FAM REAL ESTATE INVESTMENT TRUST

Management's Discussion and Analysis
of Results of Operations and Financial Condition
For the three months ended March 31, 2013

Dated May 9, 2013

MESSAGE TO FELLOW UNITHOLDERS

In my inaugural letter to you, it is with great pleasure that I outline the progress which FAM REIT has achieved on several fronts since completing its IPO on December 28, 2012.

Financially, FAM REIT delivered strong results for the three months ended March 31, 2013. AFFO came in at $0.23 per diluted unit, representing an 82% payout ratio on the regular cash distribution of $0.1875 for the three month period (i.e. excluding the stub period payment for the 4-day period from December 28-31, 2012). If we exclude $0.01 per diluted unit of transactional and IPO related set-up costs incurred during the three months ended March 31, 2013, AFFO per diluted unit came in at $0.24, representing a 77% AFFO payout ratio. These results compare with $0.23 of AFFO per diluted unit for the IPO forecast during the same period.

Noteworthy is that these financial results were achieved with FAM REIT's leverage ratio of 52.1% at March 31, 2013, down from 54.5% at December 31, 2012. A hallmark of FAM REIT's long-term strategy is to maintain low financial leverage as we believe it provides downside protection while positioning the REIT for opportunistic acquisitions during periods of market dislocation.

Operationally, FAM REIT's portfolio occupancy remains at the top end of the Canadian diversified commercial REIT sector at 97.4% as of March 31, 2013, which is ahead of the 96.5% IPO forecast for the same period, and unchanged from December 31, 2012. As previously noted in our 2012 year-end press release, we expect to maintain occupancy at 96% or higher for the balance of 2013 based on our pipeline of leasing activity, and before taking into account any acquisition or disposition activity. Property NOI was $3.886 million during the three months ended March 31, 2013, which was 3.2% ahead of the $3.764 million IPO forecast, on account of higher occupancy and lower non-recoverable expenses. FAM REIT's property NOI margin was 64% for the three months ended March 31, 2013, which was ahead of the IPO forecast 62% margin, for the same reasons. Same-property NOI increased by 3.3% on a sequential quarterly basis as occupancy improvements and rent increases took effect.

On the transactional front, we had a busy quarter with a two-step sale of 220 Portage Ave in Winnipeg, Manitoba for $41 million (on a 100% basis; $20.5 million for our 50% interest) and the purchase of 4211 Yonge St, in Toronto, Ontario for $43 million. The sale of 220 Portage Ave closed on April 30, 2013, which generated a $6 million unrealized fair value gain recorded in our net earnings for the three months ended March 31, 2013, partially offset by a $2 million reduction in estimated fair value of two tertiary market properties due to changes in valuation assumptions. As a result of the $4 million net fair value gain, FAM REIT's IFRS-based equity value per diluted unit increased by 6.1% to $11.28 per unit at March 31, 2013 from $10.63 per unit at December 31, 2012.

During the quarter, we refinanced $18.7 million in mortgages for additional proceeds of $4.0 million. The mortgages were refinanced at fixed rates ranging from 4.29% to 4.91% over five year terms, which helped lower the cost of financing. Further, we repaid $5.6 million against the revolving line of credit, which had an outstanding balance of $6.3 million at December 31, 2012.

Importantly, the sale transaction allowed us to generate approximately $13.5 million of net cash proceeds and we accretively redeployed this capital into the acquisition of 4211 Yonge St, which closed on May 1, 2013. Owing to the quality of 4211 Yonge St, we secured an attractive $25 million new first mortgage, with a 10-year term, 3.68% fixed interest rate and 25-year loan amortization from a Canadian

Schedule I Chartered bank. We estimate the net impact of these transactions increases our run-rate AFFO per diluted unit by 4%.

The above initiatives significantly improve the risk-reward profile of FAM REIT for the benefit of our existing unitholders. Geographic diversification from the capital redeployment will result in annualized NOI derived from primary markets (GTA and Calgary) increasing to 39% from 24%, and our Winnipeg concentration declining to 40% from 53%.

We remain committed to creating value for our unitholders on a leverage-neutral basis, reducing risk and strengthening the quality and reliability of our cash distributions. I look forward to updating you on our initiatives in due course.

Sincerely yours,

Shant Poladian, CA, CPA
Chief Executive Officer

Contents

Management's Discussion and Analysis of Results of Operations and Financial Condition

Section 1 OBJECTIVES

Basis of Presentation

This Management's Discussion and Analysis of Results of Operations and Financial Condition ("MD&A") for the three months ended March 31, 2013 has been prepared and includes material financial information as of May 9, 2013. This MD&A should be read in conjunction with the audited consolidated financial statements of FAM Real Estate Investment Trust ("FAM REIT" or the "REIT") for the period from date of formation, August 27, 2012, to December 31, 2012 and the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2013, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All dollar amounts in this MD&A are in Canadian dollars.

Additional information relating to the REIT, including the REIT's annual information form for the period from formation, August 27, 2012, to December 31, 2012 is available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain information herein constitutes "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements include statements about management's expectations regarding objectives, plans, goals, strategies, future growth, operating results and performance, business prospects and opportunities of the REIT. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "might", "should", "seeks", "intends", "plans", "pro-forma", "estimates" or "anticipates"; or variations of such words; and phrases or statements that certain actions, events or results "may", "could" or "might" occur or be achieved; or the negative connotation thereof. Forward-looking statements are made based on reasonable assumptions, however, there is no assurance that the events or circumstances reflected in forward-looking statements will occur or be achieved. Forward-looking statements are based on numerous assumptions of factors that if untrue, could cause actual results to differ materially from those that are implied by such forward-looking statements. These factors include but are not limited to: general and local economic and real estate business conditions; the financial condition of tenants; occupancy rates; rental rates, the ability of the REIT to refinance maturing debt; the REIT's ability to source and complete accretive acquisitions; changes in government, environmental and tax regulations; inflation and interest rate fluctuations; the REIT's ability to obtain equity or debt financing for additional funding requirements; and adequacy of insurance.

Forward-looking statements are subject to risks and uncertainties, many of which are beyond the REIT's control. These risks and uncertainties include, but are not limited to: risks related to general and local financial conditions including available equity and debt financing at reasonable costs and interest rate fluctuations; operational risks including timely leasing of vacant space and re-leasing of occupied space on expiration of current lease terms at current or anticipated rental rates; tenant defaults and bankruptcies; uncertainties of acquisition activities including availability of suitable property acquisitions and integration of acquisitions; competition including development of properties in close proximity to the REIT's properties; loss of key management and employees; governmental, environmental, taxation and other regulatory risks; litigation risks and other risks and factors described from time to time in the documents filed by the REIT with the securities regulators.

The REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements. However there may be other factors that could cause results to not be as anticipated, estimated or intended. Forward-looking statements are provided to inform readers about management's current expectations and plans and allow investors and others to better understand the REIT's operating environment. However, readers should not place undue reliance on forward-looking statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, or of the timing that such performance or results will be achieved. Forward-looking statements included in this MD&A are made as of May 9, 2013 and accordingly are subject to change after such date. The REIT does not undertake to update any forward-looking statements that are included in this MD&A, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws. Additional information about risks and uncertainties is contained in FAM REIT's annual information form for the period from formation, August 27, 2012, to December 31, 2012 available on SEDAR at www.sedar.com.

Non-IFRS Financial Measures

The REIT has included certain non-IFRS financial measures throughout this MD&A. Management believes that in addition to conventional measures prepared in accordance with IFRS, investors in the real estate industry use these non-IFRS financial measures to evaluate the REIT's performance and ability to generate cash flows. Accordingly, these non-IFRS financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. In addition, they do not have standardized meanings and may not be comparable to measures used by other issuers in the real estate industry or other industries. The non-IFRS financial measures included in this MD&A are as follows:

Net operating income ("NOI")

The REIT calculates net operating income as revenue from investment properties less property operating expenses.

Earnings before interest, taxes, depreciation and amortization ("EBITDA")

The REIT calculates EBITDA as net income before income taxes, depreciation and amortization, fair value adjustments to investment properties and financial instruments, realized gains or losses on disposals of investment properties and finance costs.

Funds From operations ("FFO") and Adjusted Funds From Operations ("AFFO")

FFO and AFFO are commonly acceptable and meaningful indicators of financial performance for the commercial real estate industry. However, FFO and AFFO are not measures defined under IFRS.

The REIT calculates FFO in accordance with the Real Property Association of Canada (“REALpac”) White Paper on FFO for IFRS which was issued in June 2010 and revised on September 2010 and November 2012. Specifically, the REIT calculates FFO as net income calculated in accordance with IFRS; adjusted for most non-cash expenses including amortization of capitalized leasing expenses, gains and losses on dispositions of investment properties; fair value adjustments to investment properties; fair value adjustments to Class B LP Units and warrants which are puttable instruments classified as financial liabilities; and distributions on Class B LP Units.

In calculating AFFO, the REIT makes certain adjustments to FFO for other non-cash items including straight-line rent, accretion to debt, amortization of deferred transaction costs, and fair value adjustments to its interest rate swap liability; deducts capital expenditures (recoverable and non-recoverable) and capitalized leasing costs; and adds the interest rate subsidy (as described under “Section 4 – Financial Condition, Interest Rate and Capital Expenditures Subsidies” of this MD&A). The method applied by the REIT to calculate AFFO may differ from methods applied by other issuers in the real estate industry and therefore may not be comparable with measures reported by such issuers.

Debt to EBITDA leverage ratio

The REIT calculates its leverage ratio as total debt divided by annualized EBITDA. Debt to EBITDA leverage ratio is a widely used and meaningful metric for the assessment of creditworthiness and debt default probability. This metric indicates the number of years required for the REIT’s unleveraged operating earnings (i.e. before depreciation, amortization, transaction costs, gains/losses, fair value adjustments, and taxes) to cover or repay all indebtedness.

Indebtedness ratio (also referred to as Debt to Gross Book Value, or “Debt/GBV”)

The REIT calculates indebtedness ratio as total debt (excluding deferred transaction costs and mark-to-market adjustments on mortgages assumed), including mortgages payable, vendor take-back loan and amounts drawn under the revolving credit facility; divided by total assets. The indebtedness ratio is a measure of the REIT’s financial risk and determines the percentage of the REIT’s assets financed by debt.

Interest coverage ratio

The REIT calculates the interest coverage ratio as EBITDA for the period divided by cash interest expensed during the period. The interest coverage ratio is a measure of the REIT’s ability to service its debt.

Pay-out ratio

The REIT calculates the pay-out ratio as distributions divided by AFFO for the period. The pay-out ratio is a measure of the REIT’s ability to sustain its distributions, when compared to its cash flow capacity.

Review and Approval by the Board of Trustees

The Board of Trustees, upon the recommendation of its Audit Committee, approved the contents of this MD&A on May 9, 2013.

Financial Highlights and Key Performance Indicators

($000s unless otherwise noted and except per unit amounts)	Three months ended March 31, 2013	Forecast - Three months ended March 31, 2013[1]
Revenue from investment properties	**$ 6,081**	$ 6,075
Net operating income	**3,886**	3,764
Funds from operations	**2,489**	2,193
FFO per unit - diluted	**$ 0.30**	$ 0.26
Adjusted funds from operations	**1,910**	1,917
AFFO per unit - diluted	**$ 0.23**	$ 0.23
Distributions per unit[2]	**$ 0.19**	$ 0.19
Pay-out ratio[2]	**82.4%**	82.1%
Net operating income by asset class		
Industrial	**$ 1,449**	$ 1,415
Office	**2,040**	1,974
Retail	**397**	375
	$ 3,886	$ 3,764
Net operating income by geographic location		
Manitoba	**$ 2,100**	$ 2,025
Ontario	**811**	803
Saskatchewan	**348**	326
Alberta	**493**	480
Northwest Territories	**134**	130
	$ 3,886	$ 3,764
Interest coverage ratio (times)	**2.8x**	2.9x
Indebtedness ratio (%)*	**52.1%**	NF
Leverage ratio (times)[3]*	**8.1x**	NF
Weighted average mortgage interest rate*	**5.1%**	NF
Occupancy*		
Industrial	**100.0%**	100.0%
Office	**96.5%**	96.5%
Retail	**90.4%**	82.9%
	97.4%	96.5%

* at period – end

NF = Not forecasted

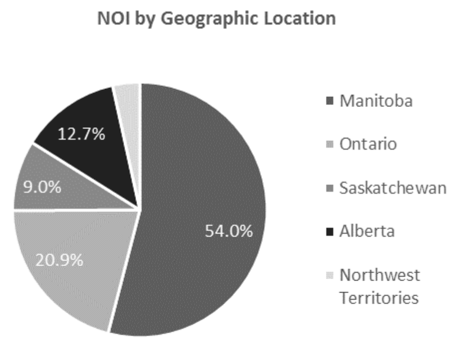
(1) For information purposes only, selected budget financial information for the three months ended March 31, 2013, based on the forecast in the initial public offering documents, has been included in this MD&A.

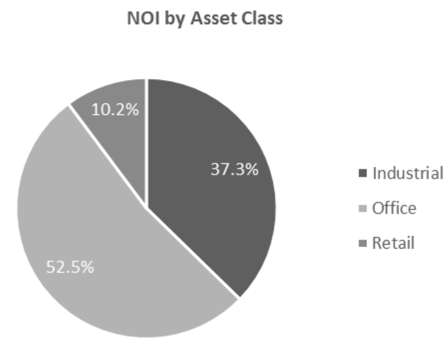
(2) Excludes distributions related to the four-day stub period from December 28, 2012 to December 31, 2012, which were paid during the three months ended March 31, 2013.

(3) Calculated based on annualized EBITDA.

Financial and Operational Highlights

Three Months Ended March 31, 2013





The REIT did not have operations from formation date of August 27, 2012 to December 28, 2012. To better assist investors gain insight into the REIT's performance, we have included the initial public offering ("IPO") forecast for the three month period ended March 31, 2013 for comparative purposes.

Overall portfolio occupancy was 97.4% as at March 31, 2013, which is ahead of the forecasted occupancy rate of 96.5% due to better than expected performance in our retail property in Saskatchewan.

FAM REIT's cash distribution payout ratio for the three months ended March 31, 2013, based on AFFO per diluted unit of $0.23, was 82%. Excluding the $0.01 per unit of transactional and IPO related set-up costs detailed below, the AFFO payout was 77%.

During the three months ended March 31, 2013, the REIT achieved NOI of $3.9 million, which is ahead of the forecasted NOI of $3.8 million on account of higher occupancy and lower non-recoverable operating costs.

Net income for the three months ended March 31, 2013 was $7.0 million, well ahead of the forecasted $1.7 million. Net income included a $4.3 million unrealized fair value gain on investment properties and a $0.7 million unrealized fair value gain on financial instruments. The net fair value gain on investment properties related to the sale of our 50% non-managing interest in 220 Portage Ave, which closed in April 2013, and was partially offset by a reduction in estimated fair value of two tertiary market properties due to changes in valuation assumptions. In addition, net income reflected a non-recurring $0.5 million gain associated with the release of the mark-to-market adjustment on mortgages that were refinanced during the quarter.

FFO for the three months ended March 31, 2013 was $0.30 per diluted trust unit, which included a $0.05 per diluted trust unit gain associated with the release of the mark-to-market adjustment on mortgages that were refinanced during the quarter. This was partially offset by $0.01 per diluted trust unit of unbudgeted professional, legal and trustee expenses that were associated with transactional activity (sale of 220 Portage Ave and purchase of 4211 Yonge St) and IPO related set-up costs. Excluding these items, FFO per diluted trust unit was $0.26, which is consistent with the forecasted FFO per diluted trust unit of $0.26. AFFO for the three months ended March 31, 2013 was $0.23 per diluted trust unit. Excluding the aforementioned expenses related to transactional activity and IPO related set-up costs of $0.01 per diluted trust unit, AFFO was $0.24 per diluted trust unit, which was slightly above forecasted AFFO of $0.23 per diluted trust unit.

Section 2 BUSINESS OVERVIEW

Current Business Environment

The Canadian commercial real estate industry has been buoyed in recent years by healthy underlying property demand fundamentals, low vacancy rates across all major property sectors, and minimal new supply. Fuelled by the continued low interest rate environment and robust availability of debt and equity capital, this has created an environment where Canadian commercial real estate prices have recently surpassed peak of cycle valuations achieved in 2007 immediately before the onset of the global financial crisis.

In a low growth environment, the appetite for yield oriented investments has grown dramatically, and continues to be underpinned by aging demographic trends. The demographic shift calls for greater needs for current income to support retirement living as opposed to long-term capital gains, which has been a major driving force in recent years, and will continue for the next two decades due to the aging boomer cohort. Irrespective of whether 10-year government bond yields remain near 2%, or spike to 4% in coming years, we believe aging demographics in developed countries will continue to drive income oriented investing.

The Canadian REIT industry has been a major beneficiary of the current environment, with rising asset valuations, declining interest rates, low vacancy, stable property performance, and rising stock prices. From an equity market perspective, the Canadian REITs have delivered significant relative total return outperformance against the broader equity market during the 2009-2012 period.

Core Business and Objectives

FAM REIT’s trust units and warrants are listed on the Toronto Stock Exchange (“TSX”) and traded under the symbols “F.UN” and “F.WT”, respectively.

The REIT is an unincorporated, open-ended real estate investment trust which was created pursuant to a Declaration of Trust dated August 27, 2012, as amended and restated on December 27, 2012, under the laws of the Province of Ontario and the applicable laws of Canada. On December 28, 2012, the REIT completed its initial public offering of offered units, which comprised of trust units and warrants, and acquired a portfolio of 27 income-producing office, industrial, and retail properties located in four provinces and one territory of Canada (the “Initial Properties”). The REIT had no operations prior to December 28, 2012.

The objectives of the REIT are to: (i) provide unitholders with stable and growing cash distributions from investments focused on industrial, office and retail properties initially in Canada, on a tax efficient basis; (ii) enhance the value of the REIT’s assets and maximize long-term trust unit value through active management; and (ii) expand the asset base of the REIT and increase the REIT’s AFFO per trust unit, including through accretive acquisitions.

As stewards of capital for our unitholders (who are the true owners of the business which we manage on their behalf), we believe our job is to manage downside risk and build an "all weather" REIT, which is capable of successfully navigating through the full commercial real estate cycle.

The REIT is externally managed and operated by Huntingdon Capital Corp.'s experienced team of real estate professionals. Senior management has a considerable track record in real estate ownership and management, debt and equity capital markets, M&A and turnaround investing. Huntingdon's interests are aligned with the unitholders of the REIT through its sponsorship and as the REIT's largest unitholder (owns ~30% of FAM REIT).

Our Board of Trustees provides strong oversight and deep experience in all aspects of commercial real estate (transactional, operational, development and leasing), capital markets, securities law, risk management and financial accounting/reporting.

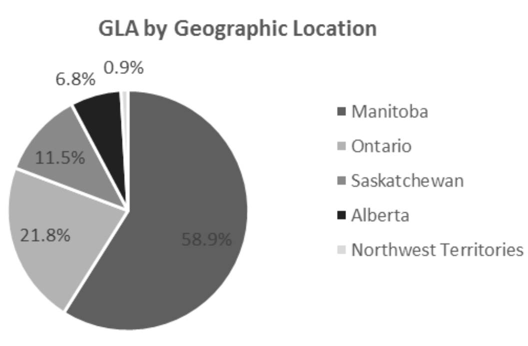
Portfolio

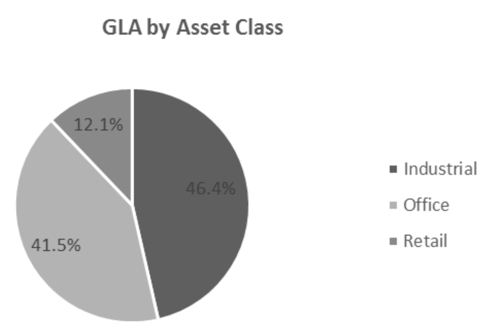
The REIT's properties are located in Alberta, Saskatchewan, Manitoba, Ontario and the Northwest Territories, and consist of a well-balanced mix of properties across the industrial, office and retail real estate asset classes. The diversity of properties is expected to reduce the REIT's exposure to negative trends that may arise within particular sectors, while increasing management's ability to capitalize on differential supply and demand characteristics that may exist across sectors. The composition of the portfolio of investment properties is set out in the following table:

Gross Leasable Area (sq. ft.)
At March 31, 2013

	Industrial	Office	Retail	Total	Percentage (%)	Number of Properties
Manitoba	414,031	500,724	63,439	978,194	58.9%	18
Ontario	258,960	103,179	-	362,139	21.8%	2
Saskatchewan	-	84,243	106,145	190,388	11.5%	2
Alberta	97,680	-	15,757	113,437	6.8%	4
Northwest Territories	-	-	15,475	15,475	0.9%	1
	770,671	688,146	200,816	1,659,633	100.0%	27
Percentage (%)	46.4%	41.5%	12.1%	100.0%		
Number of Properties	11	12	4	27		

At March 31, 2013





A summary of occupancy for the portfolio is set out in the following table:

Occupancy Rate (%) At March 31, 2013	Industrial	Office	Retail	Total
Manitoba	100.0%	95.5%	100.0%	**97.7%**
Ontario	100.0%	100.0%	-	**100.0%**
Saskatchewan	-	98.0%	82.9%	**89.6%**
Alberta	100.0%	-	95.5%	**99.0%**
Northwest Territories	-	-	100.0%	**100.0%**
	100.0%	**96.5%**	**90.4%**	**97.4%**

Outlook

At March 31, 2013, the REIT's properties had an occupancy rate of 97.4%, which is one of the highest in the diversified Canadian commercial REIT sector. Based on our current pipeline of leasing activity, we expect to maintain portfolio occupancy at or above 96%, with a tenant retention rate in the 95% range for the remainder of 2013 before taking into account acquisitions and dispositions.

As outlined earlier, FAM REIT sold its 50% non-managing interest in 220 Portage Ave on April 30, 2013 and acquired a 100% interest 4211 Yonge St on May 1, 2013. We estimate these transactions are accretive to FAM REIT's run-rate AFFO per diluted unit by 4% on a leverage-neutral basis.

Strategy

Internal Growth

The REIT's internal growth strategy includes the following:

- ***Maintaining strong tenant relationships and achieving high retention rates.*** The REIT will nurture its relationships with existing tenants by anticipating and adapting to their changing needs and being proactive with lease renewals. Since June 30, 2011, the REIT's Initial Properties have experienced a 95% tenant retention rate.

- ***Maximizing rental income through leasing initiatives.*** Many of the REIT's properties are located in areas with low vacancy rates and minimal new competitive supply, which should minimize leasing costs and allow the REIT to replace in-place rents with increased market rents as leases expire. Management also seeks to include contractual rent escalators in leases to further facilitate growth in rental income.

- ***Active management of operating costs and utilization of preventative maintenance programs.*** Site visits, inspections and preventive maintenance programs will be utilized to ensure properties are well maintained and operating expenses are minimized. The geographic clustering of certain assets within the Initial Properties is expected to provide economies of scale in local markets, translating into stable and competitive operating expenses.

External Growth

The REIT's external growth strategy includes the following:

- ***Value creation focus.*** Value creation on a per unit basis will always be the guiding principle to the REIT's overall acquisition program. The concept of AFFO per unit "accretion" will always be measured on a leverage-neutral basis.

- ***Opportunistically divesting assets.*** Capital recycling is a key component of the overall growth strategy in order to continuously improve the overall risk-return profile of the portfolio.

- ***Multiple avenues to sourcing acquisitions.*** Acquisitions of commercial real estate properties will be selected for strategic fit, organic growth and high grading the overall quality of the portfolio. The REIT is agnostic in terms of acquiring individual assets, property portfolios, or through M&A.

- ***Geographic expansion, increasing diversity and reducing the REIT's cost of capital.*** Management anticipates an expanded geographic footprint and increasing focus on primary markets will result in a reduction in the REIT's cost of capital which will facilitate further growth and reduce borrowing costs.

- ***Right of First Offer with Huntingdon Capital Corp.*** The REIT will leverage its relationship with Huntingdon and access the industrial, office and retail properties owned or subsequently acquired by Huntingdon. The REIT expects Huntingdon to offer its assets to the REIT as properties become stabilized and suitable under the REIT's investment criteria. The REIT has a right of first offer on properties to be sold by Huntingdon that meet the REIT's investment criteria.

Section 3 REVIEW OF FINANCIAL AND OPERATIONAL RESULTS

Summary of Selected Financial Information

($000s unless otherwise noted and except per unit amounts)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013(1)
Revenue from investment properties	**$ 6,081**	$ 6,075
Property operating expenses	**(2,195)**	(2,311)
Net operating income	**$ 3,886**	$ 3,764
General and administration	**$ (570)**	$ (363)
Finance costs, net	**(1,322)**	(1,679)
Fair value adjustment on investment properties	**4,344**	-
Fair value adjustment to financial instruments	**660**	-
Net income	**$ 6,998**	$ 1,722
Funds from operations	**2,489**	2,193
FFO per unit - diluted	**$ 0.30**	$ 0.26
Adjusted funds from operations	**1,910**	1,917
AFFO per unit - diluted	**$ 0.23**	$ 0.23
Distributions per unit(2)	**$ 0.19**	$ 0.19
Adjusted weighted average number of units outstanding (000s):		
Diluted	**8,394**	8,394
Total assets	**$ 207,194**	NF
Total debt (at face value including mark-to-market adjustment)	**$ 107,932**	NF
Interest coverage ratio (times)	**2.8x**	2.9x
Indebtedness ratio (%)	**52.1%**	NF
Leverage ratio (times)(3)	**8.1x**	NF
Weighted average mortgage interest rate (%)	**5.1%**	NF
Square footage leased (sq. ft.)*	**1,616,126**	1,601,398
Rentable square footage (sq. ft.)*	**1,659,633**	1,659,633
Occupancy (%)*	**97.4%**	96.5%
Weighted average lease term (years)*	**5.6**	NF

* at period-end
NF = Not forecasted

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A. Forecast net income does not include any fair value adjustments to investment properties or financial instruments; or the interest rate swap liability which would be included in finance costs.

(2) Excludes distributions related to the four day stub period from December 28, 2012 to December 31, 2012, which were paid during the three months ended March 31, 2013.

(3) Calculated based on annualized EBITDA.

Review of Financial Results

Revenue from Investment Properties

Revenue from investment properties includes rent from tenants under lease agreements, percentage rents, property taxes and operating cost recoveries, and other incidental income.

For the three months ended March 31, 2013, revenue from investment properties was $6.1 million, which was in line with forecasted revenue of $6.1 million.

Property Operating Expenses

Property operating expenses were comprised of property taxes of $0.9 million, property management fees of $0.2 million, and other operating expenses of $1.1 million. Other operating expenses consisted of common area maintenance costs, utilities, and insurance.

Property operating expenses for the three months ended March 31, 2013 were $2.2 million and were lower than forecasted property operating expenses of $2.3 million due to lower repairs and maintenance costs.

The majority of the REIT's operating expenses are recoverable from tenants in accordance with the terms of the tenants' lease agreements. Operating cost recoveries are included in revenue from investment properties and amounted to $1.9 million for the three months ended March 31, 2013.

General and administration

General and administration expenses for the three months ended March 31, 2013 were $0.6 million, which were higher than the forecasted general and administration expenses of $0.4 million. This variance was primarily due to transactional related costs of $0.1 million, including non-recurring post-closing IPO costs related to the structuring of the REIT's various entities, as well as trustee fees associated with additional meetings to discuss both the sale of 220 Portage Ave and the acquisition of 4211 Yonge St.

In addition to the aforementioned transactional items, general and administration expenses of a recurring nature included asset management fees of $0.2 million payable to Huntingdon pursuant to the management agreement entered into on December 28, 2012, professional fees of $0.1 million, trustee fees of $0.1 million, and other reporting fees of $0.1 million.

Finance costs

Finance costs for the three months ended March 31, 2013 primarily consisted of mortgage interest expense of $1.2 million, distributions to unitholders of Class B LP units of $0.5 million, interest expense on the vendor take-back loan and on the revolving credit facility of $0.1 million, and non-cash accretion expense on the vendor take-back loan of $0.1 million. Finance costs were slightly offset by a $0.5 million gain associated with the release of the mark-to-market adjustment on mortgages refinanced during the period, and the amortization of mark-to-market adjustment on the existing mortgages of $0.1 million.

Finance costs for the three months ended March 31, 2013 of $1.3 million were lower than the forecasted finance costs of $1.7 million. This variance was primarily due to the $0.5 million gain recognized on the release of the mark-to-market adjustment on mortgages refinanced, and was partially offset by a $0.1 million non-cash accretion expense on the vendor take-back loan. These items were not included in the forecast and have no impact on AFFO. On a net basis, these items positively impacted net income and FFO.

Fair value adjustments to financial instruments

The Class B LP Units issued to Huntingdon on December 28, 2012, as partial consideration for the acquisition of the Initial Properties, are exchangeable into trust units of the REIT on a one-for-one basis at the option of Huntingdon. The Class B LP Units are considered puttable financial instruments to the REIT, and are recognized in the consolidated financial statements as financial liabilities measured at fair value through profit or loss. The fair value is re-measured at the end of each reporting period. On March 31, 2013, the REIT recognized a $0.4 million unrealized fair value gain on the Class B LP Units representing a decrease in the fair value per unit from $10.10 to $9.95 for the period from December 31, 2012 to March 31, 2013.

The trust unit purchase warrants issued on December 28, 2012 in connection with the REIT's IPO are considered puttable instruments to the REIT, and are recognized in the consolidated financial statements as financial liabilities measured at fair value through profit or loss. The fair value is re-measured at the end of each reporting period. On March 31, 2013, the REIT recognized a $0.3 million unrealized fair value gain on the warrants representing a decrease in the fair value per warrant from $0.48 to $0.30 for the period from December 31, 2012 to March 31, 2013.

Fair value adjustments to investment properties

In accordance with IFRS, the REIT measures its investment properties at fair value at the end of each reporting period. The fair values of investment properties are determined either internally by management or externally by qualified third party appraisers using a number of approaches including a discounted cash flow approach, a direct capitalization approach and a direct comparison approach.

During the three months ended March 31, 2013, the REIT recognized a net fair value gain of $4.3 million. This primarily reflects the gain associated with the sale of 220 Portage Ave, which was partially offset by a reduction in estimated fair value of two tertiary market properties due to changes in valuation assumptions.

Income taxes

The REIT is a mutual fund trust and real estate investment trust pursuant to the Income Tax Act (Canada). Under the Income Tax Act (Canada), so long as the REIT meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"), the REIT is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to unitholders during the period. Management intends to operate the REIT in a manner that enables the REIT to continue to meet the REIT Conditions and to distribute all of its taxable income to unitholders. It therefore has not recognized any current or deferred income taxes in its consolidated financial statements for the period from December 31, 2012 to March 31, 2013.

Segmented Information

The REIT invests in three property asset classes and currently operates in five geographic locations. Management measures the performance of the REIT on a combined basis of financial and operating results by asset class and geographic location as follows:

Net operating income

($000s unless otherwise noted and except per unit amounts)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013[1]
Revenue from investment properties	**$ 6,081**	$ 6,075
Property operating expenses	**(2,195)**	(2,311)
Net operating income	**3,886**	3,764
Margin (%)	**63.9%**	62.0%

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

The following tables summarize NOI by asset class and geographic location:

Net Operating Income ($000s except percentages)
Three months ended March 31, 2013

	Industrial	Office	Retail	Total	Percentage (%)
Manitoba	$ 586	$ 1,394	$ 120	$ 2,100	54.0%
Ontario	435	376	-	811	20.9%
Saskatchewan	-	270	78	348	9.0%
Alberta	428	-	65	493	12.7%
Northwest Territories	-	-	134	134	3.4%
	$ 1,449	$ 2,040	$ 397	$ 3,886	100.0%
Percentage (%)	37.3%	52.5%	10.2%	100.0%	

Forecasted - Net Operating Income ($000s except percentages)[1]
Three months ended March 31, 2013

	Industrial	Office	Retail	Total	Percentage (%)
Manitoba	$ 562	$ 1,338	$ 125	$ 2,025	53.8%
Ontario	432	371	-	803	21.3%
Saskatchewan	-	265	61	326	8.7%
Alberta	421	-	59	480	12.8%
Northwest Territories	-	-	130	130	3.5%
	$ 1,415	$ 1,974	$ 375	$ 3,764	100.0%
Percentage (%)	37.6%	52.4%	10.0%	100.0%	

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

Industrial Properties

The actual and forecasted results of operations for the three months ended March 31, 2013 are set out below:

(stated in $000s, unless otherwise noted)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013[1]
# of properties (period-end)	***11***	*11*
Owned GLA (000s of sf) (period-end)	***771***	*771*
Occupancy rate (%) (period-end)	***100.0%***	*100.0%*
Revenue from investment properties	**1,934**	1,919
Property operating expenses	**(485)**	(504)
Net operating income	**1,449**	1,415
Margin %	**74.9%**	73.7%

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

Net operating income for industrial properties was $1.4 million for the three months ended March 31, 2013, which is consistent with the forecasted NOI.

Office Properties

The actual and forecasted results of operations for the three months ended March 31, 2013 are set out below:

(stated in $000s, unless otherwise noted)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013[1]
# of properties (period-end)	***12***	*12*
Owned GLA (000s of sf) (period-end)	***688***	*688*
Occupancy rate (%) (period-end)	***96.5%***	*96.5%*
Revenue from investment properties	**3,488**	3,513
Property operating expenses	**(1,448)**	(1,539)
Net operating income	**2,040**	1,974
Margin %	**58.5%**	56.2%

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

Net operating income for office properties was $2.0 million for the three months ended March 31, 2013, which is in line with the forecasted NOI.

Retail Properties

(stated in $000s, unless otherwise noted)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013[1]
# of properties (period-end)	***4***	*4*
Owned GLA (000s of sf) (period-end)	***201***	*201*
Occupancy rate (%) (period-end)	***90.4%***	*82.9%*
Revenue from investment properties	**659**	643
Property operating expenses	**(262)**	(268)
Net operating income	**397**	375
Margin %	**60.2%**	58.3%

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

Net operating income for retail properties was $0.4 million for the three months ended March 31, 2013, which is consistent with the forecasted NOI.

Productive Capacity

Productive capacity is defined as the square footage of leasable area owned by the REIT. In assessing the effectiveness of productive capacity, management reviews the occupancy rate.

The following tables summarize occupancy performance by asset class and geographic location:

Occupancy Rate (%)
At March 31, 2013

	Industrial	**Office**	**Retail**	**Total**
Manitoba	100.0%	95.5%	100.0%	**97.7%**
Ontario	100.0%	100.0%	-	**100.0%**
Saskatchewan	-	98.0%	82.9%	**89.6%**
Alberta	100.0%	-	95.5%	**99.0%**
Northwest Territories	-	-	100.0%	**100.0%**
	100.0%	**96.5%**	**90.4%**	**97.4%**

Forecasted - Occupancy Rate (%)[1]
At March 31, 2013

	Industrial	**Office**	**Retail**	**Total**
Manitoba	100.0%	95.7%	100.0%	**97.8%**
Ontario	100.0%	100.0%	-	**100.0%**
Saskatchewan	-	97.4%	68.7%	**81.4%**
Alberta	100.0%	-	92.5%	**99.0%**
Northwest Territories	-	-	100.0%	**100.0%**
	100.0%	**96.5%**	**90.1%**	**96.5%**

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

Occupancy at March 31, 2013 of 97.4% was higher than the forecasted occupancy of 96.5% due to a better than expected leasing performance in our retail property in Saskatchewan.

Same Property Analysis

On a same property basis, the results for the first quarter of 2013 exceeded the historical performance of the portfolio for the fourth quarter of 2012. The comparative net operating income results on a same property basis are as follows:

Net Operating Income

($000s unless otherwise noted)	**Three months ended March 31, 2013**	Historical – Three months ended Dec 31, 2012[1]
Industrial	**$ 1,449**	$ 1,416
Office	**2,040**	2,038
Retail	**397**	307
Total	**$ 3,886**	$ 3,761

(1) Represents historical results for the properties for the three months ended December 31, 2012.

The above table illustrates that, on a sequential quarterly basis, NOI grew by 3.3% on a same property basis. This growth reflects the strength of the leasing activity within FAM REIT's portfolio as well as renewing or obtaining new tenants at higher rates than in-place leases.

Funds From Operations

FFO is a supplemental non-IFRS financial measure of operating performance widely used in the Canadian real estate industry. FFO is not defined under IFRS and should not be used as a substitute to net income, cash flow from operations, or any other operating or liquidity measure prescribed under IFRS. Instead, FFO has been included to provide readers and investors of the REIT with additional information to improve their understanding of the operating results of the REIT. FFO when compared period over period reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with IFRS.

The REIT calculates FFO in accordance with the REALpac White Paper on Funds from Operations which was issued in June 2010 and as revised on September 2010 and November 2012. Specifically, the REIT calculates FFO as net income calculated in accordance with IFRS; adjusted for most non-cash items including amortization of capitalized leasing costs, gains and losses on dispositions of investment properties, fair value adjustments financial instruments, fair value adjustments to investment properties and distributions on Class B LP Units. The reconciliation of FFO to net income is as follows:

($000s unless otherwise noted and except per unit amounts)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013[1]
Net income	**$ 6,998**	$ 1,722
Add (deduct):		
Amortization of leasing costs	**3**	-
Distributions on Class B LP Units	**492**	471
Fair value adjustment to financial instruments	**(660)**	-
Fair value adjustment to investment properties	**(4,344)**	-
Funds from operations	**$ 2,489**	$ 2,193
Weighted average number of trust units outstanding (000s):		
Diluted	**8,394**	8,394
FFO per trust unit		
Diluted	**$ 0.30**	$ 0.26

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

For the three months ended March 31, 2013, FFO was $2.5 million, or $0.30 per diluted unit, compared to the IPO forecast of $2.2 million, or $0.26 per diluted unit. As noted earlier, these results included a gain of $0.05 per diluted unit related to the release of the mark-to-market on mortgages refinanced during the quarter. The non-recurring gain was slightly offset by $0.01 per diluted unit of unbudgeted professional, legal and trustee expenses that were associated with transactional activity (sale of 220 Portage Ave and purchase of 4211 Yonge St) and IPO related set-up costs. In addition, there is $0.01 per unit of non-cash accretion expense included in financing costs related to the vendor take-back loan between Huntingdon and FAM REIT.

In aggregate, these items, on a net basis, amount to a $0.3 million gain and included the following:

- Release of $0.5 million related to the mark-to-market adjustment on mortgages refinanced during the quarter;
- Transaction related costs of $0.1 million related to the structuring of the REIT's various entities and additional trustee meetings associated with additional meetings to discuss the sale of 220 Portage Ave and the acquisition of 4211 Yonge St; and
- Non-cash IFRS related financing expense of $0.1 million related to the accretion of the vendor take-back loan between Huntingdon and FAM REIT.

Adjusting for the above items, FFO is consistent with the financial forecast.

Adjusted Funds from Operations

The operations of a real estate business require extensive capital expenditures to both maintain and increase the productive capacity of existing properties and rental revenue streams. These expenditures include replacements and major repairs of component parts of the underlying properties (for example: roofs, heating, ventilating and air conditioning equipment, parking lots) referred to as maintenance capital expenditures. In addition to maintenance capital expenditures, expenditures on leasing costs including leasing commissions and tenant improvements and inducements, are fundamental to the operating activities of a real estate business. AFFO is a widely used non-IFRS financial measure in the Canadian real estate industry to indicate available cash flow after maintenance capital expenditures and leasing costs. AFFO is not defined under IFRS and the method applied by the REIT to calculate AFFO may differ from methods applied by other issuers in the real estate industry and, as a result, may not be comparable with measures used by such other issuers.

In calculating AFFO, the REIT makes certain adjustments to FFO for other non-cash items including straight-line rent, accretion of debt, amortization of deferred transaction costs, and fair value adjustments to the interest rate swap liability; and deducts maintenance capital expenditures and capitalized leasing costs.

The reconciliation of AFFO to the REIT's FFO is as follows:

($000s unless otherwise noted and except per unit amounts)	**Three months ended March 31, 2013**	Forecast - Three months ended March 31, 2013[1]
Funds from operations	**$ 2,489**	$ 2,193
Add (deduct):		
Interest rate subsidy[2]	**170**	158
Accretion on vendor take-back loan	**67**	-
Amortization of deferred transaction costs	**47**	18
Fair value gain on interest rate swap	**(32)**	-
Capital expenditures	**(59)**	(169)
Tenant improvements and leasing expenditures	**(77)**	(39)
Amortization of straight-line rent	**(99)**	(86)
Amortization of mark-to-market adjustment on mortgages	**(117)**	(158)
Derecognition of mark-to-market adjustment on mortgages refinanced	**(479)**	-
Adjusted funds from operations	**$ 1,910**	$ 1,917
Weighted average number of trust units outstanding (000s):		
Diluted	**8,394**	8,394
AFFO per trust unit		
Diluted	**$ 0.23**	$ 0.23

(1) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.
(2) The interest rate subsidy is described in further detail under "Section 4 – Financial Condition, Interest Rate and Capital Expenditures Subsidies" of this MD&A.

For the three months ended March 31, 2013, AFFO was consistent with the financial forecast at $1.9 million. Excluding the transactional and IPO related set-up noted earlier, AFFO would be $2.0 million, or slightly ahead of forecast on account of higher NOI and lower capital expenditures. Based on our pipeline of leasing activity, we continue to expect NOI and occupancy to remain ahead of the IPO forecast for the balance of 2013. Capital expenditures are expected to be in-line with the IPO forecast on a full-year basis, with a heavier weighting of activity during the summer months. Specifically, we have scheduled certain building improvement projects to occur when warmer weather is more conducive to roofing work.

Leasing costs and maintenance capital expenditures can vary from period to period depending on various factors including the lease expiry profile of the REIT's properties, tenant quality, asset type, local market conditions, and the need for repairs and maintenance and other building requirements. There is often a delay between lease commencement and the expenditures on leasing costs and maintenance capital expenditures due to the timing of the installation of tenant improvements and the required inspections and certifications. As a result, AFFO can experience volatility when comparing period-over-period results.

Leasing costs and maintenance capital expenditures for the three months ended March 31, 2013 were as follows:

($000s unless otherwise noted and except per unit amounts)	**Three months ended March 31, 2013**
Tenant improvements and leasing commissons	
Renewals	
Office	$ 60
Retail	17
	77
Recoverable capital expenditures	
Major maintenance items	49
Recurring capex	10
	59
Total	**$ 136**

Cash Distributions

The REIT's Board of Trustees has full discretion with respect to the timing and extent of cash distributions, including the adoption, amendment or revocation of any distribution policy. In determining the amount of monthly cash distributions paid to unitholders, the Board of Trustees applies discretionary judgment to forward-looking cash flow information, including forecasts and budgets. As net income calculated in accordance with IFRS recognizes certain revenues and expenses at time intervals that do not match the receipt of or the payment of cash, the Board of Trustees considers AFFO when establishing cash distributions to unitholders, as well as other factors. The excess of AFFO over cash distributions represents a measure of operating cash flow retained in the business.

It is the REIT's intention to make distributions to unitholders at least equal to the amount of net income and net realized capital gains of the REIT as is necessary to ensure that the REIT will not be liable for current income taxes. The REIT intends to make pro rata monthly cash distributions to its unitholders, including Huntingdon as the holder of the Class B LP Units, initially equal to, on an annual basis, approximately 95% of AFFO based on the IPO forecast for 2013.

During the three months ended March 31, 2013, the Trustees declared distributions of $1.2 million to unitholders of trust units and $0.5 million to unitholders of Class B LP units. Cash distributions declared by the Trust on a per unit basis, which were paid on or about the 15th day of the month following declaration were as follows:

		Three months ended March 31, 2013
January 2013 (1)	$	0.0707
February 2013		0.0625
March 2013		0.0625

(1) Includes a four day stub-period from December 28, 2012 to December 31, 2012 of $0.0082 per unit.

The table below reconciles AFFO to cash flow from operating activities reported in the consolidated financial statements of the REIT for the three months ended March 31, 2013. It also illustrates that the REIT had sufficient cash flow capacity to sustain its distributions:

($000s)		Three months ended March 31, 2013
Cash flow from operating activities	$	2,403
Add (deduct):		
Changes in non-cash working capital		(872)
Tenant improvements		(77)
Capital expenditures		(59)
Distributions paid on Class B LP Units		335
Interest rate subsidy		170
Other		10
Adjusted funds from operations	**$**	**1,910**
Distributions - trust units		1,151
Distributions - Class B LP units		492
Total distributions		1,643
Less: distributions related to four day stub-period from December 28 - 31, 2012		(69)
Distributions excluding four day stub-period	**$**	**1,574**
Excess of AFFO over cash distributions - cash retained	**$**	**336**
Pay-out ratio		**82.4%**

Summary of Selected Quarterly Information

(stated in $000s except per unit amounts)	Q1 2013	Q4 2012(1)
Revenues from investment properties	$ 6,081	$ 234
Net income and comprehensive income	6,998	12,348
Per Unit		
- Basic	$ 1.19	$ 2.10
- Diluted	$ 0.85	$ 1.50

(1) Basic and diluted net income for the three months ended December 31, 2012 was based on the four day period from December 28, 2012, the IPO date, to December 31, 2012.

The financial results for the three months ended March 31, 2013 reflected the REIT's first full quarter of operations. Revenues from investment properties were consistent with the forecasted balances, and net income included a net fair value gain of $4.3 million on the REIT's investment properties.

The financial results for the three months ended December 31, 2012 reflected the operations of the Initial Properties from December 28, 2012, the date of acquisition. Net income for the three months ended December 31, 2012 also reflected $12.8 million in unrealized net fair value gains on its investment properties.

Section 4 FINANCIAL CONDITION

Liquidity and Capital Resources

The principal liquidity needs of the REIT arise from working capital requirements; debt servicing and repayment obligations, which include mortgages payable, amounts drawn on the revolving credit facility and a vendor take-back loan; distributions to unitholders; obligations to redeem outstanding puttable trust units at the option of the unitholders; planned funding of maintenance and leasing costs; and future investment property acquisition funding requirements.

Cash flows from operating the REIT's property portfolio, available funding under the REIT's revolving credit facility and cash on hand represent the primary sources of liquidity for working capital requirements, debt servicing, distributions to unitholders, and planned funding of maintenance and leasing costs. Cash flows from operations are dependent upon rental occupancy levels, rental rates, collection of rents, operating costs and recoveries of operating costs.

Debt Strategy

The REIT's obligations with respect to debt repayments, redemption of outstanding trust units which are puttable at the option of the unitholders and funding requirements for future investment property acquisitions will be primarily funded by refinancing the REIT's maturing debt, financing unencumbered properties, or future issuances of trust units and debentures.

The REIT's overall borrowing policy is to obtain secured mortgage financing on a primarily fixed rate basis, with terms to maturity that are appropriate having regard to the lease maturity profiles of the underlying properties and which allows the REIT to (i) achieve and maintain staggered debt maturities that reduce its exposure to interest rate fluctuations and re-financing risk in any particular period and (ii) fix rates and extend loan terms when borrowing conditions are favourable; and floating rate secured short-term, construction and/or revolving debt. The fixed rate mortgages are expected to be comprised primarily of first charge mortgages. Subject to market conditions and the growth of the REIT, management currently intends to maintain total indebtedness at approximately 50% - 55% of the REIT's gross book value ("GBV"). The success of this strategy is dependent upon debt market parameters existing at the time of borrowing, as well as the particular features and quality of the underlying assets being financed. If this strategy is unsuccessful, mortgage principal repayments would be funded by operating cash flows, additional draws under the REIT's revolving credit facility, financing of unencumbered income-producing properties or by issuances of equity or debt securities. At March 31, 2013, the REIT's unencumbered income-producing properties had a fair value of $5.0 million.

In accordance with the Declaration of Trust dated August 27, 2012, which was amended and restated on December 27, 2012 ("DOT"), the REIT may not incur or assume any indebtedness if, after giving effect to the incurring or assumption of such indebtedness, the total indebtedness of the REIT would exceed 65% of the GBV of the REIT's assets.

Interest rates and debt maturities are reviewed regularly by the REIT's Board of Trustees to ensure the appropriate debt management strategies are implemented.

Leverage and Interest Coverage Ratios

($000s unless otherwise noted)		**At March 31, 2013**	At December 31, 2012
Mortgages payable[1]		**$ 98,002**	$ 95,302
Vendor take-back loan		**9,180**	9,180
Revolving credit facility		**750**	6,300
Total indebtedness	**(A)**	**107,932**	110,782

		Three months ended March 31, 2013	Forecast - Three months ended March 31, 2013[2]
EBITDA	**(B)**	**$ 3,316**	$ 3,401
Leverage ratio (times)[3]*	**(A) / (B)**	**8.1x**	8.1x
Interest expense[4]	**(C)**	**$ 1,184**	$ 1,190
Interest coverage ratio (times)	**(B) / (C)**	**2.8x**	2.9x

* At period-end.

(1) Includes mortgages related to assets held for sale of $5.9 million at March 31, 2013 (December 31, 2012 - $nil), and the mark-to-market adjustment of $1.0 million (December 31, 2012 - $1.6 million).

(2) For information purposes only, selected forecast financial information for the three months ended March 31, 2013 has been included in this MD&A.

(3) The calculation of leverage ratio is based on annualized EBITDA.

(4) Interest expense on a cash-basis is computed as net finance costs adjusted for non-cash items including gain/loss from interest rate swaps, derecognition and/or amortization of mark-to-market adjustments on mortgages, amortization of deferred financing costs and the accretion on the vendor take-back loan.

Mortgage Repayment Schedule

There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to the REIT or on any terms at all. The risk associated with the refinancing of maturing debt is mitigated as the maturity dates of the REIT's mortgage portfolio are staggered over a number of years.

The following table and chart outline the REIT's mortgage maturity schedule, together with the annual weighted average interest rates:

For the periods ending December 31,	Annual Principal Payments ($000s)	Principal Repayments on Maturity ($000s)(1)	Total ($000s)	Percentage (%)	Weighted Average Contractual Interest Rate (%)(2)(3)
2013	$ 2,097	$ 5,914	$ 8,011	8.8%	5.3%
2014	2,841	-	2,841	3.1%	5.2%
2015	2,886	13,985	16,871	18.5%	5.1%
2016	2,215	10,624	12,839	14.1%	4.9%
2017	2,040	6,750	8,790	9.6%	4.7%
Thereafter	4,909	36,830	41,739	45.8%	4.6% (4)
	$ 16,987	**$ 74,103**	**$ 91,090**	**100.0%**	

(1) Excludes mortgages related to assets held for sale of $5.9 million.

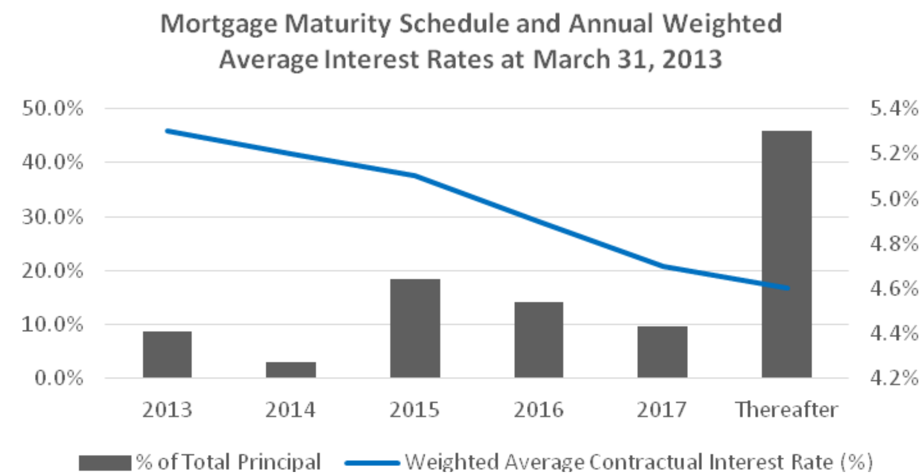
(2) Pursuant to the acquisition agreement with Huntingdon, the total purchase price payable for the Initial Properties acquired on December 28, 2012 was reduced by $1.9 million in respect of an interest rate subsidy. The interest rate subsidy will be used to subsidize the REIT's mortgage interest payments to achieve an annual blended cash interest rate of 4.5 percent for the years 2013 to 2017.

(3) Includes payments under interest rate swaps. At March 31, 2013, the REIT had an interest rate swap outstanding with a notional amount of $4.3 million which entitles the REIT to pay interest at an annual fixed rate of 5.89 percent and receive interest at floating rates.

(4) Represents the weighted average interest rate at December 31, 2017.

During the three months ended March 31, 2013, the REIT refinanced $18.7 million in mortgages for additional proceeds of $4.0 million. The properties were refinanced at fixed rates ranging from 4.29% to 4.91% for terms of five years. For the balance of 2013, management is working to increase the capacity of its revolving line of credit as maturing mortgages are paid out and the assets are secured as collateral first charges to the revolver. By doing so, this will provide greater liquidity and financial flexibility and reduce the cost of debt for the REIT.

The following table and chart outline the REIT's mortgage maturity schedule as at March 31, 2013, together with the annual weighted average interest rates:



Total Debt Repayments

The following table outlines the principal repayment schedule for the REIT's total debt with fixed repayment terms:

							For the periods ending December 31,
	Total	**2013(1)**	**2014**	**2015**	**2016**	**2017**	**Thereafter**
Mortgages payable(2)	$ 91,090	$ 8,011	$ 2,841	$ 16,871	$ 12,839	$ 8,790	$ 41,739
Vendor take-back loan	9,180	-	9,180	-	-	-	-
Revolving credit facility	750	-	750	-	-	-	-
	$ 101,020	**$ 8,011**	**$ 12,771**	**$ 16,871**	**$ 12,839**	**$ 8,790**	**$ 41,739**

(1) For the remaining nine months of 2013.
(2) Excludes mortgages related to assets held for sale of $5.9 million.

The REIT has an $8.0 million revolving credit facility, which expires on November 30, 2014. At March 31, 2013, the REIT had drawn down $0.8 million of the revolving credit facility, leaving $7.2 million of remaining availability.

Unitholders' Equity

The REIT is authorized to issue an unlimited number of trust units. Each trust unit represents a proportionate undivided beneficial interest and voting right in the REIT and entitles the holder to an equal participation in distributions of the REIT. The trust units are redeemable at the option of the holder at any time. The trust units are traded on the TSX with a closing ask price of $9.95 at March 31, 2013.

The REIT is also authorized to create and issue an unlimited number of preferred units, in one or more classes comprised of unlimited series, having terms and conditions as may be determined by the Board of Trustees from time to time. There were no preferred units created or issued during the three months ended March 31, 2013.

The total number of trust units outstanding at May 9, 2013 was 5,880,000.

Potential trust units:

At March 31, 2013

	Number of Units
Class B LP Units	2,513,700
Warrants	1,598,550
	4,112,250

As partial consideration for the acquisition of the Initial Properties from Huntingdon, FAM LP issued 2,513,700 Class B LP Units of FAM LP to Huntingdon. The Class B LP Units are exchangeable into trust units of the REIT on a one-for-one basis, subject to anti-dilution adjustments. Each Class B LP Unit is accompanied by one special voting unit of the REIT providing the same voting rights in the REIT as the trust units of the REIT and is entitled to distributions of cash from FAM LP equal to the cash distributions paid to holders of trust units by the REIT. Huntingdon has agreed to retain all of its Class B LP Units for a minimum of six months following the closing date of the acquisition and thereafter to retain 1,678,740 Class B LP Units for a minimum of 24 months following the closing date, subject to dilution exceptions. The Class B LP Units are recognized in the REIT's consolidated financial statements as financial liabilities measured at fair value through profit and loss. Upon exchange into trust units of the REIT, the carrying amount of the liability representing the fair value of the Class B LP Units on exchange date will be reclassified to unitholders' equity.

On December 28, 2012, on completion of its IPO, the REIT issued a total of 1,470,000 trust unit purchase warrants. Each whole warrant entitles the holder to acquire one trust unit of the REIT at an exercise price of $10.50 per trust unit at any time until December 28, 2015. In addition, on January 29, 2013, the underwriters of the REIT's IPO exercised their over-allotment option and purchased 128,550 additional warrants. The warrants are recognized in the consolidated financial statements of the REIT as financial liabilities measured at fair value through profit or loss. Upon exercise, the carrying amount of the liability representing the fair value of the warrants on exercise date will be reclassified to unitholders' equity. The warrants are traded on the TSX with a closing ask price of $0.30 at March 31, 2013.

Interest Rate and Capital Expenditures Subsidies

On December 28, 2012, in connection with the acquisition of the Initial Properties, the total purchase price payable by the REIT was reduced by $4.9 million in respect of interest rate and capital expenditures subsidies. Of the amount retained, $1.9 million will be used to subsidize the REIT's interest payments on mortgages payable (including interest paid under the interest rate swap) related to the Initial Properties to achieve a blended cash interest rate of 4.5% for the five year period to December 28, 2017, representing the market interest rate on similar debt. The remaining $3.0 million retained will be used to subsidize capital expenditures on the Initial Properties in excess of the normalized maintenance capital expenditure level of $675,000 on an annual basis. The capital expenditures subsidy received has been recorded as a contra account to investment properties and will be reduced as the subsidy is utilized.

The amounts retained for both the interest rate and capital expenditures subsidies can be utilized by the REIT for operational matters but must be ultimately replenished to fund the required interest payments and capital expenditures. The table below summarizes the movements related to the interest rate subsidy for the three months ended March 31, 2013:

		Three months ended March 31, 2013
Balance, beginning of period	$	1,874
Interest rate subsidy utilized		(170)
Balance, end of period	**$**	**1,704**

The interest rate subsidy of $170,000 was utilized during the three months ended March 31, 2013 to reflect the blended interest rate of 4.5% on the mortgages payable related to the Initial Properties.

The table below summarizes the movements related to the capital expenditures subsidy for the three months ended March 31, 2013:

		Three months ended March 31, 2013
Balance, beginning of period	$	2,991
Capital expenditures subsidy utilized		–
Balance, end of period	**$**	**2,991**

Related Party Transactions

The REIT has a management agreement with Huntingdon (the “Management Agreement”) as disclosed in the Annual Financial Statements. During the three months ended March 31, 2013, the REIT incurred the following costs in connection with the Management Agreement:

		Three months ended March 31, 2013
Property management fees	$	152
Asset management fees		151
Reimbursement of property operating costs		115
Leasing, financing, and construction management fees		36
	$	**454**

The reimbursement of property operating costs incurred by Huntingdon include landlord reimbursements and recoveries as well as property administration fees allowable under the tenants’ leases relating to assets or resources of Huntingdon that are directly attributable to the management of the Trust’s properties. These fees are recovered from the tenants by the Trust.

At March 31, 2013, the REIT owed Huntingdon $0.4 million for financing costs paid by Huntingdon on behalf of the REIT.

Section 5 Significant Accounting Policies, Critical Judgments and Key Estimates

Effective January 1, 2013, the REIT adopted IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), IFRS 11, *Joint Arrangements* ("IFRS 11"), IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12"), and IFRS 13, *Fair Value Measurements* ("IFRS 13").

IFRS 10 uses a single consolidation model to be applied in the control analysis for all investees. IFRS 10 defines control as when an investor has power over an investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect the amount of the investor's returns. The adoption of IFRS 10 did not have a material impact on the REIT's condensed consolidated interim financial statements.

Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. The Trust's interest in a joint operation, which is an arrangement wherein the parties have rights to the assets and obligations for the liabilities, will be accounted for based on the Trust's interest in those assets, liabilities, revenues and expenses. The Trust's interest in a joint venture, which is an arrangement wherein the parties have rights to the net assets, will be accounted for using the equity method. The Trust has no interest in joint ventures as defined by IFRS 11 and its interest in a jointly controlled asset meets the definition of a joint operation under IFRS 11. As a result, the adoption of IFRS 11 did not have a material impact on the REIT's condensed consolidated interim financial statements.

IFRS 12 requires enhanced disclosures about the nature of, and the risks associated with, an entity's interest in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. The Trust has an interest in one joint operation, 220 Portage Ave, which was classified as an asset held for sale as at March 31, 2013 and disposed of on April 30, 2013. The application of IFRS 12 will result in additional disclosures in the annual consolidated financial statements as at and for the year ending December 31, 2013, in accordance with the transitional provisions of the standard.

IFRS 13 sets out a single framework for measuring fair value and the related disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. With the exception of the additional disclosures required for fair value measurements, the adoption of IFRS 13 did not have a material impact on the REIT's condensed consolidated interim financial statements.

Recent accounting pronouncements

IFRS 9, *Financial Instruments* ("IFRS 9"), effective for annual periods beginning on or after January 1, 2015, replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liabilities. IFRS 9 will use a single approach to determine whether a financial asset is measured at amortized cost or fair value. In addition, under IFRS 9 for financial liabilities measured at fair value, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the changes recognized in profit or loss. However if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. The REIT is currently evaluating the impact of IFRS 9 on its condensed consolidated interim financial statements.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Estimates are based on historical experience and on various assumptions that are reasonable under the circumstances. Actual results could differ from the estimated amounts.

Critical Judgments

The critical judgments made by management, apart from those involving estimations, that have the most significant effect on the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period are as follows:

Business combinations

The REIT makes certain judgments based on relevant facts and circumstances to determine whether a set of assets acquired and liabilities assumed constitute a business accounted for as a business combination. The REIT has determined that the acquisition of the Initial Properties on December 28, 2012 constituted an asset acquisition.

Leases

The REIT makes judgments in determining whether certain leases, in particular those leases with long contractual terms where the lessee is the sole tenant in a property and long-term ground leases where the REIT is the lessee, are operating or finance leases. The REIT has determined that none of its leases are finance leases.

Income taxes

The REIT has determined that it is not subject to income taxes as it intends to continue to meet prescribed conditions under the Income Tax Act (Canada) and make distributions not less than the amount necessary to ensure that it is not liable to pay income taxes under current tax legislation.

Assets and liabilities held for sale

The Trust makes judgments in determining whether certain non-current assets or group of assets and liabilities meet the specified criteria under IFRS for classification as held for sale. As at March 31, 2013, the Trust has identified that 220 Portage Ave meets the specified criteria and has accounted for this investment property as an asset held for sale.

Key Estimates

The key estimates and assumptions made by management about the future and other major sources of estimation uncertainty at the date of the consolidated financial statements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Valuation of investment properties

The fair value of investment properties is determined either internally by management or externally by qualified third party appraisers. The critical estimates and assumptions used in completing the valuations include, among other things, rental revenue from current leases, rental revenue from future leases in light of current conditions, future cash outflows in respect of tenant installation costs and property operations, and capitalization and discount rates arrived at through an independent analysis of market data within the applicable market segment and geographic location. Valuations are most sensitive to changes in discount rates and capitalization rates.

Provision for decommissioning

The critical estimates and assumptions underlying the provision for decommissioning in relation to a certain ground lease includes, among other things, the future costs of restoration at the end of the ground lease and duration of the ground lease, the rate of inflation and discount rate.

Section 6 Risks and Uncertainties

For a full list and explanation of the REIT's risks and uncertainties, please refer to the REIT's Annual Information Form for the period from formation, August 27, 2012, to December 31, 2012, available on SEDAR at www.sedar.com.

In the normal course of business, the REIT is exposed to financial risks that arise from its financial instruments. The mandate of the REIT's Board of Trustees includes identifying and managing the REIT's risk exposure. Other than the use of interest rate swaps to reduce the impact of floating rate mortgages, the REIT does not use hedging transactions to manage risk. As a part of the overall operation of the REIT, management takes steps to avoid undue concentrations of risks. The following describes the types of risks that the REIT is exposed to and its objectives and policies for managing those risk exposures:

Liquidity risk

Liquidity risk is the risk that the REIT will encounter difficulty in meetings its debt and other financial obligations as they mature. Refer to the discussion under Section 4 – Financial Condition on Liquidity and Capital Resources of the REIT.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows or fair values of the REIT's financial instruments. The Canadian economy in recent years has been a low interest rate environment. A reversal of this trend, however, could significantly affect the REIT's ability to meet its financial obligations. Interest rate cash flow risk is minimized by the REIT by having the majority of its mortgages on fixed term arrangements. In addition, the maturity dates of mortgages are staggered over a number of years to reduce the exposure in any one year. The REIT also utilizes interest rate swaps to fix interest rates on its floating rate mortgages. At March 31, 2013, the REIT had one interest rate swap outstanding with a notional amount of $4.3 million.

At March 31, 2013, the REIT had floating rate mortgages (excluding the mortgage associated with the interest rate swap) with an aggregate carrying amount of $11.1 million, or 12% of total mortgages payable. Had the floating interest rates increased or decreased by 100 basis points, the increase or decrease in finance costs for the three months ended March 31, 2013 would have been nominal ($0.1 million on an annual basis).

Credit risk

Credit risk is the risk that the REIT incurs a loss as a result of a counterparty not fulfilling its financial obligation. Credit risk is associated with the REIT's cash, restricted cash and accounts receivable. The REIT controls risks by avoiding undue concentration of assets in any geographic location, in any industry or with any specific tenants. This risk is further mitigated by signing long-term leases with tenants who have investment-grade credit ratings and investing cash in large financial institutions with strong credit ratings. The REIT has credit policies to address credit risk which are applied during lease negotiations and may include an analysis of the financial position of the debtor; and a review of credit limits, credit history and credit performance. In the event of a tenant default, delays or limitations in enforcing rights of the lessor may be experienced and substantial costs in protecting the REIT's investment may be incurred. Furthermore, at any time, a tenant of the REIT's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the REIT. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. At March 31, 2013, there was no allowance for doubtful accounts or any other impairment provisions recognized in the REIT's consolidated financial statements.

Lease Rollover Risk

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. In addition, the terms of any subsequent leases may be less favourable than the existing lease terms. The REIT's ability to re-lease vacant space upon their lease expiry is affected by many factors. The failure to lease vacant space on a timely basis or at all could have a material adverse effect on the REIT's financial condition and results of operations.

To mitigate lease rollover risk, the REIT attempts to stagger its lease expiry profile so that the REIT is not faced with disproportionate amounts of space expiring in any one year. Management further mitigates this risk by maintaining a diversified portfolio of properties both by asset class and geographic location.

The following tables summarizes the weighted average remaining lease terms by asset class and geographic location:

Weighted Average Remaining Lease Term (years)
At March 31, 2013

	Industrial	Office	Retail	Total
Manitoba	4.6	2.9	9.6	**4.1**
Ontario	13.1	3.7	-	**10.5**
Saskatchewan	-	1.6	2.8	**2.2**
Alberta	8.7	-	2.4	**7.9**
Northwest Territories	-	-	3.1	**3.1**
	8.0	**2.9**	**5.2**	**5.6**

At March 31, 2013, approximately 3.0% of the REIT's tenancies are on a month-to-month basis. The following table outlines the expiries of tenant leases, by square footage, with respect to the REIT's property portfolio as at March 31, 2013:

Lease Expiries by Asset Class

	Month-to-month	2013	2014	2015	2016	2017	2018 and beyond	Total
Industrial								
Sq. ft. (000s)	-	11	138	-	36	89	496	**770**
Percentage (%)	0.0%	1.4%	17.9%	0.0%	4.7%	11.6%	64.4%	**100.0%**
Office								
Sq. ft. (000s)	34	171	67	52	188	13	138	**663**
Percentage (%)	5.1%	25.8%	10.0%	7.8%	28.4%	2.0%	20.8%	**99.9%**
Retail								
Sq. ft. (000s)	14	3	32	4	23	40	67	**183**
Percentage (%)	7.7%	1.6%	17.4%	2.2%	12.6%	21.9%	36.6%	**100.0%**
	48	**185**	**237**	**56**	**247**	**142**	**701**	**1,616**

Lease Expiries by Geographic Location (sq. ft. in 000s)

	Month-to-month	2013	2014	2015	2016	2017	2018 and beyond	Total
Manitoba	34	167	186	5	121	102	341	956
Ontario	-	-	-	-	103	-	259	362
Saskatchewan	14	18	46	51	-	37	4	170
Alberta	-	-	5	-	10	-	97	112
Northwest Territories	-	-	-	-	13	3	-	16
	48	**185**	**237**	**56**	**247**	**142**	**701**	**1,616**
Percentage (%)	**3.0%**	**11.4%**	**14.7%**	**3.5%**	**15.2%**	**8.8%**	**43.4%**	**100.0%**

Environmental Risks

The REIT is subject to various federal, provincial and municipal laws relating to environmental matters, primarily dealing with costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect the REIT's ability to sell or finance affected assets, and potentially result in claims against the REIT. Management is not aware of any material non-compliance with environmental laws or regulations with respect to the REIT's properties or of any pending or threatened investigations, actions, or claims against the REIT relating to environmental matters.

Land Leases

The REIT has one property that is situated on land leased from an airport authority in Winnipeg, Manitoba. There can be no assurance that the Winnipeg airport authority will renew the ground lease upon expiry in 2036. If the ground lease is not renewed, or if the REIT defaults under the ground lease, the REIT would be unable to operate the building situated on the leased land and may be required to relocate certain tenants to comparable space. Under this circumstance, the REIT may seek to acquire the replacement property. There can be no assurance that such property will be available for acquisition on favourable terms to the REIT or that any such acquired property will generate anticipated operating results. If the REIT is unable to provide alternative suitable space for its tenants, including construction of new buildings, the REIT would lose its tenants.

Income taxes

The REIT is a mutual fund trust and real estate investment trust pursuant to the Income Tax Act (Canada). Under the Income Tax Act (Canada), so long as the REIT meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"), the REIT is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to unitholders during the period. Management intends to operate the REIT in a manner that enables the REIT to continue to meet the REIT Conditions and to distribute all of its taxable income to its unitholders in order to avoid paying income taxes. In the event that the REIT fails to meet the REIT Conditions or to distribute the required amount of income to its unitholders, the REIT will be subject to current taxes at the combined Canadian federal and provincial tax rate. The applicable combined Canadian federal and provincial tax rate as at March 31, 2013 was 45.0%.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of properties will compete with the REIT in seeking tenants. Some of the properties located in the same markets as the REIT's properties are newer, better located, less levered or have stronger tenant profiles than the REIT's properties. Some owners with properties located in the same markets as the REIT's properties may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn. Competition from developers, managers and owners in the markets in which the REIT operates could have a negative effect on the REIT's ability to lease space, rental rates charged, or concessions granted, which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to unitholders.

Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that the REIT may be prepared to accept. Increases in the availability of funds from investors and interests in real property investments, or a decrease in interest rates may increase competition, thereby increasing the prices paid by the REIT for property acquisitions and reducing the yield on the investments.

Current Economic Environment

Continued concerns and uncertainties surrounding inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the Canadian mortgage market and a distressed commercial real estate market have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect the REIT’s ability to maintain occupancy rates and generate revenues, thereby reducing its operating income and net earnings. If these economic conditions continue, the REIT’s tenants and operators may be unable to meet their rental payments and other obligations due to the REIT, which could have a material adverse effect on the REIT’s financial position.

Section 7 Disclosure Controls and Procedures

The REIT’s management, under the supervision of its Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), is responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”).

DC&P are designed to provide reasonable assurance that information required to be disclosed by the REIT in annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Furthermore, DC&P are designed to ensure that information required to be disclosed by the REIT in annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the REIT’s management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation has adopted the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission for the design of its ICFR.

No changes were made in the REIT’s design of ICFR during the three months ended March 31, 2013, that have materially affected, or are reasonably likely to materially affect, the REIT’s internal ICFR.

A control system, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, amongst other items: (i) that management’s assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Appendix A – Property Table as at March 31, 2013

A summary of details of the REIT's property portfolio at March 31, 2013 is set out in the table below.

Asset Class	Property Name	City, Province	Year Built / Renovated/Expanded	Ownership	GLA (sq. ft.)	Occupancy
INDUSTRIAL						
1.	35 Martin Way	Brooks, AB	2005	100%	28,400	100.0%
2.	5404 36th Street SE	Calgary, AB	1980	100%	36,000	100.0%
3.	7001 96th Street	Grande Prairie, AB	1980	100%	33,280	100.0%
4.	891 – 895 Century Street	Winnipeg, MB	1961 / 1968	100%	51,835	100.0%
5.	110 Lowson Crescent	Winnipeg, MB	1996	100%	60,903	100.0%
6.	130 Lowson Crescent	Winnipeg, MB	1999	100%	25,672	100.0%
7.	119 – 130 Plymouth Street	Winnipeg, MB	1977 / 1999	100%	43,364	100.0%
8.	1271 Sargent Avenue	Winnipeg, MB	1981 / 1984	100%	40,893	100.0%
9.	1855 Sargent Avenue	Winnipeg, MB	1953 / 1998	100%	77,500	100.0%
10.	1935 Sargent Avenue (1)	Winnipeg, MB	1962 / 1997	100%	113,864	100.0%
11.	505 Industrial Drive	Milton, ON	2002	100%	258,960	100.0%
TOTAL – INDUSTRIAL					**770,671**	**100.0%**
OFFICE						
12.	Saskatchewan Place	Regina, SK	1985	100%	84,243	98.0%
13.	280 Broadway Avenue (2)	Winnipeg, MB	1957	100%	115,354	100.0%
14.	585 Century Street (3)	Winnipeg, MB	1959	100%	9,680	100.0%
15.	220 Cree Crescent	Winnipeg, MB	1980	100%	18,000	100.0%
16.	1680 Ellice Avenue (3)	Winnipeg, MB	1980	100%	29,843	89.8%
17.	1030 – 1040 Empress Street	Winnipeg, MB	1956 / 1983	100%	33,478	100.0%
18.	114 Garry Street	Winnipeg, MB	1950 / 1995	100%	74,248	100.0%
19.	220 Portage Avenue (4)	Winnipeg, MB	1966 / 1988	50%	85,079	97.5%
20.	1336 – 1340 Sargent Avenue	Winnipeg, MB	1950 / 1995	100%	42,092	100.0%
21.	895 Waverley Street	Winnipeg, MB	1991	100%	34,435	100.0%
22.	1000 Waverley Street	Winnipeg, MB	1966 / 1998	100%	58,515	70.4%
23.	1189 Colonel Sam Drive	Oshawa, ON	2001	100%	103,179	100.0%
TOTAL – OFFICE					**688,146**	**96.5%**
RETAIL						
24.	125 – 185 First Street	Cochrane, AB	1998	100%	15,757	92.5%
25.	Humboldt Mall	Humboldt, SK	1986	100%	106,145	82.9%
26.	Flin Flon Wal-Mart	Flin Flon, MB	2002	100%	63,439	100.0%
27.	Airport Road Shopping Centre	Yellowknife, NWT	1982 / 2003 (5)	100%	15,475	100.0%
TOTAL – RETAIL					**200,816**	**90.4%**
TOTAL PROPERTIES					**1,659,633**	**97.4%**

Notes:

(1) Leasehold interest.
(2) Includes a seven-storey office building at 280 Broadway Avenue, a three-storey multi-family residential building located at 70 Smith Street and two parking lots located at 286 Broadway Avenue and 68 Smith Street; excludes the residential tenants at 70 Smith Street.
(3) 1680 Ellice Avenue and 585 Century Street comprise the Century Business Park.
(4) The REIT has a 50% non-managing interest in 220 Portage Avenue which is co-owned with a third party.
(5) The Airport Road Shopping Centre consists of two buildings. 307 Old Airport Road was originally built in 1993 and subsequently renovated in 2003. 309 Old Airport Road was originally built in 1982 and subsequently renovated in 2001.