47.3% assuming all Class B Units are redeemed for REIT Units (excluding options and DTUs outstanding under the REIT's equity compensation plans).

Almanac Realty Investors, LLC ("**Almanac**"), a provider of growth capital to public and private real estate companies across the U.S., holds an interest in Welsh through a convertible note maturing on November 30, 2015, under which approximately $136 million aggregate principal amount is currently outstanding. Assuming the conversion of the convertible note on the date hereof, Almanac would hold approximately 78% of the outstanding equity interests of Welsh.

As at June 30, 2015, ownership of the REIT was as follows:

	REIT Units	Class B Units	Total Units	% of Total
Welsh's retained interest	752,700	15,225,314	15,978,014	47.3%
REIT Units	17,770,419	-	17,770,419	52.7%
Total	**18,523,119**	**15,225,314**	**33,748,433**	**100.0%**

Unit Option Plan

On April 26, 2013, the REIT authorized a unit option plan (the "**Plan**"), under the terms of which options to purchase REIT Units may from time to time, be granted to trustees, officers, employees and consultants, 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. These options vest as to one-third on the first anniversary of the grant date, and one-third on each of the second and third anniversaries.

A summary of options granted under the Plan is set forth below:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2013	390,000	$ 10.14
Grant - May 27, 2014	200,000	$ 9.81
Exercised	(3,333)	$ 10.14
Forfeited or expired	(16,667)	$ 10.14
Outstanding, December 31, 2014 and June 30, 2015	570,000	$ 10.02
Exercisable, December 31, 2014	123,333	$ 10.14
Exercisable, June 30, 2015	313,337	$ 10.07

During the six months ended June 30, 2015, there were no options exercised. During the year ended December 31, 2014, there was a non-cash exercise of 3,333 options, resulting in the issuance of 219 REIT Units.

The total fair value of options granted as at June 30, 2015 and December 31, 2014 and as at the grant date was $764, $355 and $327, respectively. The aggregate intrinsic value of exercisable options as at June 30, 2015 and December 31, 2014 was $683 and $114, respectively. The weighted average remaining contractual life for outstanding options and for exercisable options as at June 30, 2015 was 8.3 years and 8.1 years, respectively.

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 net income (loss) and comprehensive income (loss). Total compensation expense attributable to these options for the three and six months ended June 30, 2015, was $169 and $392, respectively. Total compensation expense attributable to these options for the three and six months ended June 30, 2014, was ($8) and $16, respectively. These amounts include adjustments based on the fair value of the options as at June 30, 2015 and 2014. As at June 30, 2015, fair value adjustments were determined using the Black-Scholes option pricing model with the following assumptions:

Expected option term	5.21 years
Risk-free interest rate	1.74%
Expected volatility	16.44%
Dividend yield	5.71%

Deferred Unit Incentive Plan

On April 26, 2013, the REIT authorized a Deferred Unit Incentive Plan ("**DUIP**") that provides for the granting of deferred trust units ("**DTUs**") to trustees, officers, employees, consultants and service providers, as well as employees of such service providers. DTUs are defined as notional units with a fair value based on the REIT Units' closing price per the TSX. 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. Vested DTUs may be redeemed in whole or in part for units of the REIT issued from treasury or cash. All DTUs granted to officers and employees vest as to one-fifth on the first anniversary of the grant date, and one-fifth on each of the four following anniversaries. Whenever cash distributions are paid to REIT unitholders, additional DTUs are credited to the participant's outstanding DTU balance based on the 5-day volume-weighted average price on the grant date. These additional units vest on the same schedule as their corresponding DTUs.

Officer and Employee Grants

A summary of DTUs granted to officers of the REIT and employees of Welsh under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2013	52,462
May 27, 2014 grant	65,000
DTUs granted through distributions	6,566
Total as at December 31, 2014	**124,028**
DTUs granted through distributions	3,818
Total as at June 30, 2015	**127,846**

Additional DTUs with a fair value of $1,300 had been approved as at June 30, 2015, but not yet granted.

The total fair value of DTUs granted to officers and employees as at June 30, 2015 and December 31, 2014 was $1,566 and $1,358, respectively. As at June 30, 2015 and December 31, 2014, a total of 37,190 and 11,273 DTUs granted to officers and employees had vested, respectively.

Trustee and Other Grants

All members of the Board of Trustees have elected to receive their annual retainers and meeting fees for the current fiscal year and since inception in the form of DTUs. Annually, the REIT matches 50% of all annual trustee compensation received in DTUs, which vest as to one-third on the first anniversary date of the grant and one-third on each of the second and third anniversaries. Distributions on DTUs accrue to the holder in additional REIT Units on each distribution date.

A summary of DTUs granted to trustees under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2013	10,732
DTUs granted for services rendered	37,802
DTUs granted through distributions and 50% match	13,394
Total as at December 31, 2014	**61,928**
DTUs granted through distributions and 50% match	1,904
Total as at June 30, 2015	**63,832**

Additional DTUs with a fair value of $285 had been approved as at June 30, 2015, but not yet granted.

The total fair value of DTUs granted to trustees as at June 30, 2015 and December 31, 2014 was $751 and $624, respectively. As at June 30, 2015 and December 31, 2014, a total of 55,681 and 50,456 DTUs granted to trustees had vested, respectively.

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 net income (loss) and comprehensive income (loss). Total compensation expense recognized for the three and six months ended June 30, 2015 was $366 and $751, respectively, related to these instruments. Total compensation expense recognized for the three and six months ended June 30, 2014 was $206 and $403, respectively, related to these instruments. These amounts include adjustments based on the fair value of the REIT Units as at June 30, 2015 and 2014.

PART III

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that (i) all 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, and (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.

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 as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). As required by NI 52-109, the REIT's Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the REIT's disclosure controls and procedures, and concluded that they are effective as at June 30, 2015.

Internal Controls over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their

supervision, the REIT's internal controls over financial reporting. As required by NI 52-109, and using the criteria established by the Committee of Sponsoring Organization of the Treadway Commission ("**COSO 2013**"), the Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the REIT's internal controls over financial reporting and concluded that they are effective and that there were no material weaknesses that have been identified as at June 30, 2015.

Changes in Disclosure and Internal Controls

To the best of the knowledge and belief of the REIT's Chief Executive Officer and Chief Financial Officer, no significant changes were made in the REIT's disclosure controls and procedures or internal controls over financial reporting during the six months ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, the REIT's disclosure controls and procedures or internal controls over financial reporting.

Inherent Limitation

Disclosure controls and procedures and internal controls over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of their inherent limitations. Disclosure controls and procedures and internal controls over financial reporting are processes that involve human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human errors. Disclosure controls and procedures and internal controls 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 disclosure controls and procedures and internal controls over financial reporting. However, these inherent limitations are known features of the disclosure and financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

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. The Annual Information Form dated March 30, 2015 contains a detailed summary of risk factors pertaining to the REIT and its business. There have been no changes to the nature or the number of risk factors pertaining to the REIT since the date of the Annual Information Form. The disclosures in this MD&A are subject to the risk factors outlined in the Annual Information Form.

PART V

RELATED PARTY TRANSACTIONS

Related party transactions with Welsh are set forth below:

	Three months ended June 30,		Six months ended June 30,	
	2015	**2014**	**2015**	**2014**
Acquisitions				
Kentucky Property acquisition	$ -	$ 13,300	$ -	$ 13,300
Louisville Property acquisition	$ -	$ 45,396	$ -	$ 45,396
Fees earned under asset management agreement (1)				
Acquisition fees	$ -	$ 703	$ 867	$ 703
Asset management fees	$ 439	$ 348	$ 839	$ 653
Construction management fees	$ -	$ 68	$ 58	$ 68
Fees earned under property management agreement (2)	$ 432	$ 333	$ 814	$ 640
Other				
Class B Unit distributions paid (3)	$ 2,663	$ 2,411	$ 5,326	$ 4,568
REIT Unit distributions paid (4)	$ 131	$ 88	$ 263	$ 88
Class B Units issued	-	2,165,605	-	2,165,605
REIT Units issued (4)	-	752,700	-	752,700
Office rent (5)	$ 267	$ 262	$ 532	$ 522

(1) On April 26, 2013, the REIT entered into an asset management agreement with Welsh, under which Welsh provides certain asset management services to the REIT and its subsidiaries. The asset management agreement provides for the following fees:

- Asset management fees at 0.25% of gross book value, as defined in the asset management agreement. Asset management fees payable to Welsh as at June 30, 2015 and December 31, 2014 were $145 and $126, respectively.

- Acquisition fee. An acquisition fee equal to: (i) 1.0% of the purchase price paid for the first $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; (ii) 0.75% of the purchase price paid for the next $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; and (iii) 0.50% of the purchase price paid in excess of $200,000 for investment properties acquired by the REIT or any of its affiliates in each fiscal year.

- Construction management fee. With respect to any capital project with costs in excess of $100 undertaken by the REIT or any of its affiliates, a construction management fee equal to 5.0% of aggregate tenant improvements, capital expenditures and construction costs incurred in respect of such capital project. Construction management fees payable to Welsh as at June 30, 2015 and December 31, 2014 were -$0- and $71, respectively.

(2) On April 26, 2013, the Partnership and the REIT entered into a property management agreement with Welsh. Under the property management agreement, Welsh is the property manager of the investment properties owned by the REIT and administers the day-to-day operations of the REIT's portfolio of investment properties. Property management fees are described below for all investment properties owned by the REIT.

- 2% of the gross property revenue for all single-tenant industrial investment properties;

- 3% of the gross property revenue for all multi-tenant industrial investment properties; and

- 4% of the gross property revenue for all office investment properties.

(3) As at June 30, 2015 and December 31, 2014, there were 15,225,314 Class B Units held by Welsh. Distributions payable to Welsh on Class B Units as at June 30, 2015 and December 31, 2014 were $888.

(4) As part of the April 2014 Offering, Welsh purchased $7,000 of the REIT Units being offered, or 752,700 REIT Units, at the offering price of $9.30 per REIT Unit. Distributions payable to Welsh on these REIT Units as at June 30, 2015 and December 31, 2014 were $44.

(5) An affiliate of Welsh leases space from a subsidiary of the REIT at an investment property located at 4350 Baker Road, Minnetonka, Minnesota. The lease commenced on June 1, 2008 and expires on May 31, 2020, with annual rent increases of 2%.

Out-of-pocket costs and expenses
The REIT reimburses Welsh for all reasonable actual out-of-pocket costs and expenses incurred in connection with the performance of the services described in the asset management agreement or such other services that the REIT and Welsh agree in writing are to be provided from time to time by Welsh. As at June 30, 2015 and December 31, 2014, the net payable due to Welsh was $10 and $87, respectively, related to these reimbursements.

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 year ended December 31, 2014.