WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

INDUSTRIAL

WPT REIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE

THREE MONTHS ENDED SEPTEMBER 30, 2013 AND FOR THE PERIOD

FROM MARCH 4, 2013 TO SEPTEMBER 30, 2013

November 12, 2013

Contents

PART I

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("**MD&A**") is prepared as of November 12, 2013 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 September 30, 2013 and for the period from March 4, 2013 to September 30, 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 September 30, 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 September 30, 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 unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 and with the unaudited pro forma condensed consolidated financial statements of the REIT as at and for the year ended December 31, 2012 and the Forecast.

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 condensed consolidated interim financial statements of the REIT for the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 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 a 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 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 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 condensed consolidated interim 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.

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 warehouse and 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 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 warehouse and distribution subsector of the U.S. industrial real estate market to investors, including the industrial properties in the REIT's portfolio, key trends in the industrial 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 warehouse and distribution sub-segment remaining unchanged, the continued availability of capital, the current economic conditions remaining unchanged and increased tenant demand for industrial properties and declining vacancy rates in the markets in which the REIT's 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 "Risk Factors" in the Prospectus, which is available under the REIT's profile on SEDAR at www.sedar.com.

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**") under the symbol "WIR.U" and in the United States on the OTCQX marketplace ("**OTCQX**") under the symbol "WPTIF". As at September 30, 2013, there were 10,750,200 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 warehouse and distribution industrial real estate. As at September 30, 2013, the REIT indirectly owned a portfolio of properties consisting of 9,879,961 square feet of gross leasable area (''**GLA**''), comprised of 36 industrial properties and two office 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 properties consisting of 8,617,313 square feet of GLA, comprised of 35 industrial properties and two office 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, excluding certain credits and certain permitted expenses incurred by Welsh when it acquired the investment property from a third-party.

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. 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 September 28, 2013, the REIT repaid the senior secured promissory note payable to Welsh with the proceeds from a new third-party mortgage payable secured by the Illinois asset.

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 will be 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 will be 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.

The board of trustees of 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 September 30, 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 warehouse and 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 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 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 properties located in U.S. regions primarily in the warehouse and distribution sub-segment of the U.S. industrial market. Management believes that tenant demand for space in the warehouse and distribution sub-segment is less volatile than demand in the overall industrial market as goods distributed through warehouse and 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 warehouse and distribution properties are often lower than the costs associated with 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 warehouse and 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. warehouse and 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 warehouse and 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 warehouse and 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 are creating attractive investment opportunities for the REIT, particularly for recently constructed warehouse and 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 investment properties for the REIT.

Organic growth will come from capitalizing on increasing demand for warehouse and 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 warehouse and distribution 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 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 investment properties and portfolios that generally meet the following criteria:

- Degree to which the acquisition will be accretive to AFFO over the 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.
- 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 warehouse and 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.

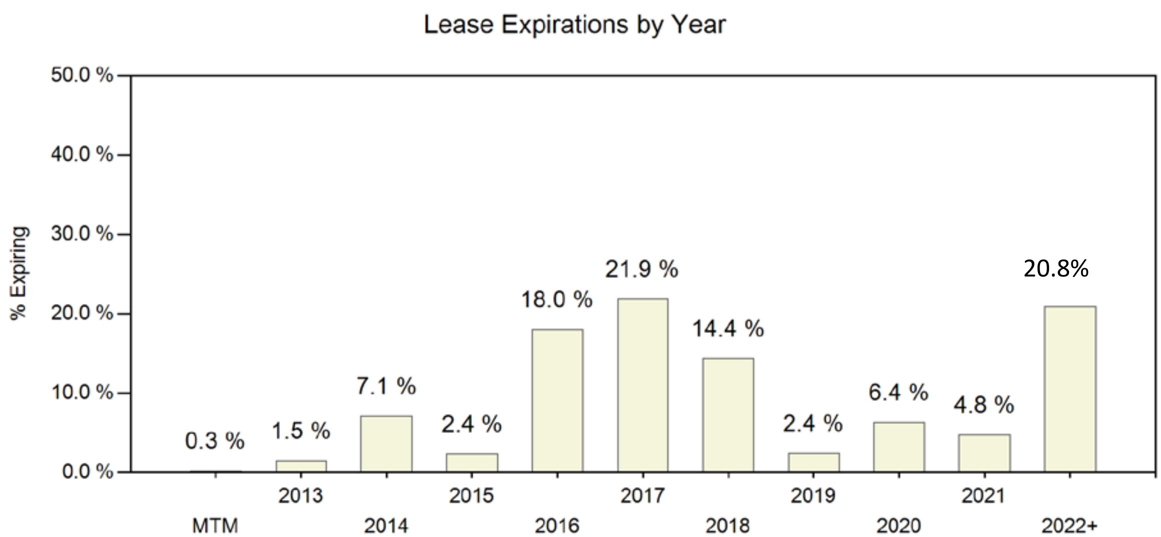
ASSETS

The REIT owns and operates an institutional-quality portfolio of primarily industrial properties located in the U.S., with a particular focus on warehouse and distribution industrial real estate. The IPO of the REIT was completed on April 26, 2013, with a portfolio of 35 industrial and two office 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, bringing portfolio occupancy to 96.7%. As a result of leasing activity in addition to this acquisition, occupancy as at September 30, 2013 was 96.9%.

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 properties. Furthermore, the REIT's industrial 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.

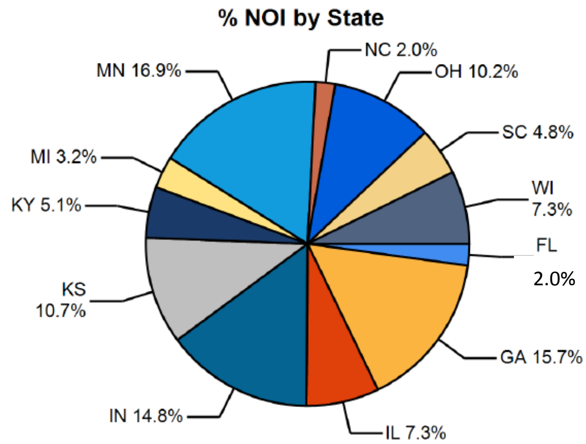
Future lease expirations are shown in the chart below, including those leases which are month-to-month ("**MTM**"):

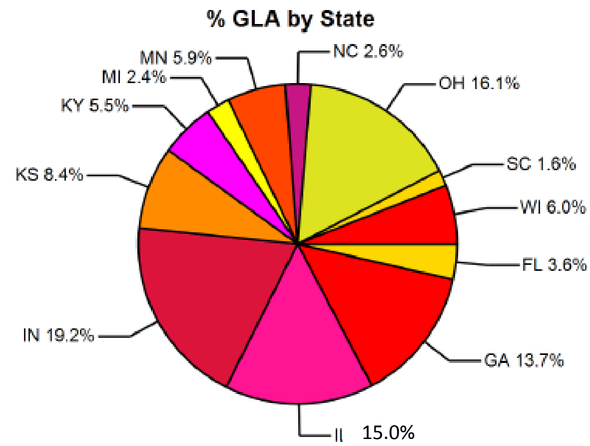


The REIT's investment properties are geographically diversified as follows (GLA in thousands):

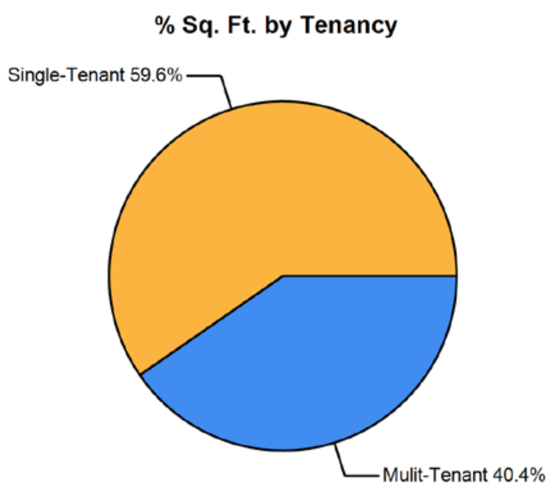
			September 30, 2013	
State	**Number of Properties**	**Number of Tenants**	**Owned GLA (sq ft.)**	**% of Owned GLA**
Indiana	3	6	1,896.5	19.2%
Ohio	4	4	1,590.5	16.1%
Illinois	3	4	1,492.1	15.1%
Georgia	7	15	1,355.7	13.7%
Kansas	4	6	827.1	8.4%
Wisconsin	4	8	589.7	6.0%
Minnesota	6	23	586.3	5.9%
Kentucky	1	1	543.5	5.5%
Florida	3	4	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**	**79**	**9,879.9**	**100.0%**

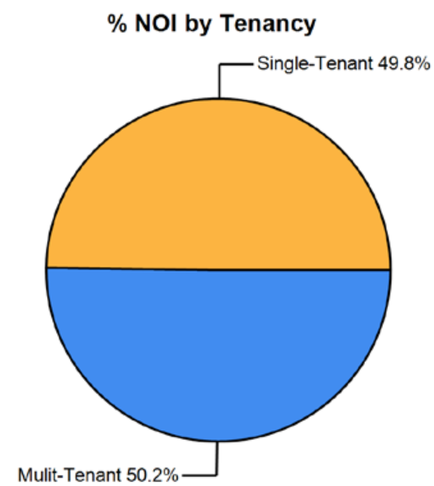
The following charts show both the net operating income for the quarter ended September 30, 2013 and GLA as at September 30, 2013 of the REIT's portfolio:



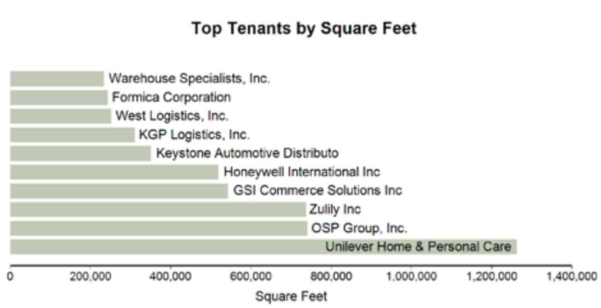


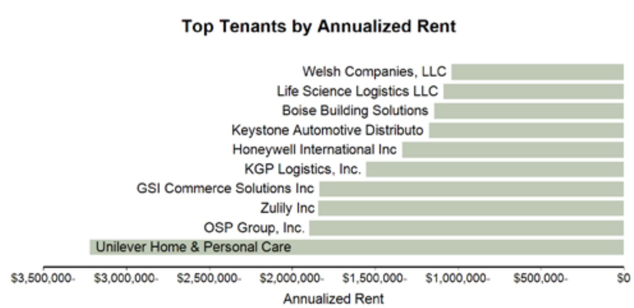
The following charts show the breakout of the REIT's portfolio between single and multi-tenant investment properties based on a percentage of GLA as at September 30, 2013 and percentage of NOI for the quarter ended September 30, 2013:





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 September 30, 2013		Period from March 4, 2013 to June 30, 2013		Period from March 4, 2013 to September 30, 2013
Operating Results:						
Investment properties revenue	$	12,577	$	8,433	$	21,010
NOI (1), (2)	$	9,370	$	6,263	$	15,633
FFO (1), (3)	$	5,686	$	3,988	$	9,674
AFFO (1), (4)	$	4,264	$	2,957	$	7,221
FFO per Unit (1)	$	0.236	$	0.180	$	0.418
AFFO per Unit (1)	$	0.177	$	0.140	$	0.312
Distributions:						
Distributions per Unit	$	0.175	$	0.127	$	0.302
Distributions declared	$	4,234	$	2,838	$	7,072
AFFO Payout ratio (9)		99.3%		96.0%		97.9%
Weighted-average number of Units (5)		24,069,551		21,322,362		23,139,206

As at	September 30, 2013	June 30, 2013
Operational Information:		
Number of properties	38	37
GLA	9,879,961	8,617,313
Occupancy	96.9%	96.3%
Average remaining lease term (yrs)	5.3	4.7
Ratios:		
Weighted-average effective interest rate (6)	4.0%	4.3%
Variable rate debt as percentage of total debt (7)	28.9%	17.0%
Debt-to-gross book value	52.9%	51.3%
Interest coverage ratio (times)	3.19	3.25
Fixed charge coverage ratio (times)	2.84	2.92
Debt to EBITDA (times) (8)	8.12	7.11
Unit Information:		
REIT Units outstanding at period end	10,750,200	11,430,000
Class B Units outstanding at period end	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)	54.8%	48.7%

(1) NOI, FFO and AFFO 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.

(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 15.

(4) The reconciliation of AFFO to FFO can be found on page 15.

(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 $43,500 outstanding under the Revolving Facility and $31,800 in mortgages payable, subject to an interest rate cap covering a notional amount of $50,000.
(8) EBITDA is defined as NOI, less G&A 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 administration 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 September 30, 2013 and for the period from March 4, 2013 to September 30, 3013 to the Forecast included in the Prospectus for the three month period ended September 30, 2013 and the prorated period from April 26, 2013 to September 30, 2013:

	For the three months ended September 30, 2013			For the period from March 4, 2013 to September 30, 2013		
	Actual	**Forecast**	**Variance**	**Actual**	**Pro Rated Forecast**	**Variance**
Investment properties revenue	$ 12,577	$ 11,470	$ 1,107	$ 21,010	$ 19,763	$ 1,247
Investment properties operating expenses	3,207	3,036	171	5,377	5,217	160
Net operating income	9,370	8,434	936	15,633	14,546	1,087
Other (income) and expenses						
General and administrative	1,160	579	581	1,737	999	738
Fair value adjustment to investment properties	(3,573)	-	(3,573)	(2,984)	-	(2,984)
Finance costs	(13,616)	4,280	(17,896)	(14,882)	7,345	(22,227)
Net income and comprehensive income	$ 25,399	$ 3,575	$ 21,824	$ 31,762	$ 6,202	$ 25,560

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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, investment properties revenue was higher by $1,107 and $1,247, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation	**Three months ended September 30, 2013**	**For the period from March 4, 2013 to September 30, 2013**
Investment property revenue earned from Illinois asset acquired July 15, 2013.	$ 937	$ 937
Straight-line rent adjustments on leases signed during the quarter ended September 30, 2013.	53	53
Differences in actual recoverable expenses as compared to the Forecast at certain properties.	(22)	19
Unrealized vacancy assumed in the Forecast that did not occur.	139	238
Total variance	$ 1,107	$ 1,247

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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, investment properties expenses were higher by $171 and $160, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation	Three months ended September 30, 2013	For the period from March 4, 2013 to September 30, 2013
Investment property operating expenses of the Illinois asset acquired July 15, 2013.	$ 196	$ 196
Differences in timing of repair and maintenance costs and in actual recoverable expenses as compared to the Forecast at certain properties.	(25)	(36)
Total variance	$ 171	$ 160

NOI

For the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, NOI was $936 and $1,087 higher, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation	Three months ended September 30, 2013	For the period from March 4, 2013 to September 30, 2013
NOI attributed to the Illinois asset acquired July 15, 2013.	$ 741	$ 741
Straight-line rent adjustments on leases signed during the quarter ended September 30, 2013.	53	53
Unrealized vacancy assumed in the Forecast that did not occur.	139	238
Differences in timing of repair and maintenance costs and in actual recoverable expenses as compared to the Forecast at certain properties.	3	55
Total variance	$ 936	$ 1,087

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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, general and administrative expenses were $581 and $738 higher, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation	Three months ended September 30, 2013	For the period from March 4, 2013 to September 30, 2013
Professional fees incurred as a result of regulatory requirements related to the Illinois asset acquired on July 15, 2013.	$ 321	$ 321
Deferred compensation expense not assumed in the Forecast.	156	187
Differences in timing of expenses, in particular, professional fees not incurred evenly throughout the period but assumed to be incurred evenly throughout the Forecast.	104	230
Total variance	$ 581	$ 738

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, the investment properties are carried on the condensed consolidated interim statement of financial position at fair value. For the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, the REIT recognized fair value gains to investment properties of $3,573 and $2,984, respectively, as a result of new leases on approximately 42,000 square feet and marginal cap rate compression in certain markets. 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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, finance costs were $17,896 and $22,227 lower, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation		Three months ended September 30, 2013		For the period from March 4, 2013 to September 30, 2013
Fair value adjustment to Class B Units.	$	(18,437)	$	(22,784)
Fair value adjustment on financial instruments, net.		12		12
Differences in amortization of financing costs and mark-to-market premium, net due to timing of the IPO as compared to assumptions within the Forecast.		27		50
Differences in distributions 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.		383		387
Interest expense on mortgage payable related to the Illinois asset acquired on July 15, 2013.		168		168
Favorable variance in interest expense on the Revolving Facility as compared to Forecast due to repayment of outstanding balances on the Revolving Facility with proceeds from underwriters' overallotment.		(49)		(60)
Total variance	$	(17,896)	$	(22,227)

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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 is presented below, as compared to the Forecast included in the Prospectus for the three month period ended September 30, 2013 and the prorated period from April 26, 2013 to September 30, 2013:

	For the three months ended September 30, 2013			For the period from March 4, 2013 to September 30, 2013		
	Actual	**Forecast**	**Variance**	**Actual**	**Pro Rated Forecast**	**Variance**
Investment properties revenue	$ 12,577	$ 11,470	$ 1,107	$ 21,010	$ 19,763	$ 1,247
Investment properties operating expenses	3,207	3,036	171	5,377	5,217	160
Net operating income	**9,370**	**8,434**	**936**	**15,633**	**14,546**	**1,087**
Other (income) and expenses						
General and administrative	1,160	579	581	1,737	999	738
EBITDA	**8,210**	**7,855**	**355**	**13,896**	**13,547**	**349**
Fair value adjustment to investment properties	(3,573)	-	(3,573)	(2,984)	-	(2,984)
Finance costs	(13,616)	4,280	(17,896)	(14,882)	7,345	(22,227)
Net income and comprehensive income	**$ 25,399**	**$ 3,575**	**$ 21,824**	**$ 31,762**	**$ 6,202**	**$ 25,560**
Add/(Deduct):						
Fair value adjustment to investment properties	(3,573)	-	(3,573)	(2,984)	-	(2,984)
Fair value adjustments to financial instruments	(18,425)	-	(18,425)	(22,772)	-	(22,772)
Distribution on Class B Units treated as interest expense	2,285	1,902	383	3,668	3,281	387
FFO	**$ 5,686**	**$ 5,477**	**$ 209**	**$ 9,674**	**$ 9,483**	**$ 191**
Add/(Deduct):						
Leasing cost reserve (1)	(692)	(600)	(92)	(1,127)	(1,035)	(92)
Capital expenditure reserve (2)	(222)	(213)	(9)	(376)	(367)	(9)
Amortization of mark-to-market mortgages payable premium	(205)	(208)	3	(341)	(357)	16
Amortization of financing charges	126	102	24	211	177	34
Deferred compensation expense	163	-	163	194	-	194
Amortization of straight-line rent	(594)	(475)	(119)	(1,016)	(915)	(101)
Amortization of tenant incentives	2	14	(12)	2	23	(21)
AFFO	**$ 4,264**	**$ 4,097**	**$ 167**	**$ 7,221**	**$ 7,009**	**$ 212**
FFO per Unit (basic and diluted)	$ 0.236	$ 0.262	(0.026)	$ 0.418	$ 0.454	(0.036)
AFFO per Unit (basic and diluted)	$ 0.177	$ 0.196	(0.019)	$ 0.312	$ 0.336	(0.024)

(1) The leasing cost reserve is calculated as $0.28 per square foot, based on a five-year average of expected leasing commissions and tenant improvements.

(2) The capital expenditure reserve is calculated as $0.09 per square foot, based on a five year average of expected capital expenditures.

FFO

For the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, FFO was $209 and $191 higher, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation		**Three months ended September 30, 2013**		**For the period from March 4, 2013 to September 30, 2013**
FFO attributable to the Illinois asset acquired July 15, 2013.	$	252	$	252
Unfavorable variance as compared to the Forecast, primarily due to higher general and administrative expenses as a result of differences in timing of expenses incurred as compared to Forecast. This variance is partially offset by higher NOI and lower finance costs, as described above.		(43)		(61)
Total variance	$	209	$	191

AFFO

For the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, AFFO was $167 and $212 higher, respectively, as compared to Forecast for the reasons described in the following table:

Variance Explanation		**Three months ended September 30, 2013**		**For the period from March 4, 2013 to September 30, 2013**
AFFO attributable to the Illinois asset acquired July 15, 2013.	$	94	$	94
Trustee fees assumed to have been paid in cash per the Forecast.		75		129
Other		(2)		(11)
Total variance	$	167	$	212

During the quarter ended September 30, 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 24,069,551 Units for the three months ended September 30, 2013 and 23,139,206 Units for the period from March 4, 2013 to September 30, 2013. For the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013, FFO per unit was $0.026 and $0.036 lower, respectively, as compared to Forecast. AFFO per Unit for the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 was $0.019 and $0.024 lower, respectively, as compared to Forecast. The cause for this variance is an increase in the weighted average number of Units outstanding during the quarter ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 as compared to the Forecast primarily due to the REIT Units issued in connection with the underwriters' over-allotment. Additionally, the impact of the $321 in non-recurring professional fees incurred as a result of regulatory requirements on the Illinois asset acquisition is unfavorable to our FFO and AFFO per Unit metrics, as well as our AFFO payout ratio as discussed below.

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 as these costs are considered to be non-recurring. The REIT's AFFO payout ratio (including the impact of the underwriters' over-allotment and non-recurring general and administration expenses related to the July 15, 2013 acquisition) for the period from March 4, 2013 to September 30, 2013 was 97.9%. Excluding the impact of these transactions, which were not contemplated in our Forecast, our AFFO payout ratio falls below 90%.

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 September 30, 2013, the REIT's debt-to-gross book value ratio was 52.9% (total outstanding principal amounts of mortgages payable and Revolving Facility of $260,605, divided by a gross book value of $492,681). 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		**Purchasing Capacity**
55%	$	23,044
60%	$	87,509

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 September 30, 2013, the REIT's interest coverage ratio was 3.19 times, demonstrating an ability to adequately cover interest expense requirements. The REIT's weighted average effective interest rate on all indebtedness as at September 30, 2013 was 4.0%.

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

		Three months Ended September 30, 2013		**Period from March 4, 2013 to September 30, 2013**
Cash provided by/(used in):				
Operating activities	$	6,202	$	11,739
Investing activities	$	665	$	(64,968)
Financing activities	$	(7,304)	$	58,710
(Decrease) increase in cash and cash equivalents during the period	$	**(437)**	$	**5,481**
Cash and cash equivalents, beginning	$	5,918	$	-
Cash and cash equivalents, end	$	5,481	$	5,481

Cash flows from operating activities for the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 of $6,202 and $11,739, respectively, primarily related to the operation of the investment properties.

Cash flows from investing activities for the three months ended September 30, 2013 of $665 primarily related to cash balances assumed associated with the acquisition of the Illinois asset, 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 September 30, 2013 of $64,968 primarily related to the cash component of consideration paid for the acquisition of the REIT's 38 investment properties.

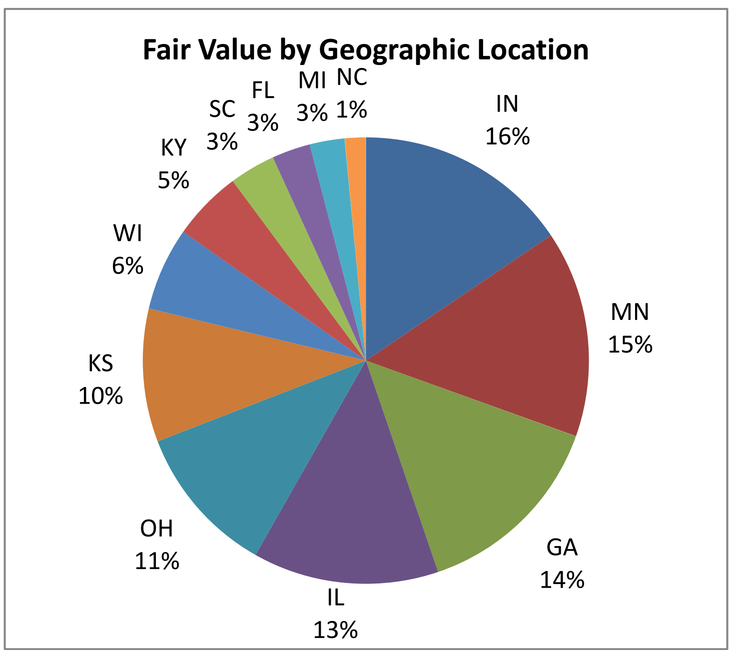
Cash flows used in financing activities for the three months ended September 30, 2013 of $7,304 primarily related to cash used to pay interest expense on mortgages payable and bank indebtedness as well as distributions to Unitholders. Cash flows generated by financing activities for the period from March 4, 2013 to September 30, 2013 of $58,710 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 $51,000. This was partially offset by the repayment of debt of approximately $81,559, the payment of financing costs and interest of approximately $8,766 and the payment of distributions to Unitholders of approximately $2,777.

Investment Properties

Investment properties include land, building, improvements to investment properties and all direct leasing costs incurred in obtaining property tenants. As at September 30, 2013, the fair value of our investment property portfolio was $492,681, representing a weighted-average, in-place capitalization rate of 7.2%. Excluding the impact of the Illinois asset acquisition, 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 new leases on approximately 42,000 square feet and marginal 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 6.75% - 10.00%. The REIT retained an independent third-party appraiser to appraise each investment property contained within the portfolio and intends to engage third-party appraisers to prepare valuations on a portion of the portfolio annually, such that the entire portfolio is appraised on a regular basis. The fair value of investment properties by geographic region is as follows:

State		September 30, 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		16,500
Florida		13,670
Michigan		12,550
North Carolina		7,475
Total	$	492,681



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:

	September 30, 2013	June 30, 2013
Mortgages payable	$ 217,105	$ 185,650
Mark-to-market adjustment, net	4,362	4,567
Financing costs, net	(649)	(491)
Total	220,818	189,726
Less: Current portion	(16,359)	(5,023)
Long-term mortgages payable	$ 204,459	$ 184,703

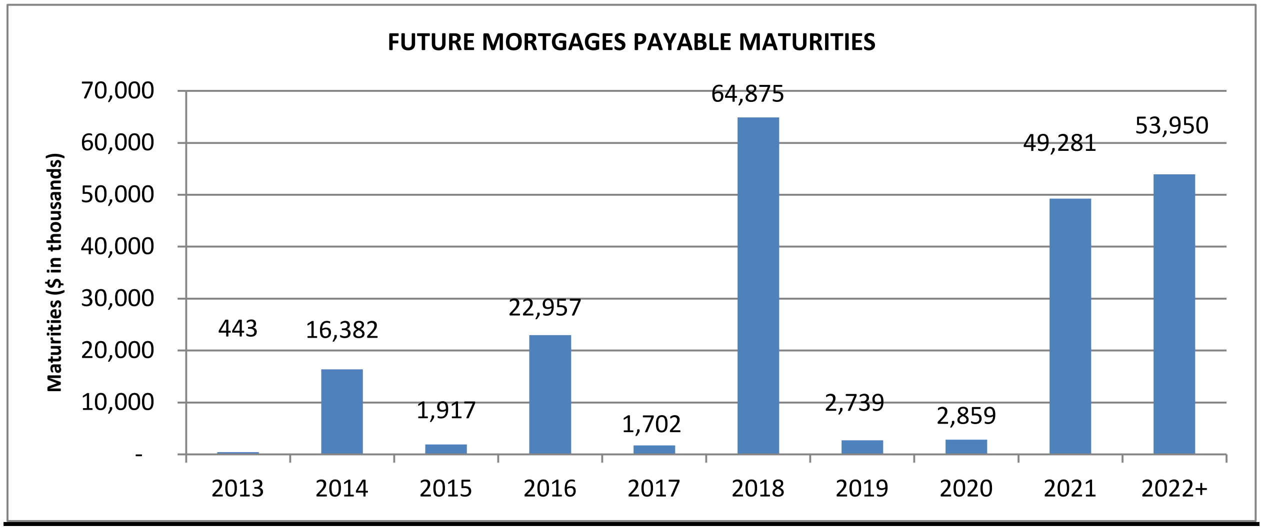
During the quarter ended September 30, 2013, the REIT entered into a new variable rate mortgage payable in connection with the newly acquired Illinois asset for $31,800, maturing in 2018. As a result, variable rate debt as a percentage of total debt increased to 28.9% as at September 30, 2013 as compared to 17.0% as at June 30 2013.

On April 26, 2013, the REIT purchased an interest rate cap instrument covering a notional principal amount of $50,000 and provides for a LIBOR cap of 50 basis points. As at September 30, 2013, the percentage of variable rate indebtedness outstanding and not covered under this interest rate cap was 9.7% of the total portfolio indebtedness.

As at September 30, 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 September 30, 2013	Weighted Average Maturing Effective Rate	Scheduled Mortgage Payments	Principal Maturities	Total Repayments
Remainder of 2013	N/A	$ 443	$ -	$ 443
2014	5.63%	1,975	14,407	16,382
2015	N/A	1,917	-	1,917
2016	5.66%	1,978	20,979	22,957
2017	N/A	1,702	-	1,702
2018	3.47%	2,756	62,119	64,875
2019	N/A	2,739	-	2,739
2020	N/A	2,859	-	2,859
2021	4.83%	2,589	46,692	49,281
2022	N/A	1,722	-	1,722
Thereafter	3.65%	146	52,082	52,228
Totals		$ 20,826	$ 196,279	$ 217,105
Mark-to-market adjustment, net				4,362
Financing costs, net				(649)
Total				$ 220,818

The following chart shows the future maturities of mortgages payable as at September 30, 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 September 30, 2013, the REIT had borrowing availability on the Revolving Facility of $64,220 with $44,450 outstanding in draws and a letter of credit, leaving $19,770 remaining in availability. The applicable interest rate as at September 30, 2013 was 2.42%.

Commitments and Contingencies

As part of the IPO process, building condition assessment reports ("**BCA Reports**") were prepared for each of the 37 initial investment properties for the purpose of assessing and documenting the existing condition of each investment property and major investment property operating components and systems. As summarized in the table below, of the estimated $4,704 in costs identified in the BCA Reports over the next five years, 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.

		Immediate	Five Year Reserve						
		Cost	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**	**Avg.**
Recoverable & Non-recoverable Expense	$	380	285	1,038	709	441	1,552	4,025	805
Direct Tenant Work		104	245	111	46	132	145	679	136
	$	484	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, as well as the AFFO to FFO reconciliation under the "Reconciliation of FFO and AFFO to IFRS Measure" section in this MD&A.

Management views this reserve as conservative as a portion of the $4,025 will be recovered by tenants through recoverable expense adjustments. Actual capital expenditures for the period from March 4, 2013 to September 30, 2013 were $436.

As part of the acquisition process, a BCA was prepared for the Illinois asset acquired on July 15, 2013. Due to the triple-net nature of the lease and the age of the investment property, there are no significant capital expenditures expected within the next five years that would be borne by the REIT.

Additionally, 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.

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 condensed consolidated interim 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 issuance of Class B Units is provided for under the Agreement of Limited Partnership governing the Partnership. All Class B Units are held by Welsh, the external asset and property manager of the REIT, and therefore a related party. There are no voting rights associated with these Class B Units. The Class B Units issued in connection with the IPO are redeemable at the option of Welsh for cash or REIT Units, as determined by the Partnership in its sole discretion. The Class B Units issued in connection with the Illinois asset acquisition are redeemable at the option of Welsh for cash 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.

As at September 30, 2013, Welsh held 13,059,709 Class B Units, representing a total ownership interest of approximately 54.8%.

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 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 quarter ended September 30, 2013, the REIT purchased for cancellation 679,800 REIT Units under its NCIB at a weighted average price of $8.14. As a result, the number of outstanding REIT Units as at September 30, 2013 was 10,750,200.

As at September 30, 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	54.8%
REIT Units	10,750,200	-	10,750,200	45.2%
Total	10,750,200	13,059,709	23,809,909	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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 was $32 and $43, 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	5.8 years
Risk-free interest rate	1.71%
Expected volatility	30.00%
Dividend yield	8.53%

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.

During the quarter ended September 30, 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. On August 22, 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.

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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 was $131 and $151, respectively, related to these instruments.

PART III

INTERNAL CONTROLS

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 (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators) 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 interim filings are being prepared, (ii) material information required to be disclosed in the interim filings or other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported on a timely basis and within the time period specified by 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

RISKS AND UNCERTAINTIES

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 Prospectus 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 Prospectus. The disclosures in this MD&A are subject to the risk factors outlined in the Prospectus.

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, not including closing costs, 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 both the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 were $306 and $503, 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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 were $305 and $526, respectively.

As the sole unitholder of all Class B Units, Welsh received cash distributions for the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 of $2,156 and $2,907, respectively. As at September 30, 2013, distributions payable to Welsh of approximately $761 were recorded in the condensed consolidated interim 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 September 30, 2013 and for the period from March 4, 2013 to September 30, 2013 was $260 and $446, 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 condensed consolidated interim financial statements for the three months ended September 30, 2013 and for the period from March 4, 2013 to September 30, 2013.

PART VII

SUBSEQUENT EVENTS

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