WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FOR THE THREE MONTHS ENDED MARCH 31, 2016

May 12, 2016

CONTENTS

PART I

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") is prepared as at May 12, 2016 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 March 31, 2016 and 2015. This MD&A should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2016 and 2015 and the REIT's audited consolidated financial statements and accompanying notes for the years ended December 31, 2015 and 2014. These documents, as well as additional information relating to the REIT (including the REIT's annual information form for the year ended December 31, 2015) (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**"), same properties NOI ("**Same properties 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 condensed consolidated interim financial statements of the REIT for the three months ended March 31, 2016 and 2015, 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 transaction costs expensed as a result of the purchase of an investment property being accounted for as a business combination; (v) plus distributions on redeemable or exchangeable units treated as interest expense; (vi) plus or minus any negative goodwill or goodwill impairment; (vii) 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 (viii) 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) plus amortization of tenant incentives (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 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.

Same properties NOI is used by management to evaluate period-over-period performance of investment properties fully owned by the REIT. Same properties NOI represents NOI from investment properties acquired and owned for consistent periods and excludes amortization of straight-line rent and amortization of lease incentives and other rental income. Same properties NOI has been reconciled to NOI for the consolidated portfolio under the headings "Same properties NOI" and "Same properties NOI prior quarter comparison".

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 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 the external manager'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 under the "Risk Factors" section of this MD&A.

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

OVERVIEW

The REIT is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust dated March 4, 2013, 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. dollars, under the symbol "WIR.U", and in the U.S. on the OTCQX marketplace ("**OTCQX**") under the symbol "WPTIF". As at March 31, 2016, there were 27,025,738 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 March 31, 2016, 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 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 $2,430.

On February 20, 2015, the REIT indirectly acquired from a third party, 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. The strategic process was completed on January 20, 2016. The REIT incurred expenses totaling $610 and $-0- for the three months ended March 31, 2016 and 2015, respectively, related to this process.

The REIT declared monthly distributions throughout the quarter ended March 31, 2016 at its annualized distribution rate of $0.76 per unit, or $0.0633 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 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 existing 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/distribution presence in the U.S. continues to be important for most large companies as a result of increasing labor costs and instability in foreign markets, trade routes and seaports. This macroeconomic and geopolitical landscape has forced companies to re-evaluate their supply chain networks, 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 substantially completed expansion of the Panama Canal is expected to result in continued 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 continue to create the need to distribute goods directly to inland ports and expands 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, continues to experience a significant increase in both domestic and foreign capital investments. 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 has executed a number of strategies aimed at enhancing Unitholder value through both organic and external growth. Management believes Unitholders will continue to benefit from the external manager's significant experience acquiring, managing and disposing of industrial properties. The external manager maintains an extensive network of relationships with brokers, tenants and institutional and private owners of industrial real estate in its key target geographic markets and leverages these relationships to enhance tenant retention and source accretive acquisitions of new industrial properties for the REIT.

Organic growth comes 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 comes from a disciplined approach to targeting the acquisition of state-of-the-art distribution properties in major U.S. distribution markets. The objective of the REIT's external growth initiatives is to continue expanding the REIT's portfolio in order to enhance geographic and tenant 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.
- Whether the properties are situated within municipalities, counties, or states that provide economic incentives to tenants and/or landlords.
- Whether the properties are in strategic expansion markets for the REIT.
- 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 also 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.

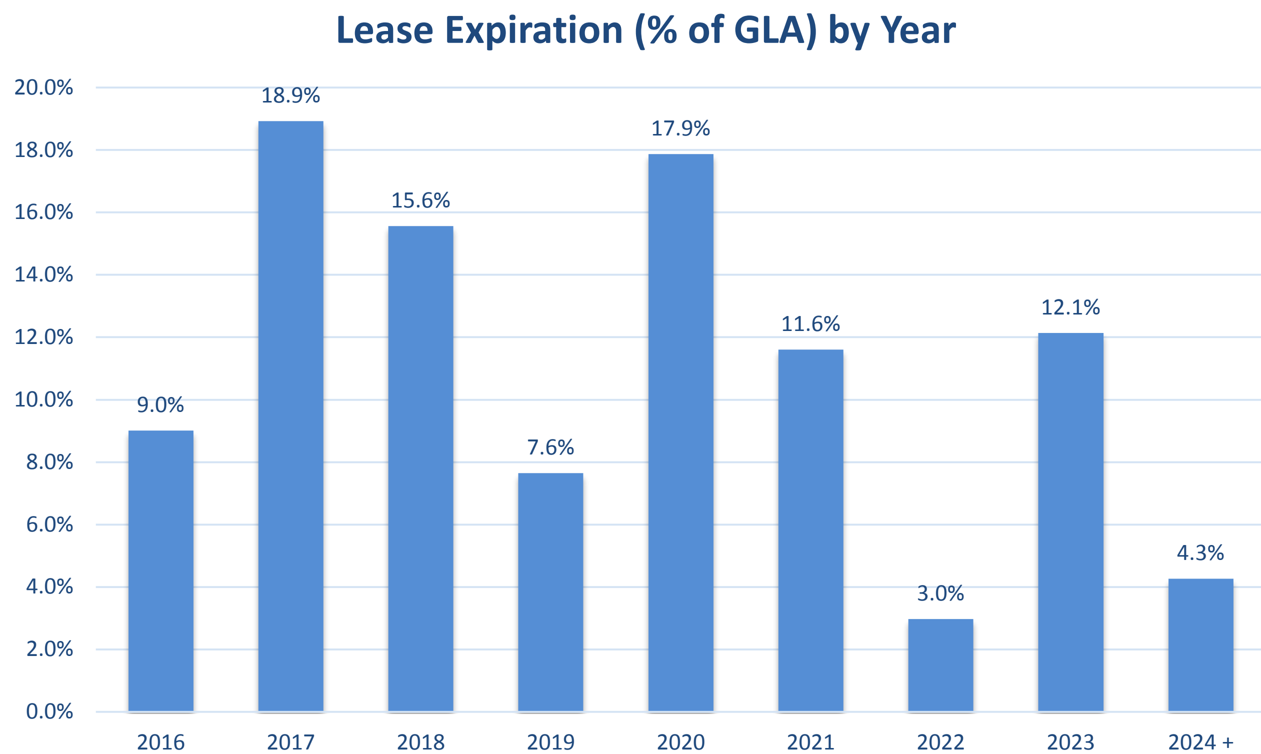
The criteria outlined above are designed to provide the REIT with the opportunity to acquire properties in strategic markets that will generate stable and growing cash flows and to meet the needs of tenants in the distribution subsector of the U.S. industrial real estate market. In addition, in the event 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 March 31, 2016, 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 98.0%.

The majority of the REIT's investment properties were constructed relatively recently, with a weighted average age of approximately 14 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 March 31, 2016:



Leases expiring	**13** (1)	**11**	**16**	**12**	**11**	**12**	**5**	**6**	**5**

(1) Includes two month-to-month leases occupying 0.4% of GLA.

The lease activity in the table above is based on the existing lease terms in-place as at March 31, 2016. Any early termination, extension options or other terms that may impact the expiration or terms of the lease are not reflected in the above table unless they have been formally exercised or otherwise agreed upon in writing as at March 31, 2016.

Occupancy roll-forward

The following table summarizes the change in occupancy (square feet in thousands) during the three months ended March 31, 2016:

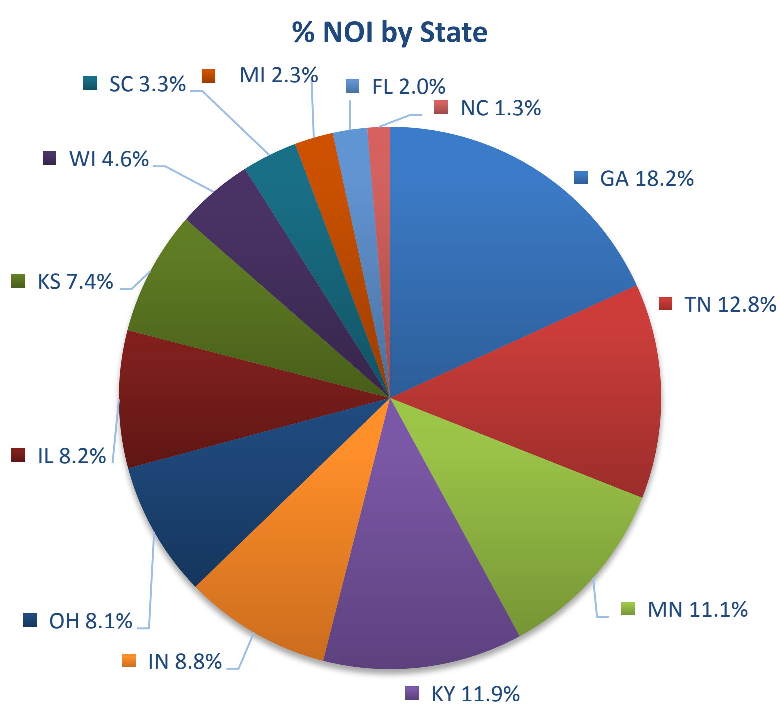
	Three months ended March 31, 2016 (sq. ft.)	**Occupancy**
Occupancy at beginning of period	14,885.3	98.6%
Expansions	50.4	
Renewals	279.8	
Expiries	(279.8)	
Early terminations	(133.4)	
Occupancy as at March 31, 2016	**14,802.3**	**98.0%**

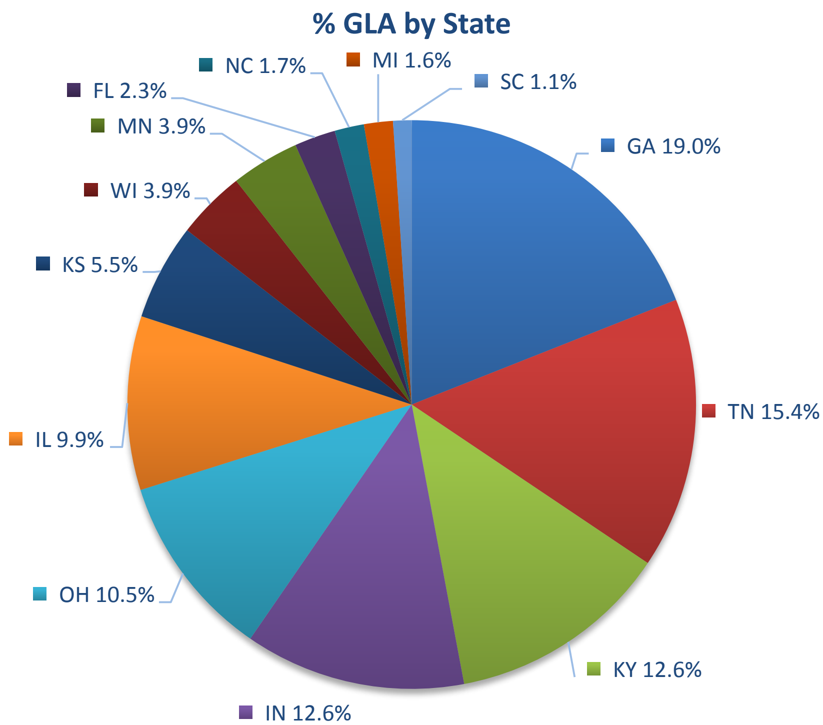
Per the preceding table, the REIT's renewal rate for leased square feet expiring during the three months ended March 31, 2016 was 100.0%. During the three months ended March 31, 2016, the REIT also renewed leases totaling 247,450 square feet with lease commencement dates in future years.

The REIT's investment properties are geographically diversified as follows (GLA in thousands) as at March 31, 2016:

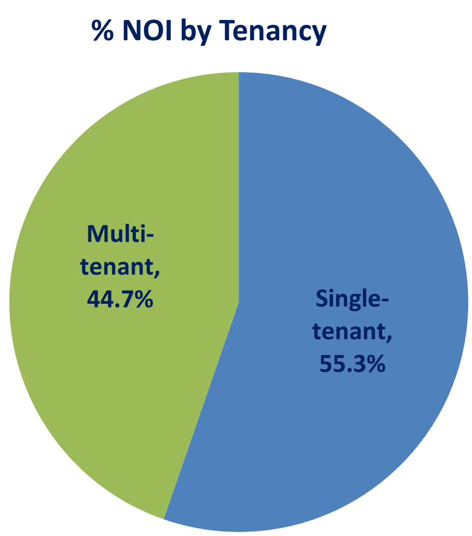
State	Number of Investment Properties	Number of Tenants	Owned GLA (sq. ft.)	% of Owned GLA
Georgia	8	14	2,868.3	19.0%
Tennessee	6	10	2,327.0	15.4%
Kentucky	4	5	1,907.4	12.6%
Indiana	3	5	1,896.5	12.6%
Ohio	4	4	1,590.5	10.5%
Illinois	3	5	1,492.1	9.9%
Kansas	4	5	827.1	5.5%
Wisconsin	4	8	589.7	3.9%
Minnesota	6	20	586.4	3.9%
Florida	3	7	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**	**90**	**15,097.5**	**100.0%**

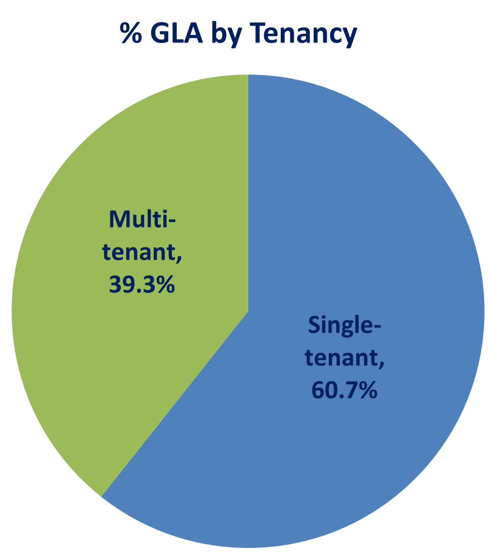
The following charts show the NOI by state for the three months ended March 31, 2016 and GLA by state as at March 31, 2016 of the REIT's portfolio:





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 March 31, 2016 and a percentage of GLA as at March 31, 2016:





The following table highlights the top ten tenants by annualized contractual base rent and GLA occupied as at March 31, 2016:

Top 10 Tenants	% of Total Annualized Base Rent	GLA Occupied	% of Total Portfolio GLA
General Mills Operations, LLC	7.4%	1,512,552	10.0%
Unilever Home & Personal Care	6.2%	1,262,648	8.4%
Zulily Inc	4.2%	737,471	4.9%
Fullbeauty Brands, Inc.	3.9%	741,092	4.9%
Essendant Co (formerly United Stationers Supply Co)	3.8%	654,080	4.3%
CEVA Logistics U.S. Inc	3.5%	648,750	4.3%
Amazon.com	3.5%	572,000	3.8%
Radial, Inc. (formerly eBay Enterprise, Inc.)	3.4%	543,512	3.6%
Honeywell International Inc	3.4%	754,000	5.0%
KGP Logistics, Inc.	3.2%	311,100	2.1%
Total	42.5%	7,737,205	51.3%

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(in thousands of USD, except per Unit amounts)

As at and for the quarter ended	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Operating Results:								
Investment properties revenue (1)	$ 17,564	$ 15,769	$ 17,705	$ 17,563	$ 16,386	$ 15,431	$ 15,227	$ 13,846
NOI (1) (2)	13,029	11,372	13,420	13,358	12,452	11,796	11,610	10,480
Net income (loss) and comprehensive income (loss)	24,190	(2,560)	33,999	3,860	(13,739)	(9,497)	18,285	(2,146)
FFO (1) (2) (3)	7,511	6,121	8,617	8,143	7,990	7,623	7,431	6,541
AFFO (2) (4)	7,180	7,423	7,361	7,156	6,697	6,363	6,234	5,155
FFO per Unit (1) (2) (5) (6) (7)	0.223	0.181	0.255	0.241	0.247	0.259	0.252	0.238
AFFO per Unit (2) (5) (6)	0.213	0.220	0.218	0.212	0.207	0.216	0.212	0.188
Distributions:								
Distributions per Unit (5) (6) (8)	0.190	0.190	0.180	0.175	0.175	0.175	0.175	0.175
Distributions declared (6) (8)	6,409	6,408	6,071	5,903	5,903	5,148	5,148	4,896
AFFO payout ratio (2) (8)	89.3%	86.3%	82.5%	82.5%	88.1%	80.9%	82.6%	95.0%
Weighted average number of Units (5) (6)	33,748,433	33,748,433	33,748,433	33,748,433	32,406,766	29,435,733	29,435,714	27,441,017

As at	March 31, 2016	December 31, 2015
Operational Information:		
Number of investment properties	48	48
GLA	15,097,471	15,097,471
Occupancy	98.0%	98.6%
Average remaining lease term (years)	3.8	3.9
Fair value of investment properties	$ 745,727	$ 742,592
Ratios:		
Weighted average effective interest rate **(9)**	3.8%	3.8%
Variable interest rate debt as percentage of total debt **(10)**	12.8%	12.9%
Debt-to-gross book value **(2)**	48.2%	48.6%
Interest coverage ratio **(2)**	3.3x	3.2x
Fixed charge coverage ratio **(2)**	2.9x	2.8x
Debt to EBITDA **(2)**	8.1x	8.1x

(1) The three months ended December 31, 2015 includes a cumulative non-recurring adjustment of $1,652 due to the overstatement of straight-line rent. Refer to the REIT's MD&A for the year ended December 31, 2015 for further details.

(2) 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.

(3) Reconciliations of FFO to net income (loss) can be found on page 14 for the three months ended March 31, 2016 and 2015. Refer to the REIT's respective annual or interim MD&As issued for a reconciliation of FFO to net income (loss) relating to all other periods.

(4) Reconciliations of AFFO to FFO can be found on page 14 for the three months ended March 31, 2016 and 2015. Refer to the REIT's respective annual or interim MD&As issued for a reconciliation of AFFO to FFO relating to all other periods.

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

(6) Excludes options and DTUs outstanding under the REIT's equity compensation plans.

(7) Excluding strategic process expenses and the cumulative non-recurring adjustment to straight-line rent (see footnote 1 above), FFO per Unit (basic) would have been $0.241, $0.248, $0.263 and $0.255 for the three months ended March 31, 2016, December 31, 2015, September 30, 2015 and June 30, 2015, respectively.

(8) Includes distributions on REIT Units and Class B Units.

(9) Includes mortgages payable, the Revolving Facility, mark-to-market adjustments and financing costs.

(10) Includes amounts outstanding under the Revolving Facility.

RESULTS OF OPERATIONS

The following tables compare results for the three months ended March 31, 2016 and 2015. The principal reason for the variances between the financial figures presented in such year-over-year periods is the impact of the Memphis Portfolio, which was acquired on February 20, 2015.

	Three months ended March 31, 2016	Three months ended March 31, 2015	Variance
Investment properties revenue	$ 17,564	$ 16,386	$ 1,178
Investment properties operating expenses	12,216	9,822	2,394
Fair value adjustment to investment properties – IFRIC 21	(7,681)	(5,888)	(1,793)
Net operating income (1)	13,029	12,452	577
Other (income) and expenses			
General and administrative	1,470	1,555	(85)
Fair value adjustment to investment properties	(2,216)	2,739	(4,955)
Finance costs	(10,415)	21,897	(32,312)
Net income (loss) and comprehensive income (loss)	$ 24,190	$ (13,739)	$ 37,929

(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 $1,178 for the three months ended March 31, 2016 for the following reasons:

Variance Explanation	
Due to the Memphis Portfolio.	$ 1,378
Increase in base rent and higher recoveries of operating expenses	184
Decrease in non-cash straight-line rent.	(338)
Change in amortization of tenant incentives.	(46)
Total variance	$ 1,178

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 $2,394 for the three months ended March 31, 2016 for the following reasons:

Variance Explanation	
Due to the Memphis Portfolio.	$ 461
Higher operating expenses.	140
Adjustments for property taxes accounted for under IFRIC 21.	1,793
Total variance	$ 2,394

Net operating income
Net operating income was higher by $577 for the three months ended March 31, 2016 for the following reasons:

Variance Explanation		
Due to the Memphis Portfolio.	$	917
Increase in base rent and higher recoveries of operating expenses.		184
Higher operating expenses.		(140)
Decrease in non-cash straight-line rent.		(338)
Change in amortization of tenant incentives.		(46)
Total variance	$	577

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 lower by $85 for the three months ended March 31, 2016 for the following reasons:

Variance Explanation		
Strategic process expenses.	$	610
Additional asset management fees as a result of the Memphis Portfolio.		44
Deferred compensation expense, of which $941 is due to a decrease in fair value of units outstanding under the DUIP and the Plan.		(833)
Other.		94
Total variance	$	(85)

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 March 31, 2016 and 2015, the REIT recognized a fair value increase (decrease) to investment properties of $2,216 and ($2,739), respectively. The fair value adjustments are mainly due to cap rate compression in certain markets, lease renewals and changes in occupancy at certain properties, partially offset by the write-off of capitalized tenant 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 $32,312 for the three months ended March 31, 2016 for the following reasons:

Variance Explanation		
Fair value adjustment to Class B Units	$	(31,126)
Decrease in distributions on Class B Units mainly due to the redemption of Class B Units for REIT Units (see Part V).		(1,386)
Interest expense on mortgage payable related to the Memphis Portfolio.		213
Other.		(13)
Total variance	$	(32,312)

Reconciliation of Non-IFRS Measures

The reconciliation of non-IFRS measures to net income (loss) and comprehensive income (loss) for the three months ended March 31, 2016 and 2015 are presented below:

	Three months ended March 31, 2016	Three months ended March 31, 2015	Variance
Investment properties revenue	$ 17,564	$ 16,386	$ 1,178
Investment properties operating expenses	12,216	9,822	2,394
Fair value adjustment to investment properties – IFRIC 21	(7,681)	(5,888)	(1,793)
Net operating income	**13,029**	**12,452**	**577**
Other (income) and expenses			
General and administrative **(1)**	1,470	1,555	(85)
EBITDA **(1)**	11,559	10,897	662
Fair value adjustment to investment properties	(2,216)	2,739	(4,955)
Finance costs	(10,415)	21,897	(32,312)
Net income (loss) and comprehensive income (loss) **(1)**	$ **24,190**	$ **(13,739)**	$ **37,929**
Add/(Deduct):			
Fair value adjustment to investment properties	(2,216)	2,739	(4,955)
Fair value adjustments on Class B Units	(15,139)	15,987	(31,126)
Fair value adjustment to deferred compensation	(601)	340	(941)
Fair value adjustment to investment properties – IFRIC 21	(7,681)	(5,888)	(1,793)
Property taxes accounted for under IFRIC 21	7,681	5,888	1,793
Distributions on Class B Units treated as interest expense	1,277	2,663	(1,386)
FFO (1) (2)	$ **7,511**	$ **7,990**	$ **(479)**
Add/(Deduct):			
Leasing cost reserve **(2)**	(930)	(795)	(135)
Capital expenditure reserve **(3)**	(240)	(227)	(13)
Amortization of mark-to-market adjustments	(173)	(168)	(5)
Amortization of financing costs	169	156	13
Deferred compensation expense	376	268	108
Strategic process expenses	610	-	610
Amortization of straight-line rent	(315)	(653)	338
Amortization of tenant incentives	172	126	46
AFFO	$ **7,180**	$ **6,697**	$ **483**
FFO per Unit (basic) **(1) (4)**	$ 0.223	$ 0.247	$ (0.024)
AFFO per Unit (basic)	$ 0.213	$ 0.207	$ 0.006

(1) Includes strategic process expenses of $610 and $-0- for the three months ended March 31, 2016 and 2015, respectively.

(2) The leasing cost reserve is a weighted average rate of approximately $0.25 per square foot per annum as at March 31, 2016 and 2015, based on a five-year forward looking average of expected leasing commissions and tenant improvements on the portfolio.

(3) The capital expenditure reserve is a weighted average rate of approximately $0.06 per square foot per annum as at March 31, 2016 and

2015, based on the five-year forward looking average of expected capital expenditures on the portfolio.

(4) Excluding strategic process expenses, FFO per Unit (basic) would have been $0.241 for the three months ended March 31, 2016.

FFO

For the three months ended March 31, 2016, FFO was lower by $479 for the following reasons:

Variance Explanation		
Due to the Memphis Portfolio.	$	579
Increase in base rent and higher recoveries of operating expenses.		184
Higher operating expenses.		(140)
Decrease in non-cash straight-line rent.		(338)
Change in amortization of tenant incentives.		(46)
Strategic process expenses.		(610)
Other.		(108)
Total variance	$	(479)

AFFO

For the three months ended March 31, 2016, AFFO was higher by $483 for the following reasons:

Variance Explanation		
Due to the Memphis Portfolio.	$	456
Increase in base rent and higher recoveries of operating expenses.		184
Higher operating expenses.		(140)
Other.		(17)
Total variance	$	483

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 32,406,766 Units for the three months ended March 31, 2016 and 2015, respectively. The increase in the weighted average number of units outstanding is due to the January 2015 Offering of 4,312,500 Units.

For the three months ended March 31, 2016, FFO per Unit was lower by $0.024 as compared to the three months ended March 31, 2015, which is mainly due to strategic process expenses, lower non-cash straight-line rent, higher operating expenses and an increase in the weighted average number of units outstanding. These decreases were partially offset by the Memphis Portfolio and an increase in base rent and higher recoveries of operating expenses.

For the three months ended March 31, 2016, AFFO per Unit was higher by $0.006 as compared to the three months ended March 31, 2015, which is mainly due to the Memphis Portfolio and an increase in base rent and higher recoveries of operating expenses. These increases were partially offset by higher operating expenses and an increase in the weighted average number of units outstanding.

Distribution Policy

The REIT's Declaration of Trust provides the Board of Trustees with the authority 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 March 31, 2016 and 2015 was 89.3% and 88.1%, respectively. The increased AFFO payout ratio was mainly due to an increase in the REIT's annualized distribution rate from $0.70 per unit to $0.76 per unit effective with the distribution paid on October 15, 2015, which was partially offset by the Memphis

Portfolio and an increase in base rent and higher recoveries of operating expenses.

Same properties NOI

The same properties disclosed in the following table are investment properties acquired prior to January 1, 2015.

	Three months ended March 31,		Variance	
	2016	**2015**	**($)**	**(%)**
Net operating income (1)	$ 13,029	$ 12,452	$ 577	4.6%
Amortization of straight-line rent	(315)	(653)	338	(51.8%)
Amortization of tenant incentives	172	126	46	36.5%
Acquisitions	(1,630)	(713)	(917)	128.6%
Same properties NOI (1) (2)	$ 11,256	$ 11,212	$ 44	0.4%
Average occupancy (same properties)	98.3%	98.8%	-	(0.5%)

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

(2) Same properties NOI excludes the amortization of straight-line rent and amortization of lease incentives.

Same properties NOI for the three months ended March 31, 2016 increased by $44, or 0.4%, when compared to the same period in 2015, mainly due to an increase in base rent and higher recoveries of operating expenses, partially offset by a decrease in average occupancy.

Same properties NOI prior quarter comparison

The same properties disclosed in the following table are investment properties acquired prior to October 1, 2015**.**

	Three months ended		Variance	
	March 31, 2016	**December 31, 2015**	**($)**	**(%)**
Net operating income (1)	$ 13,029	$ 11,372	$ 1,657	14.6%
Amortization of straight-line rent	(315)	1,413	(1,728)	(122.3%)
Amortization of tenant incentives	172	142	30	21.1%
Same properties NOI (1) (2)	$ 12,886	$ 12,927	$ (41)	(0.3%)
Average occupancy (same properties)	98.4%	98.5%	-	(0.1%)

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

(2) Same properties NOI excludes the amortization of straight-line rent and amortization of lease incentives.

Same properties NOI for the three months ended March 31, 2016 decreased by $41, or 0.3% when compared to the three months ended December 31, 2015 mainly due to a decrease in average occupancy and other income, partially offset by a 0.5% increase in base rent and recoveries of operating expenses.

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 around 55% of gross book value. As at March 31, 2016 and December 31, 2015, the REIT's debt-to-gross book value ratio was 48.2% and 48.6% (total outstanding principal balance of mortgages payable and the Revolving Facility of $359,550 and $360,795 as at March 31, 2016 and December 31, 2015, respectively, divided by a gross book value of $745,727 and $742,592 as at March 31, 2016 and December 31, 2015, respectively). The REIT's debt to EBITDA ratio was 8.1 times as at March 31, 2016 and December 31, 2015. The REIT has no convertible debentures outstanding and has never issued any.

The REIT uses cash flow from operations and debt level indicators to assess its ability to meet its financing obligations. For the three months ended March 31, 2016, the REIT's interest coverage ratio was 3.3 times (excluding adjustments for property taxes accounted for under IFRIC 21), and its fixed charge coverage ratio was 2.9 times (excluding adjustments for property taxes accounted for under IFRIC 21), demonstrating an ability to more than adequately cover the REIT's financing obligations. The REIT's weighted average effective interest rate on all indebtedness as at March 31, 2016 and December 31, 2015 was 3.8%.

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

	Three months ended March 31, 2016	Three months ended March 31, 2015
Cash provided by/(used in):		
Operating activities	$ 11,689	$ 10,659
Financing activities	(11,161)	79,158
Investing activities	(786)	(87,845)
Increase (decrease) in cash and cash equivalents during the period	**(258)**	**1,972**
Cash and cash equivalents, beginning of period	5,856	5,526
Cash and cash equivalents, end of period	$ **5,598**	$ **7,498**

Cash flows from operating activities for the three months ended March 31, 2016 and 2015 of $11,689 and $10,659, 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 March 31, 2016	Three months ended March 31, 2015
Cash flows provided by operating activities	$ **11,689**	$ **10,659**
Less: Interest paid (excluding distributions on Class B Units classified as finance costs incurred)	(3,447)	(3,172)
	8,242	7,487
Distributions paid (1)	(6,409)	(5,651)
Excess of cash flows provided by operating activities over distributions paid	$ **1,833**	$ **1,836**

Cash flows provided by operating activities		**11,689**		**10,659**
Change in non-cash working capital		(498)		319
Less: Interest expense (2)		(3,451)		(3,259)
Less: Leasing cost reserve and capital expenditure reserve		(1,170)		(1,022)
Plus: Strategic process expenses		610		-
AFFO (3)	$	**7,180**	$	**6,697**
Distributions declared (1)	$	6,409	$	5,903
AFFO payout ratio (3)		89.3%		88.1%

(1) Includes distributions on REIT Units and distributions on Class B Units.
(2) Includes interest on mortgages payable and Revolving Facility interest 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. In these cases, some portion of distributions may come from the REIT's own capital, or financing sources other than cash flow from operations.

Cash flows used in financing activities for the three months ended March 31, 2016 of ($11,161) primarily related to 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 provided by financing activities for the three months ended March 31, 2015 of $79,158 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 three months ended March 31, 2016 and 2015 of $786 and $87,845, respectively, primarily related to cash paid for acquisitions of investment properties (for the three months ended March 31, 2015), additions to investment properties, and changes in capital escrow amounts required to be held in connection with certain mortgages payable.

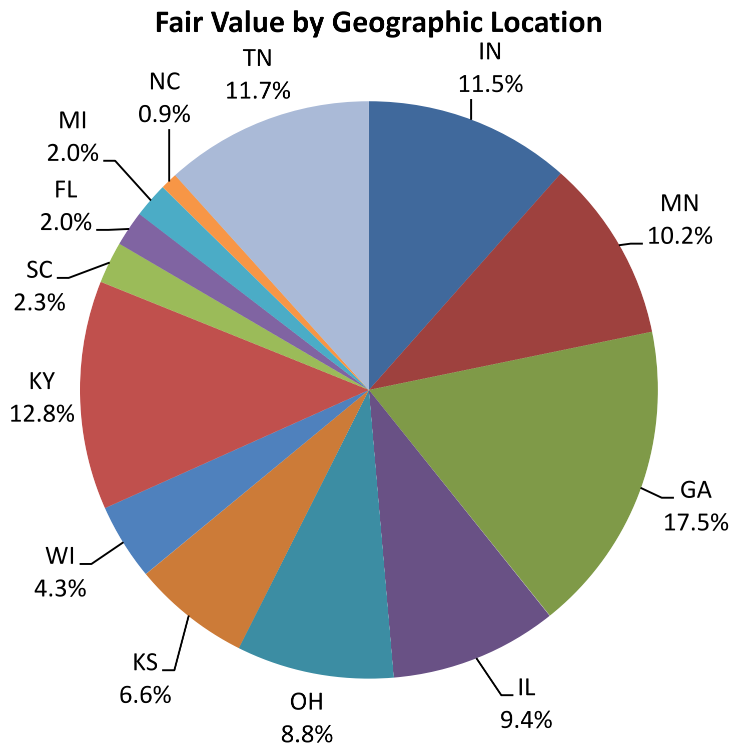
Investment Properties

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 and current 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 with 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 Board of Trustees. Additionally, the REIT, as part of management's regular review of the investment properties fair value, obtains independent third party appraisals for existing investment properties in the portfolio on a three-year rotation, such that roughly one-third of the portfolio is appraised annually.

As at March 31, 2016, the fair value of investment properties was $745,727 ($742,592 as at December 31, 2015), implying a weighted average terminal capitalization rate of 7.00% (7.06% as at December 31, 2015).

State		Fair Value
Georgia	$	130,450
Kentucky		95,450
Tennessee		87,167
Indiana		86,000
Minnesota		76,650
Illinois		69,800
Ohio		65,700
Kansas		49,085
Wisconsin		31,650
South Carolina		17,425
Florida		14,750
Michigan		14,600
North Carolina		7,000
Total	$	**745,727**



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:

		March 31, 2016		December 31, 2015
Mortgages payable	$	313,550	$	314,095
Mark-to-market adjustments, net		2,522		2,695
Financing costs, net		(1,224)		(1,315)
Carrying value		314,848		315,475
Less current portion		(23,085)		(23,161)
Non-current mortgages payable	**$**	**291,763**	**$**	**292,314**

As at March 31, 2016, approximately 33.7% of the REIT's outstanding mortgages payable were payable to a single financial institution, of which 14.6% matures in 2021 and 19.1% matures in 2023.

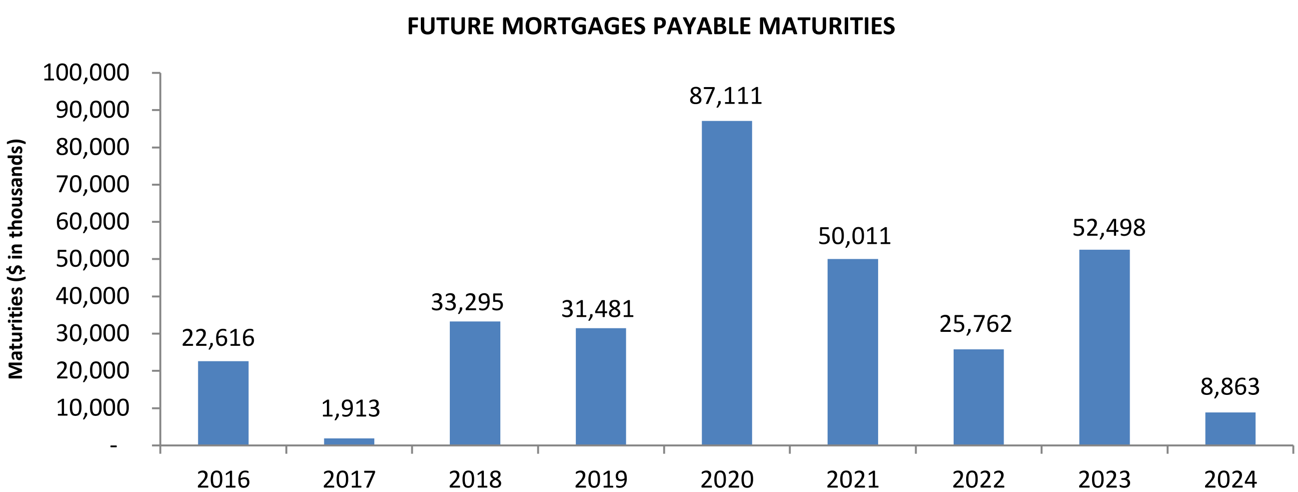
As at March 31, 2016 and December 31, 2015, mortgages payable bear interest at various rates ranging from 2.87% to 5.80%, and have a weighted average effective interest rate of 3.98%, with maturity dates ranging from 2016 - 2024. The weighted average term to maturity on mortgages payable was 4.7 years and 4.9 years as at March 31, 2016 and December 31, 2015, respectively. As at March 31, 2016, there were no mortgages payable with variable interest rates.

During the three months ended March 31, 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 weighted average maturing effective interest rates, scheduled mortgage repayments, principal mortgage maturities, and scheduled interest payments are as follows as at March 31, 2016:

	Weighted Average Maturing Effective Interest Rates	Scheduled Mortgage Repayments	Principal Mortgage Maturities	Total Principal Repayments	Scheduled Interest Payments	Total Debt Service Repayments
2016 (remainder)	5.8%	$ 1,637	$ 20,979	$ 22,616	$ 9,323	$ 31,939
2017	-	1,913	-	1,913	11,112	13,025
2018	4.5%	2,976	30,319	33,295	10,549	43,844
2019	3.4%	3,156	28,325	31,481	8,866	40,347
2020	3.1%	3,561	83,550	87,111	6,844	93,955
2021	5.1%	3,319	46,692	50,011	5,108	55,119
2022	3.8%	2,228	23,534	25,762	2,835	28,597
2023	3.7%	416	52,082	52,498	680	53,178
2024	4.0%	186	8,677	8,863	265	9,128
Totals		$ 19,392	$ 294,158	$ 313,550	$ 55,582	$ 369,132
Mark-to-market adjustment, net				2,522		
Financing costs, net				(1,224)		
Total carrying value of mortgages payable				$ 314,848		

The following chart shows the future maturities of mortgages payable as at March 31, 2016:



Revolving Facility

On April 26, 2013, the REIT entered into the Revolving Facility with a maximum commitment of $75,000, 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 interest 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 March 31, 2016 and December 31, 2015, the Revolving Facility interest rate was 2.69% and 2.68%, respectively.

Availability on the Revolving Facility was $75,000 as at March 31, 2016, of which the REIT had drawn $46,000, leaving remaining availability of $29,000.

On April 21, 2016, the REIT amended and extended its Revolving Facility, thereby increasing availability from $75,000 to $100,000 (subject to requisite borrowing base collateral) and extending the term for a period of three years maturing on April 21, 2019. The Revolving Facility continues to include an accordion feature which could increase the facility to $200,000. The REIT has the option to extend the Revolving Facility for an additional one-year period. As part of the amendment, certain financial covenants were amended. The interest rate on the amended Revolving Facility is based on either a base rate or LIBOR, in each case plus an applicable margin based on leverage. The REIT's availability as of April 21, 2016 was $77,580, of which the REIT has drawn $46,000, leaving remaining availability of $31,580.

Variable interest rate debt as a percentage of total debt was 12.8% and 12.9% as at March 31, 2016 and December 31, 2015, respectively.

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 per annum of the portfolio GLA based on a forward-looking five-year period. The leasing cost reserve per square foot 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.

The following table 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**	**Year ended December 31, 2015**	**Three months ended March 31, 2016**	**Since IPO**
Reserved	$	1,641	2,670	3,604	930	8,845
Actual	$	701	1,322	3,506	737	6,266
Excess	$	940	1,348	98	193	2,579

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 recurring maintenance capital expenditures to be approximately $0.06 per square foot per annum of the portfolio GLA based on a forward-looking five-year period. The capital expenditure reserve per square foot 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.

The following table 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**	**Year ended December 31, 2015**	**Three months ended March 31, 2016**	**Since IPO**
Reserved	$	558	860	952	240	2,610
Actual	$	372	323	152	39	886
Excess	$	186	537	800	201	1,724

Other Commitments and Contingencies
The REIT has a contingent obligation to expand the GLA at one of its investment properties at the option of the tenant. Management estimates the cost associated with this expansion, should it occur, to be approximately $1,000. The expansion is conditional on mutual agreement between the tenant and the REIT with regard to the base rental rates to be charged for occupying such expansion space. This contingent obligation will terminate at expiration of the underlying lease, inclusive of renewal options, on November 30, 2032.

The REIT has no off-balance sheet items.

EQUITY
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.

Class B Units, which are economically equivalent to REIT 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.

On January 11, 2016, Welsh Property Trust, LLC ("**Welsh**") redeemed 6,600,000 Class B Units in exchange for ownership and control over 6,600,000 REIT Units.

On January 19, 2016, Welsh redeemed 1,902,619 Class B Units in exchange for ownership and control over 1,902,619 REIT Units.

On January 20, 2016, Alberta Investment Management Corporation and affiliates ("**AIMCo**"), on behalf of certain of its clients, purchased 4,783,122 REIT Units from Welsh, resulting in an approximate 19.9% ownership of the issued and outstanding REIT Units at the time of the purchase and approximately 15.9% ownership assuming all remaining Class B Units are redeemed for REIT Units (excluding options and DTUs outstanding under the REIT's equity compensation plans).

As at March 31, 2016, Welsh held 6,722,695 Class B Units and 4,472,197 REIT Units, representing an effective ownership interest in the REIT of approximately 33.2% assuming all Class B Units are redeemed for REIT Units (excluding options and DTUs outstanding under the REIT's equity compensation plans).

As at March 31, 2016, ownership of the REIT was as follows:

	REIT Units	Class B Units	Total Units	% of Total
Welsh's retained interest	4,472,197	6,722,695	11,194,892	33.2%
Other unitholders	22,553,541	-	22,553,541	66.8%
TOTAL	27,025,738	6,722,695	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, 2014	570,000	$ 10.02
Forfeited in 2015	(13,333)	10.14
Outstanding, March 31, 2016 and December 31, 2015	556,667	$ 10.02
Exercisable, March 31, 2016 and December 31, 2015	304,445	$ 10.07

The total fair value of options granted as at March 31, 2016 and December 31, 2015 and as at the grant date was $295, $726 and $327, respectively. The aggregate intrinsic value of exercisable options as at March 31, 2016 and December 31, 2015 was $131 and $573, respectively. The weighted average remaining contractual life for outstanding options and for exercisable options as at March 31, 2016 was 7.5 years and 7.4 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 (income) attributable to these options for the three months ended March 31, 2016 and 2015, was ($373) and $223, respectively. These amounts include adjustments based on the fair value of the options as at March 31, 2016 and 2015.

As at March 31, 2016, fair value adjustments were determined using the Black-Scholes option pricing model with the following assumptions:

Expected option term	4.8 years
Risk-free interest rate	1.21%
Expected volatility	17.71%
Dividend yield	7.23%

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 the external manager of the REIT under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2014	124,028
DTUs granted through distributions	7,845
Forfeited DTUs	(4,432)
Total as at December 31, 2015	**127,441**
March 31, 2016 grant (1)	118,586
DTUs granted through distributions	2,373
Total as at March 31, 2016	**248,400**

(1) These DTUs were approved on May 13, 2015 and are being expensed over a five year vesting period from May 13, 2015 through May 13, 2020, but were not granted until March 31, 2016 due to a prolonged period of blackout, pursuant to the terms of the REIT's insider trading policy.

The total fair value of DTUs granted to officers and employees as at March 31, 2016 and December 31, 2015 was $2,608 and $1,523, respectively. As at March 31, 2016 and December 31, 2015, a total of 39,069 and 38,356 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, 2014	61,928
DTUs granted through distributions and 50% match	3,917
Total as at December 31, 2015	**65,845**
DTUs granted for services rendered in 2014 (1)	5,099
DTUs granted through distributions and 50% match related to 2014 (1)	14,396
DTUs granted for services rendered in 2015 (1)	29,267
DTUs granted through distributions and 50% match related to 2015 (1)	14,634
DTUs granted for services rendered in 2016	8,574
DTUs granted through distributions and 50% match related to 2016	5,512
Total as at March 31, 2016	**143,327**

(1) These DTUs were approved in the year in which they were earned and recorded as a deferred compensation liability, but were not granted until March 31, 2016 due to a prolonged period of blackout, pursuant to the terms of the REIT's insider trading policy.

The total fair value of DTUs granted to trustees as at March 31, 2016 and December 31, 2015 was $1,327 and $768, respectively. As at March 31, 2016 and December 31, 2015, a total of 106,526 and 57,714 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 months ended March 31, 2016 and 2015 was $148 and $385, respectively, related to these instruments. These amounts include adjustments based on the fair value of the REIT Units as at March 31, 2016 and 2015.

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 design of the REIT's disclosure controls and procedures as at March 31, 2016.

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 design of the REIT's internal controls over financial reporting as at March 31, 2016.

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 three months ended March 31, 2016 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, 2016 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 and WPT Capital Advisors, LLC ("**WPT Capital**"), a new entity and the successor in interest to Welsh as asset and property manager, are set forth below:

	Three months ended March 31, 2016	2015
Fees earned under asset management agreement (1)		
Acquisition fees	$ -	$ 867
Asset management fees	$ 444	$ 400
Construction management fees	$ 19	$ 58
Fees earned under property management agreement (2)	$ 435	$ 382
Other		
Redemption of Class B Units for REIT Units by Welsh (3)	8,502,619	-
Class B Unit distributions paid to Welsh (4)	$ 1,815	$ 2,663
REIT Unit distributions paid to Welsh (4)	$ 614	$ 132
Office rent (5)	$ 271	$ 265

(1) On April 26, 2013, the REIT entered into an asset management agreement with Welsh, under which Welsh provided certain asset management services to the REIT and its subsidiaries. On January 20, 2016, WPT Capital, under the first amendment to the asset management agreement, agreed to perform all of the duties and obligations as the asset manager of the REIT.

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. On January 20, 2016, the asset management agreement was amended to waive asset management fees in connection with any investments by the REIT in (i) any private investment funds managed and/or controlled by WPT Capital (each a "**Fund**") and (ii) any investment properties owned by the REIT or one or more of its affiliates as a co-investment with any Fund; excluding any investment property in which such Fund, directly or directly, holds less than 50% of the aggregate ownership interests ("**Fund Co-Investment Properties**"), for such time as such investment properties are Fund-Co-

Investment Properties. Asset management fees payable as at March 31, 2016 and December 31, 2015 were $5 and $144, 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. On January 20, 2016, the asset management agreement was amended to waive acquisition fees in connection with any investment properties acquired by the REIT from any Fund, and any Fund Co-Investment Properties.

- 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 as at March 31, 2016 and December 31, 2015 were -$0- and $51, 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 was the property manager of the investment properties owned by the REIT and administered the day-to-day operations of the REIT's portfolio of investment properties. On January 20, 2016, WPT Capital, under an assignment agreement, became responsible for providing property and facility management services in respect of the REIT's investment properties pursuant to the property management agreement.

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) On January 11, 2016, Welsh redeemed 6,600,000 Class B Units in exchange for ownership and control over 6,600,000 REIT Units.

On January 19, 2016, Welsh redeemed 1,902,619 Class B Units in exchange for ownership and control over 1,902,619 REIT Units.

On January 20, 2016, AIMCo, on behalf of certain of its clients, purchased 4,783,122 REIT Units from Welsh, resulting in Welsh directly and indirectly owning and controlling 4,472,197 REIT Units and 6,722,695 Class B Units as at March 31, 2016, respectively. As at December 31, 2015, Welsh owned and controlled 752,700 REIT Units and 15,225,314 Class B Units, respectively.

(4) Distributions payable to Welsh on Class B Units as at March 31, 2016 and December 31, 2015 were $425 and $964, respectively. Distributions payable to Welsh on REIT Units as at March 31, 2016 and December 31, 2015 were $283 and $48, respectively.

(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 WPT Capital 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 WPT Capital agree in writing are to be provided from time to time by WPT Capital. As at March 31, 2016 and December 31, 2015, the net payable due was $28 and $21, 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, 2015.